

**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

OMB APPROVAL	
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<b>1. Name and Address of Reporting Person*</b> <u>CRAIG STEWART</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)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>STEMCELLS INC [ STEM ]</u>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) <u>SVP, Development &amp; Operations</u>
	<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>05/24/2013</u>	
		<b>6. Individual or Joint/Group Filing (Check Applicable Line)</b> X 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	05/24/2013		A		280,000	A	\$0.00 <sup>(1)</sup>	420,658 <sup>(2)</sup>	D	
Common Stock								13,316	I	By 401(k) Plan <sup>(3)</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 1/4 vesting on May 24, 2014, 1/4 vesting on May 24, 2015, 1/4 vesting on May 24, 2016, and 1/4 vesting on May 24, 2017.
- Includes (1) 280,000 restricted stock units, with 70,000 of this vesting on each of May 24, 2014, May 24, 2015, May 24, 2016, and May 24, 2017; (2) 97,500 restricted stock units, with 32,500 of this vesting on each of January 27, 2014, January 27, 2015, and January 27, 2016; (3) 10,000 restricted stock units, with 5,000 vesting on each of June 1, 2013 and June 1, 2014; and (4) 2,333 restricted stock units vesting on September 15, 2013.
- Shares held in 401(k) account, in accordance with issuer's employer-match policies.

**Remarks:**

/s/ Ken Stratton, attorney-in-fact      05/29/2013

\*\* 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.