

OMB APPROVAL	
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**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>WEISSMAN IRVING</u>  (Last) (First) (Middle) <u>C/O STEMCELLS, INC.</u> <u>3155 PORTER DRIVE</u>  (Street) <u>PALO ALTO CA 94304</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  Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>12/31/2003</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

**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			

**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
Stock Option (right to buy)	\$0.25	12/31/2003		A <sup>(1)</sup>		3,468		12/31/2003	12/31/2013	Common Stock	3,468	\$0 <sup>(1)</sup>	3,468	D	
Stock Option (right to buy)	\$0.1	01/01/2004		A <sup>(2)</sup>		6,434		01/01/2004	01/01/2004	Common Stock	6,434	\$0 <sup>(2)</sup>	6,434	D	

**Explanation of Responses:**

1. Compensation for service on the Board of Directors and for attendance at Board meetings. Non-employee directors receive compensation in the form of options to purchase shares of the Company's common stock at below market prices (\$0.25 per share), in lieu of cash payments of \$4,500 quarterly, \$1,500 per Board meeting attended in person or videoconference, and \$500 for a Board meeting attended by telephone or for a Committee meeting not coincident with a Board meeting. The number of shares is calculated using the closing price of the Company's common stock for the last business day of the quarter, less the option price of \$0.25 per share. Options so issued vest immediately.
2. Compensation for service as a Consultant to the Company, payable at the Company's election either in cash (\$12,500 quarterly) or in the form of options to purchase shares of the Company's common stock at a below market price (\$0.10 per share). The number of shares is calculated using the average of the closing prices of the Company's common stock for the 20 trading days prior to payment, less the option price of \$0.10 per share. Payment is normally made quarterly in advance, but payment in stock options for the fourth quarter of 2002 was only authorized on October 24, 2002. Options so issued vest immediately.

**Remarks:**

Irving Weissman by Iris Brest, 12/31/2003  
Attorney-in-Fact

\*\* 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.