

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): **November 5, 2009**

INTERNATIONAL STEM CELL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-51891
(Commission File Number)

20-4494098
(IRS Employer Identification
Number)

2595 Jason Court, Oceanside, California 92056
(Address of principal executive offices, including zip code)

(760) 940-6383
(Registrant's telephone number, including area code)

(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 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF C
OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS**

International Stem Cell Corporation (ISCO) has made important strategic changes in its management team.

Dr. Andrey Semechkin has agreed to become Chief Executive Officer, effective as of November 15, 2009, and the company has hired a seasoned biotech executive, Brian Lundstrom, to be its new President. Kenneth Aldrich, who has been serving as both CEO and Chairman since the death of the company's former CEO in January 2008, will remain as Chairman of the Board.

Dr. Semechkin, who is already serving as a Director and as Executive Vice President of ISCO, has more than 20 years of experience in successfully creating and developing companies in different industries and scientific sectors, both in his native Russia and internationally, including the US. He is a member of the prestigious Russian Academy of Science, specializing in management theory, strategic planning and system analysis. He is also the author of several books in those fields and in 2005 was awarded the Russian Federation Government Award in Science and Technology in recognition of his scientific achievements.

Mr. Lundstrom accepted the position of President on November 5, 2009. Mr. Lundstrom has extensive experience in both domestic and international biopharmaceutical product development. Mr. Lundstrom is 47 years of age and trained in immunology, molecular biology, finance and marketing in Europe and the US. He brings to ISCO 23 years of clinical and commercial development and corporate transactional experience from R&D-driven, predominantly publicly traded and commercially operating companies, including Immuntech (1986-1989), Novo Nordisk (1990-1997), OGS (1998-2000), SangStat/Genzyme (2000-2004), ACADIA (2004-2008), where he served as Senior Vice President of Business and Commercial Development, and Brexys (2008-2009), where he served as CEO.

Mr. Lundstrom will be paid a base salary of \$250,000 per year and will be eligible to receive an incentive bonus of up to \$100,000 per year calculated on the basis of 1% of new capital he brings to the company from investment, corporate partnering or other sources, with amounts in excess of \$100,000 being carried over to the next year. As part of Mr. Lundstrom's compensation package, he was granted options to purchase a total of 3,000,000 shares of common stock, with an exercise price of \$0.62 per share, with vesting commencing 6 months of the date of grant and continuing until 50 months after the date of grant. He will be eligible for severance pay (beginning at 3 months of salary and increasing to 12 months of salary) if he is terminated without cause.

Mr. Aldrich will remain as Chairman of the Board and continue the active role he has played in that capacity since the founding of the company. On November 5, 2009, Mr. Aldrich was granted a stock option, vesting over a period of 50 months, to purchase 5,000,000 shares of common stock at an exercise price of \$0.62 per share.

As part of this change in senior management, Mr. Jeffrey Janus, who currently serves as ISCO's Senior Vice President of Operations and CEO and President of Lifeline Cell Technology, the revenue generating subsidiary of ISCO, was granted a stock option, vesting over a period of 50 months, to purchase 1,000,000 shares of common stock at an exercise price of \$0.62 per share.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) EXHIBITS

Exhibit No.	Exhibit Description
99.1	Press Release dated November 10, 2009

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.

International Stem Cell Corporation

By: /s/ Kenneth C. Aldrich
Kenneth C. Aldrich
Chief Executive Officer

Dated: November 10, 2009

EXHIBIT INDEX

Exhibit No.	Exhibit Description
99.1	Press Release dated November 10, 2009

International Stem Cell Corporation Announces Strategic Enhancement of its Management Team

OCEANSIDE, Calif. – November 10, 2009 -- International Stem Cell Corporation (ISCO.OB), www.internationalstemcell.com announced today that it had made important strategic changes in its management team to leverage its growing opportunities in the therapeutic and research product markets.

The Company's current Board Member and Executive Vice-President, Dr. Andrey Semechkin, will become CEO on November 15, 2009 and Brian Lundstrom, an experienced biopharmaceutical executive, has joined the Company as President. Kenneth Aldrich, will remain as Chairman of the Board and continue the active role he has played since the founding of the Company. Jeffrey Janus will remain as Senior Vice President of ISCO and CEO of its subsidiary, Lifeline Cell Technology.

