SEC Form 4

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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* WEISSMAN IRVING	2. Issuer Name **and** Ticker or Trading Symbol STEMCELLS INC [STEM]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

(Last)	(First)	(Middle)

C/O STEMCELLS, INC.

3155 PORTER DRIVE

(Street)

PALO ALTO	CA	94304

(City)	(State)	(Zip)

3. Date of Earliest Transaction (Month/Day/Year)
05/24/2005

4. If Amendment, Date of Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

X	Director		10% Owner
	Officer (give title below)		Other (specify below)

6. Individual or Joint/Group Filing (Check Applicable Line)

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	05/24/2005		X		72,252[1]	A	$3.42[1]	1,154,130[2]	D	
Common Stock	05/24/2005		J[1]		61,468[1]	D	$4.02[1]	1,092,662[3]	D[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				
Common Stock Warrant (right to buy)	$3.42	05/24/2005		X			72,252	07/12/2000	07/12/2005	Common Stock	72,252	[4]	0	D	

Explanation of Responses:

1. Dr. Weissman acquired 10,784 shares from the cashless exercise of a warrant covering 72,252 shares exercisable at $3.42 per share, at a Market Price of $4.02 determined as defined in the Warrant.

2. This is a purely theoretical number, since the transaction was a cashless exercise and Dr. Weissman never owned the 72,252 shares covered by the warrant.

3. An additional 14,511 shares are held in trust for Dr. Weissman's children, as to which he disclaims beneficial ownership. The reported transaction did not affect the number of such shares.

4. The warrant was issued to Dr. Weissman as part of a transaction in which he purchased cumulative convertible preferred stock, all of which has been converted. The warrant was not separately priced.

Remarks:

Irving Weissman by Iris Brest, Attorney-in-Fact	05/26/2005
** 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.