

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

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

1. Name and Address of Reporting Person * SCHWARTZ JOHN J (Last) (First) (Middle) C/O STEMCELLS, INC. 3155 PORTER DRIVE (Street) PALO ALTO CA 94304 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol STEMCELLS INC [STEM]	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) 04/02/2009	
	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			
Common Stock	04/02/2009		M		88,164	A	\$0.25	88,164	D	
Common Stock	04/02/2009		S		88,164	D	\$1.6749	0	D	

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	04/02/2009		M			573	(I)	11/02/2011	Common Stock	573	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			2,701	(I)	12/31/2011	Common Stock	2,701	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			554	(I)	02/12/2012	Common Stock	554	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			628	(I)	02/20/2012	Common Stock	628	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			4,654	(I)	03/31/2012	Common Stock	4,654	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			852	(I)	05/02/2012	Common Stock	852	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			6,387	(I)	06/28/2012	Common Stock	6,387	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			1,261	(I)	07/18/2012	Common Stock	1,261	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			2,459	(I)	09/16/2012	Common Stock	2,459	\$0.00	0	D	

**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				
Stock Option (right to buy)	\$0.25	04/02/2009		M			17,500	(L)	09/30/2012	Common Stock	17,500	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			1,429	(L)	10/24/2002	Common Stock	1,429	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			1,613	(L)	12/19/2012	Common Stock	1,613	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			10,417	(L)	12/31/2012	Common Stock	10,417	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			1,667	(L)	01/14/2013	Common Stock	1,667	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			2,143	(L)	03/21/2013	Common Stock	2,143	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			12,500	(L)	03/31/2013	Common Stock	12,500	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			7,624	(L)	06/30/2013	Common Stock	7,624	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			6,699	(L)	09/30/2003	Common Stock	6,699	\$0.00	0	D	
Stock Option (right to buy)	\$0.25	04/02/2009		M			6,503	(L)	12/31/2013	Common Stock	6,503	\$0.00	0	D	

Explanation of Responses:

1. Non-qualified option granted as compensation for service on the issuer's Board of Directors and for attendance at Board meetings. Non-employee directors have sometimes received compensation in the form of options to purchase shares of the issuer's common stock at below market prices (\$0.25 per share), in lieu of cash payments of \$4,500 quarterly (\$8,750 quarterly for service of the Chairman of the Board), \$1,500 per Board meeting attended in person or by videoconference and \$500 per meeting attended by telephone. The number of shares for each such option grant was calculated using the closing price of the issuer's common stock for the date of a Board meeting or, with respect to the quarterly retainer payments, the closing price for the last business day of the quarter, less the option price of \$0.25 per share. The options so issued were fully vested upon issuance.

Remarks:

/s/ John J. Schwartz by Ken
Stratton, Attorney-in-Fact

04/06/2009

** 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.