

STEMCELLS INC  
Form 4  
June 18, 2008

**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 \*  
SCHWARTZ JOHN J

(Last) (First) (Middle)

C/O STEMCELLS, INC., 3155  
PORTER DRIVE

(Street)

PALO ALTO, CA 94304

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/16/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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)	Price		
Common Stock	06/16/2008		M	23,100 A	\$ 1.281 23,100	D	
Common Stock	06/16/2008		S	9,200 D	\$ 1.37 13,900	D	
Common Stock	06/16/2008		S	13,900 D	\$ 1.38 0	D	
Common Stock	06/17/2008		M	24,600 A	\$ 1.281 24,600	D	
Common Stock	06/17/2008		S	2,100 D	\$ 1.37 22,500	D	

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Common Stock 06/17/2008 S 22,500 D \$ 1,370.10 D

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

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SEC 1474 (9-02)

**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. Amount or Number of Shares
Stock Option (right to buy)	\$ 1.281	06/16/2008		M	23,100	<sup>(1)</sup> 07/27/2008	Common Stock	23,100
Stock Option (right to buy)	\$ 1.281	06/17/2008		M	24,600	<sup>(1)</sup> 07/27/2008	Common Stock	24,600

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHWARTZ JOHN J C/O STEMCELLS, INC. 3155 PORTER DRIVE PALO ALTO, CA 94304	X			

## Signatures

John J. Schwartz by Ken Stratton,  
Attorney-in-Fact

06/18/2008

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) Non-qualified option granted on 7/27/1998, vesting in equal monthly installments over 2 years. Became fully vested and exerciseable on 7/27/2000.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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