STEMCELLS INC Form 4 October 06, 2008

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB APPROVAL

OMB 3235-0287 Number: January 31,

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Check this box if no longer subject to Section 16. Form 4 or

SECURITIES Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations

may continue. See Instruction Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * WEISSMAN IRVING

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

STEMCELLS INC [STEM]

(Check all applicable)

C/O STEMCELLS, INC., 3155

(First)

(Middle)

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

10/01/2008

10% Owner Officer (give title Other (specify

PORTER DRIVE

(Street)

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

X_ Director

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

below)

PALO ALTO, CA 94304

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4) (Instr. 4)

(A) or Code V Amount (D) Price Reported Transaction(s) (Instr. 3 and 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

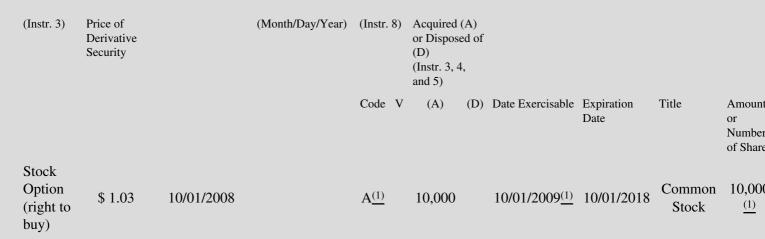
Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount of **Underlying Securities** (Instr. 3 and 4)

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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WEISSMAN IRVING				
C/O STEMCELLS, INC.	v			
3155 PORTER DRIVE	X			
PALO ALTO, CA 94304				

Signatures

Irving Weissman by Ken Stratton, Attorney-in-Fact

**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).

Compensated non-employee directors receive an initial option for 20,000 shares of the Company's common stock on appointment to the Board of Directors as such, and an option for 10,000 shares on each anniversary of appointment, with a strike price equal to the closing

(1) price of the stock on such date (or the last preceding business day if such day is not a business day); initial options vest 1/3 on each of the first three anniversaries of appointment, and annual options vest on the first anniversary of each such option. Dr. Weissman became a compensated non-employee director on October 1, 2000.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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