Commenting on these management changes, Mr. Aldrich said, "We have been searching for many months to find exactly the right combination of skills and experience to replace what we lost with the death of our former CEO, Jeff Krstich, in 2008. The wait has been well worthwhile. With these changes, ISCO now has two outstanding new executives to help lead it into the next phase of the development and commercialization of its unique stem cell platform. Dr. Semechkin's international experience and reputation as a creative businessman will prove invaluable as ISCO becomes ever more involved in international research, collaborations and clinical trials, whether in Russia or elsewhere in the World, and Mr. Lundstrom's deep biopharmaceutical experience will enable the company to develop and commercialize market-driven therapeutic solutions."

Dr. Semechkin is 50 years of age and has had an extraordinary career in both his native Russia and internationally, including the US. He has more than 20 years of experience in successfully creating and developing many companies in different industries and scientific sectors. In 2005-2006, as part of the senior management team of the JSC Russian Railways, he was responsible for the reform and modernization of the structure of that organization.

He is a member of the prestigious Russian Academy of Science, specializing in management theory, strategic planning and system analysis. He is also the author of several books in those fields and in 2005 was awarded the Russian Federation Government Award in Science and Technology in recognition of his scientific achievements.

Dr. Semechkin was introduced to ISCO in 2008 through our Chief Scientific Officer, Dr. Revazova, and he has since become an investor and active contributor of skills and advice to the Company.

Mr. Lundstrom is 47 years of age and trained in immunology, molecular biology, finance and marketing. He brings to ISCO 23 years of clinical and commercial development and corporate transactional experience from predominantly publicly traded and commercially operating companies like Novo Nordisk and SangStat/Genzyme, global leaders in biological therapies, diabetes, transplantation and other chronic diseases.

As ISCO's President, Mr. Lundstrom will focus primarily on development and commercialization of ISCO's universal stem cell bank and therapeutic applications. He will also be deeply involved in ISCO's day-to-day operations and will work with Mr. Aldrich in interacting with the company's analysts and public markets.

Mr. Aldrich commented that "Mr. Lundstrom provides biopharmaceutical and corporate partnering experience to advance the company into development that we expect to be highly complementary to Dr. Semechkin's international management and investment experience."

ABOUT INTERNATIONAL STEM CELL CORPORATION (ISCO.OB):

International Stem Cell Corporation is a California biotechnology company focused on developing therapeutic and research products. ISCO's technology, *Parthenogenesis*, results in the creation of pluripotent human stem cell lines from unfertilized human eggs. ISCO scientists have created the first *Parthenogenetic homozygous stem cell line (phSC-Hhom-4)* that can be a source of therapeutic cells that will minimize immune rejection after transplantation into hundreds of millions of individuals of differing sexes, ages and racial groups. These advancements offer the potential to create the first true "Stem Cell Bank" and address ethical issues by eliminating the need to use or destroy fertilized embryos. ISCO also produces and markets specialized cells and growth media worldwide for therapeutic research through its subsidiary Lifeline Cell Technology. For more information, visit the ISCO website at: www.internationalstemcell.com.

To subscribe to receive ongoing corporate communications please click on the following link: <http://www.b2i.us/irpass.asp?BzID=1468&to=ea&s=0>.

FORWARD-LOOKING STATEMENTS:

Statements pertaining to anticipated future financial and/or operating results, future growth in research, technology, clinical development and potential joint venture and other opportunities for the company and its subsidiary, along with other statements about the future expectations, beliefs, goals, plans, or prospects expressed by management constitute forward-looking statements. Any statements that are not historical fact (including, but not limited to statements that contain words such as "will," "believes," "plans," "anticipates," "expects," "estimates,") should also be considered to be forward-looking statements. Forward-looking statements involve risks and uncertainties, including, without limitation, risks inherent in the development and/or commercialization of potential products, uncertainty in the results of clinical trials or regulatory approvals, need and ability to obtain future capital, application of capital resources among competing uses, and maintenance of intellectual property rights. Actual results may differ materially from the results anticipated in these forward-looking statements and as such should be evaluated together with the many uncertainties that affect the company's business, particularly those mentioned in the cautionary statements found in the company's Securities and Exchange Commission filings. The company disclaims any intent or obligation to update these forward-looking statements.

Key Words: Stem Cells, Biotechnology, Parthenogenesis

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