

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

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

OMB Number: 3235-0287

Expires: January 31, 2005

Estimated average burden hours per response... 0.5

1. Name and Address of Reporting Person *
MCGLYNN MARTIN M

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

5. Relationship of Reporting Person(s) to Issuer

(Last) (First) (Middle)

C/O STEMCELLS, INC., 7707
GATEWAY BLVD, STE 140

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/02/2012

(Check all applicable)

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

President & CEO

NEWARK, CA 94560

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

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

(City) (State) (Zip)

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	08/02/2012		<u>F</u> (1)		16,159	D	\$ 1.7	523,154 <u>(2)</u>	D	
Common Stock								12,703	I	By 401(k) plan ⁽³⁾

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. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				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
MCGLYNN MARTIN M C/O STEMCELLS, INC. 7707 GATEWAY BLVD, STE 140 NEWARK, CA 94560	X		President & CEO	

Signatures

/s/ Ken Stratton,
attorney-in-fact

08/03/2012

__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.
- (2) Includes (1) 406,000 restricted stock units, with 153,333 of this grant vesting on each of January 27, 2013, January 27, 2014 and January 27, 2015, (2) 40,000 restricted stock units vesting on June 25, 2013, and (3) 5,867 restricted stock units vesting on May 15, 2013.
- (3) Shares held in 401(k) account in accordance with issuer's employer-match policies.

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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