

<b>OMB APPROVAL</b>	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

**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>MCGLYNN MARTIN M</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)  <input checked="" type="checkbox"/> Director 10% Owner  <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;"><b>President &amp; CEO</b></p>
	3. Date of Earliest Transaction (Month/Day/Year) <u>01/08/2015</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line)  <input checked="" type="checkbox"/> 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	01/08/2015		A		1,255,500	A	\$0.00 <sup>(1)</sup>	2,274,391 <sup>(2)</sup>	D	
Common Stock	01/08/2015		A		418,500	A	\$0.00 <sup>(3)</sup>	2,692,891 <sup>(4)</sup>	D	
Common Stock								22,921	I	By 401(k) plan <sup>(5)</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) 525,000 restricted stock units, with 175,000 of these vesting on each of June 14, 2015, June 14, 2016, and June 14, 2017; (2) 135,333 restricted stock units vesting on January 27, 2015, and (3) 1,255,500 restricted stock units, with 418,500 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) 525,000 restricted stock units, with 175,000 of these vesting on each of June 14, 2015, June 14, 2016, and June 14, 2017; (2) 135,333 restricted stock units vesting on January 27, 2015; (3) 1,255,500 restricted stock units, with 418,500 of these vesting on each of January 8, 2016, January 8, 2017 and January 8, 2018; and (4) 418,500 restricted stock units with performance based vesting.
- 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.