

<b>OMB APPROVAL</b>	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>TSUKAMOTO ANN</u>  (Last) (First) (Middle) <u>C/O STEMCELLS, INC.</u> <u>7707 GATEWAY BLVD, STE 140</u>  (Street) <u>NEWARK CA 94560</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>STEMCELLS INC [ STEM ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>EVP, Research and Development</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/27/2012</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	01/08/2015		A		250,000	A	\$0.00 <sup>(1)</sup>	627,506 <sup>(2)</sup>	D	
Common Stock	01/08/2015		A		100,000	A	\$0.00 <sup>(3)</sup>	727,506 <sup>(4)</sup>	D	
Common Stock								3,643	I	family trust <sup>(5)</sup>
Common Stock								26,490	I	By 401(k) Plan <sup>(6)</sup>

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

**Explanation of Responses:**

- Restricted stock units, with 1/3 vesting on each of January 8, 2016, January 8, 2017, and January 8, 2018.
- Includes (1) 210,000 restricted stock units, with 70,000 of these vesting on each of June 6, 2015, June 6, 2016, and June 6, 2017; (2) 43,333 restricted stock units vesting on January 27, 2015; and (3) 250,000 restricted stock units, with 83,333 of these vesting on each of January 8, 2016, January 8, 2017, and January 8, 2018.
- Restricted stock units, with performance based vesting set by the issuer's Board of Directors and tied to the timely and successful conduct and completion of the issuer's Phase II clinical studies in dry AMD and spinal cord injury.
- Includes (1) 210,000 restricted stock units, with 70,000 of these vesting on each of June 6, 2015, June 6, 2016, and June 6, 2017; (2) 43,333 restricted stock units vesting on January 27, 2015; (3) 250,000 restricted stock units, with 83,333 of these vesting on each of January 8, 2016, January 8, 2017, and January 8, 2018; and (4) 100,000 restricted stock units with performance based vesting.
- 2,284 shares held in trust as to which Dr. Tsukamoto disclaims beneficial ownership.
- Shares held in 401(k) account in accordance with issuer's employer-match policies.

**Remarks:**

/s/ Ken Stratton, attorney-in-fact      01/09/2015

\*\* Signature of Reporting Person      Date

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

\* 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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.