

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): **May 31, 2018**

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)

5950 Priestly Drive, Carlsbad, California 92008

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company



If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.



Item 1.01 Entry into a Material Definitive Agreement.

On May 31, 2018, to obtain funding for working capital purposes International Stem Cell Corporation (the "Company") issued an unsecured, non-convertible promissory note in the principal amount of \$1,100,000 (the "Note") to Dr. Andrey Semechkin (the "Noteholder"). On March 14, 2018 the Noteholder was issued a Promissory Note in the principal amount of \$800,000 by the Company ("Original Note"). On May 31, 2018 the Noteholder provided an additional \$300,000 of funds to the Company and surrendered the Original Note, in return for this Note. Dr. Semechkin is the Company's Co-Chairman and Chief Executive Officer.

The outstanding principal amount under the Note accrues interest at a rate of four Percent (4%) per annum. The Note is due and payable November 1, 2018 but may be pre-paid by the Company without penalty at any time.

The foregoing summary of the Note is qualified in its entirety by reference to the full text of the form of Note filed as Exhibit 10.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
10.1	Form of Note issued on May 31, 2018

Signature(s)

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

Date: June 4, 2018

By: /s/ Sophia Garnette
Sophia Garnette
Vice President, Legal Affairs and
Operations

INTERNATIONAL STEM CELL CORPORATION
PROMISSORY NOTE

FOR VALUE RECEIVED, and subject to the terms and conditions set forth herein, on this 31st day of May, 2018 (the "**Issuance Date**"), International Stem Cell Corporation, a Delaware corporation, with offices located at 5950 Priestly Drive Carlsbad, CA 92008 (the "**Borrower**"), hereby unconditionally promises to pay to the order of Andrey Semechkin or his assigns (the "**Noteholder**"), the principal amount of *one million and one hundred thousand dollars* (\$1,100,000) (the "**Loan**"), together with all accrued interest thereon, as provided in this Promissory Note (the "**Note**").

1. Previous Note. On May 14, 2018 the Noteholder was issued a Promissory Note in the principal amount of *eight hundred thousand dollars* (\$800,000) by the Borrower (the "**Original Note**"). On May 31st, 2018 the Noteholder agreed to provide an additional *three hundred thousand dollars* (\$300,000) of funds to the Borrower and surrendered the Original Note, in return for which the Noteholder was issued this Note.

2. Payment Terms.

2.1 Final Payment Date. The aggregate unpaid principal amount of the Loan and all accrued and unpaid interest shall be due and payable on November 1, 2018 (the "**Maturity Date**").

2.2 Optional Prepayment. The Borrower may prepay the Loan, in whole or in part, at any time or from time to time, without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment.

3. Interest.

3.1 Interest Rate. The outstanding principal amount of the Loan made hereunder shall bear interest at the annual rate of *four percent* (4%) from the date on which the Loan proceeds are received by the Borrower until the Loan is paid in full, whether at maturity, by prepayment or otherwise.

3.2 Interest Payment Dates. Interest shall be payable on maturity, or earlier with respect to any prepayment.

3.3 Computation of Interest. All computations of interest shall be made on the basis of a year of 360 days and the actual number of days elapsed. Interest shall accrue on the Loan on the day on which the proceeds of such Loan are received by the Borrower, and shall not accrue on the Loan (or any portion thereof) for the day on which the Loan is paid.

3.4 Interest Rate Limitation. If at any time and for any reason whatsoever, the interest rate payable on the Loan shall exceed the maximum rate of interest permitted to be charged

by the Noteholder to the Borrower under applicable law, such interest rate shall be reduced automatically to the maximum rate of interest permitted to be charged under applicable law, and that portion of any sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest permitted by applicable law shall be deemed a voluntary prepayment of principal.

4. Payment Mechanics. All payments of principal and interest shall be made in lawful money of the United States of America by check or by wire transfer of immediately available funds to the Noteholder’s account at a bank specified by the Noteholder in writing to the Borrower from time to time.

5. Governing Law. This Note and any claim, controversy, dispute or cause of action based upon, arising out of or relating to this Note, and the transactions contemplated hereby, shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the Borrower has executed this Note as of the Issuance Date written above.

BORROWER	NOTEHOLDER
International Stem Cell Corporation	Andrey Semechkin

<i>Signature</i>	<i>DATE</i>	<i>Signature</i>	<i>DATE</i>
Sophia D. Garnette			
VP Legal Affairs & Operations			
May 31, 2018			