

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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).

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>SCHIFFMAN GREGORY T</u> (Last) (First) (Middle) <u>7707 GATEWAY BLVD</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>Chief Financial Officer</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>03/14/2016</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	03/14/2016		A		166,000	A	\$0.3 ⁽¹⁾	879,717 ⁽²⁾	D	
Common Stock								21,211	I	By 401(k) plan ⁽³⁾

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	Title	Amount or Number of Shares				
Series A Warrants (right to buy)	\$0.3	03/14/2016		A		83,000		03/14/2016	03/14/2018	Common Stock	83,000	\$0.00 ⁽⁴⁾	83,000	D	
Series B Warrants (right to buy)	\$0.42	03/14/2016		A		124,500		03/14/2017 ⁽⁵⁾	03/14/2022 ⁽⁵⁾	Common Stock	124,500	\$0.00 ⁽⁴⁾	207,500	D	

Explanation of Responses:

- Represents common shares purchased by the reporting person in an underwritten public offering by the issuer, in which investors acquired a fixed ratio of common stock at a purchase price of \$0.2999998 per share, Series A common stock warrants at a purchase price of \$0.0000001 per Series A warrant, and Series B common stock warrants at a purchase price of \$0.0000001 per Series B warrant.
- Includes (1) 175,000 restricted stock units, with 87,500 of these vesting on each of January 1, 2017 and January 1, 2018; and (2) 118,666 restricted stock units, with 59,333 of these vesting on each of January 8, 2017 and January 8, 2018; and (3) 250,000 restricted stock units with performance based vesting.
- Shares held in 401(k) account in accordance with issuer's employer-match policies.
- Represents warrants purchased by the reporting person in an underwritten public offering by the issuer, in which investors acquired a fixed ratio of common stock at a purchase price of \$0.2999998 per share, Series A common stock warrants at a purchase price of \$0.0000001 per Series A warrant, and Series B common stock warrants at a purchase price of \$0.0000001 per Series B warrant.
- The Series B Warrants issued in the issuer's underwritten public offering on March 14, 2016 will become exercisable upon the later of (i) issuer's receipt of stockholder approval to effect a reverse stock split so as to permit the exercise in full of the outstanding Series B Warrants and (ii) 12 months from the date of issuance, and will expire five years from the date on which such Series B Warrants become exercisable.

Remarks:

/s/ Ken Stratton, attorney-in-fact 03/21/2016

** 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.

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