

STEMCELLS INC  
Form 4  
May 28, 2015

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Stratton Kenneth Blair

(Last) (First) (Middle)  
C/O STEMCELLS, INC., 7707  
GATEWAY BLVD, STE 140  
(Street)

NEWARK, CA 94560

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
STEMCELLS INC [STEM]

3. Date of Earliest Transaction (Month/Day/Year)  
05/26/2015

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
\_X\_ Officer (give title below) \_\_\_ Other (specify below)  
General Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_X\_ Form filed by One Reporting Person  
\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------------------|
|                                 |                                      |                                                    |                                | (A) or (D) Code V Amount (D) Price                                |                                                                                               |                                                          |                                   |
| Common Stock                    | 05/26/2015                           |                                                    | F <sup>(1)</sup>               | 26,306 D \$ 0.68                                                  | 661,074 <sup>(2)</sup>                                                                        | D                                                        |                                   |
| Common Stock                    |                                      |                                                    |                                |                                                                   | 21,131                                                                                        | I                                                        | By 401(k) Plan <sup>(3)</sup>     |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Nu                      |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------|----------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date                                               | Title                                      | Amount or Number of Shares |

## Reporting Owners

| Reporting Owner Name / Address                                                                  | Relationships |           |                 |       |
|-------------------------------------------------------------------------------------------------|---------------|-----------|-----------------|-------|
|                                                                                                 | Director      | 10% Owner | Officer         | Other |
| Stratton Kenneth Blair<br>C/O STEMCELLS, INC.<br>7707 GATEWAY BLVD, STE 140<br>NEWARK, CA 94560 |               |           | General Counsel |       |

## Signatures

/s/ George Koshy, Chief Accounting Officer  
Date: 05/28/2015

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This is recorded as a Code F disposition because the shares were used by the reporting person to pay a tax liability incurred by him from the delivery of shares incident to the vesting of restricted stock units.  
Includes (1) 140,000 restricted stock units, with 70,000 of these vesting on each of May 24, 2016, and May 24, 2017; (2) 32,500 restricted stock units vesting on January 27, 2016; (3) 240,000 restricted stock units, with 80,000 of these vesting on each of January 8, 2016, January 8, 2017, and January 8, 2018; and (4) 80,000 restricted stock units with performance based vesting.
- (3) Includes shares held in 401(k) account in accordance with issuer's employer-match policies.

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