FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL								
OMB Number:	3235-0287							
Estimated average burden								
hours per response:	0.5							

7. Nature of

7. Nature 5. Indirect Beneficial Ownership

11. Nature of Indirect Beneficial

Ownership (Instr. 4)

(Instr. 4)

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b). 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											ΗP	Estima	OMB Number: 3 Estimated average burden hours per response:					
1. Name and Address of Reporting Person* KOSHY GEORGE						ssuer	ion 30(h) o Name and CELLS	I Ticke	er or Tradi	ng Sy		elationship of ck all applica Director		eporting Person(s) to Issuer e) 10% Owner				
	(First) (Middle) TEMCELLS, INC. PORTER DRIVE						f Earliest T 006	ransa	ction (Mo	nth/D		Officer (give title X Other (spe below) Chief accounting officer						
(Street) PALO AL	TO CA	. !	94304 4. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individ X															
(City)	(Sta		(Zip) ble I - Noi	n-Deri	vativ		curities		nuired	Die	nosed of	or Ben	eficially	Owned				
1. Title of Security (Instr. 3) 2. Trans Date (Month/)				saction	n ′ear)	2A. Deemed Execution Date, if any (Month/Day/Year)		, 3. Transacti Code (Ins		4. Securiti	es Acquired Of (D) (Instr	(A) or	or 5. Amount o		Form:	: Direct r Indirect str. 4)	7. Natu Indirec Benefic Owner (Instr. 4	
									Code	v	Amount	(A) or (D)	Price	Transactio (Instr. 3 an	n(s) d 4)			
			Table II -						,		osed of, onvertib			owned				
1. Title of Derivative Security (Instr. 3)	Derivative Conversion Date Execution Date, security or Exercise (Month/Day/Year) if any		oate,	4. Transaction Code (Instr. 8)		Derivative		6. Date Exercisable and Expiration Date (Month/Day/Year)			7. Title and of Securiti Underlying Derivative (Instr. 3 ar	es g Security	8. Price of Derivative Security (Instr. 5)	9. Number derivative Securitie Beneficia Owned Following Reported Transacti	e s ally g	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	Ber Ow (Ins	
				Γ					Data		Expiration		Amount or]	(Instr. 4)	1011(5)		

			Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	or Number of Shares		(
Stock Option (right to purchase)	\$2	07/21/2006	А		100,218		07/21/2007 ⁽¹⁾	07/21/2016	Common Stock	100,218	\$0.00	100,218	D	
Stock Appreciation Right	\$2	07/01/2006	А		69,782		07/21/2007 ⁽²⁾	07/21/2016	Common Stock ⁽³⁾	69,782	\$0.00	69,782	D	

Explanation of Responses:

1. Employee Incentive Stock Option; vests 1/4 on the first anniversary of the grant and 1/48 per month thereafter

2. stock appreciation right; vests 1/4 on the first anniversary of the grant and 1/48 per month thereafter

3. Stock Appreciation Right will be settled in cash upon exercise, with reference to price of Common Stock at that time

Remarks:

George Koshy by Iris Brest, Attorney in Fact

07/26/2006

** 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.