

STEMCELLS INC  
Form 8-K  
July 06, 2011

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported):

June 30, 2011

StemCells, Inc.

(Exact name of registrant as specified in its charter)

Delaware

000-19871

94-3078125

(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

3155 Porter Drive, Palo Alto, California

94304

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

650.475.3100

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 3.03. Material Modification to Rights of Security Holders.**

The Company filed on July 1, 2011, a Certificate of Amendment to its Restated Certificate of Incorporation, as amended, which will cause a one-for-ten reverse stock split of the Company's issued and outstanding common stock, par value \$0.001 per share, on July 6, 2011 at 12:01am Eastern Time (such time on such date, the Effective Time).

As a result of the one-for-ten reverse stock split (the Reverse Stock Split), at the Effective Time, each ten shares of the Company's common stock issued and outstanding immediately prior to the Effective Time will be automatically combined into and become one share of Company common stock. In cases in which the Reverse Stock Split results in any shareholder holding a fraction of a share, such fractional share will be rounded up to the nearest whole number. Also, as a result of the Reverse Stock Split, at the Effective Time, the per share exercise price of, and the number of shares of common stock underlying, Company stock options, warrants and other derivative securities outstanding immediately prior to the Effective Time will be automatically proportionally adjusted, based on the one-for-ten split ratio, in accordance with the terms of such options, warrants or other derivative securities, as the case may be.

Immediately after the Effective Time, the Company will have 76,000,000 shares of authorized stock, consisting of (i) 75,000,000 shares of authorized Common Stock, and (ii) 1,000,000 shares of Undesignated Preferred Stock. Immediately after giving effect to the Reverse Stock Split, the Company will have no shares of preferred stock outstanding and approximately 13,846,590 shares of Common Stock outstanding (without giving effect to rounding due to fractional shares). The Reverse Stock Split will not alter the par value of the Common Stock or modify any voting rights or other terms of the Common Stock.

**Item 5.03 Amendments to Articles of Incorporation or Bylaws: Change in Fiscal Year**

The Company filed on July 1, 2011, a Certificate of Amendment to its Restated Certificate of Incorporation, as amended, which will cause a one-for-ten reverse stock split of the Company's issued and outstanding common stock, par value \$0.001 per share, on July 6, 2011 at 12:01am Eastern Time. After which, the Company will have 76,000,000 shares of authorized stock, consisting of (i) 75,000,000 shares of authorized common stock, and (ii) 1,000,000 shares of undesignated preferred stock.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

On June 30, 2011, StemCells, Inc. (the Company) held its 2011 Annual Meeting of Stockholders (the Annual Meeting), at 2:00 p.m. local time, at the Company's headquarters located at 3155 Porter Drive, Palo Alto, California, pursuant to notice duly given. Only stockholders of record as of the close of business on May 11, 2011 were entitled to vote at the Annual Meeting. As of May 11, 2011, there were 137,840,194 shares of Company common stock outstanding and entitled to vote at the Annual Meeting, of which 111,178,554 shares of Company common stock were represented, in person or by proxy, constituting a quorum on all matters voted upon.

The final results of the stockholder vote on each proposal brought before the meeting were as follows:

Proposal Number 1 The stockholders elected each of the two nominees to serve as Class II Directors for a three-year term expiring at the 2014 Annual Meeting.

| Nominee               | Votes For  | Votes Withheld | Broker Non-Votes |
|-----------------------|------------|----------------|------------------|
| Ricardo Levy, Ph.D.   | 26,279,682 | 6,748,796      | 78,150,076       |
| Irving Weissman, M.D. | 30,736,730 | 2,291,748      | 78,150,076       |

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Proposal Number 2 The stockholders ratified the appointment of Grant Thornton LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2011.

| Votes For   | Votes Against | Abstentions | Broker Non-Votes |
|-------------|---------------|-------------|------------------|
| 105,324,845 | 4,963,919     | 889,790     | 0                |

Proposal Number 3 The stockholders adopted the non-binding resolution approving the compensation of the Company's Named Executive Officers, as described in the Company's 2011 Proxy Statement, and passed the following resolution:

RESOLVED, that the stockholders of StemCells, Inc. (the company) approve, on an advisory basis, the compensation of the company's named executive officers, as disclosed pursuant to Item 402 of Securities and Exchange Commission Regulation S-K, including the Compensation and Discussion and Analysis, the compensation tables and narrative disclosures.

| Votes For  | Votes Against | Abstentions | Broker Non-Votes |
|------------|---------------|-------------|------------------|
| 20,709,862 | 11,512,636    | 805,980     | 78,150,076       |

Proposal Number 4 The stockholders cast non-binding votes to determine the frequency of future advisory vote on the executive compensation of the Company, whether annual, biennial or triennial. A plurality of stockholders favored a triennial advisory vote on the Company's executive compensation.

| 1 year     | 2 Years   | 3 Years    | Abstain   |
|------------|-----------|------------|-----------|
| 11,145,444 | 1,060,759 | 19,347,567 | 1,474,708 |

Proposal Number 5 The stockholders approved an amendment to the Company's certificate of incorporation to effect a reverse stock split of the Company's issued and outstanding common stock and decrease the number of authorized shares of common stock to 75,000,000 and to authorize the Board of Directors to effect the amendment to the certificate of incorporation, within the Board's discretion, at any time within four months after the date stockholder approval for the reverse stock split is obtained, with the exact exchange ratio and timing of the reverse stock split (if at all) to be determined at the discretion of the Board of Directors.

| Votes For  | Votes Against | Abstentions | Broker Non-Votes |
|------------|---------------|-------------|------------------|
| 90,187,066 | 20,193,013    | 798,475     | 0                |

Having obtained the requisite stockholder approval for the proposed reverse stock split, as described in the Company's 2011 Proxy Statement, and deeming the reverse stock split to be in the Company's best interests, the Company's Board of Directors approved the filing of an amendment to effect a one-for-ten reverse stock split with the Delaware Secretary of State. The Company filed this amendment on July 1, 2011, and it became effective at 12:01am, Eastern Time, on July 6, 2011.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

StemCells, Inc.

*July 5, 2011*

By: */s/ Ken Stratton*

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*Name: Ken Stratton  
Title: General Counsel*