

MCGLYNN MARTIN M  
Form 4  
April 07, 2009

**FORM 4**

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

OMB APPROVAL

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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 \*  
MCGLYNN MARTIN M

(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)  
04/03/2009

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)

President & CEO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	04/03/2009		M		57,000	A	\$ 0.94
							420,344 <sup>(1)</sup>
Common Stock	04/03/2009		S		145,344	D	\$ 1.6614
							275,000 <sup>(1)</sup>
							<sup>(2)</sup>

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

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SEC 1474  
(9-02)

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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. Amount or Number of Shares
Stock Option (right to buy)	\$ 0.94	04/03/2009		M	57,000	<sup>(3)</sup> 02/05/2013	Common Stock	57,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCGLYNN MARTIN M C/O STEMCELLS, INC. 3155 PORTER DRIVE PALO ALTO, CA 94304	X		President & CEO	

## Signatures

/s/ Ken Stratton,  
attorney-in-fact

04/07/2009

\*\*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) Includes 275,000 restricted stock units, with 1/2 of these vesting on March 10, 2010, and 1/2 of these vesting on March 10, 2011.

The \$1.6614 per share price was the weighted average price of open market sales by Mr. McGlynn on 4/3/2009. Actual prices ranged from \$1.7075 per share to \$1.65 per share. Mr. McGlynn will provide full information about the number of shares sold at each price, upon request by the SEC, the issuer or any security holder of the issuer.

The non-qualified employee stock option covering the right to buy these shares was granted on 2/5/2003 under the issuer's 2001 Equity Incentive Plan; 1/4 of the option (75,000 shares) vested on the first anniversary of the grant and 1/48 of the option vested per month thereafter.

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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