

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 17, 2010

NEOSTEM, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

0-10909
(Commission
File Number)

22-2343568
(IRS Employer Identification No.)

420 Lexington Avenue, Suite 450, New York, New York 10170
(Address of Principal Executive Offices)(Zip Code)

(212) 584-4180
Registrant's Telephone Number

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 (see General Instruction A.2. below):

- 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))
-

Item 8.01 Other Events

On May 17, 2010, RimAsia Capital Partners LP ("RimAsia"), the holder of 8,177,512 shares of Series C Convertible Preferred Stock ("Series C Preferred Stock") issued by NeoStem, Inc. (the "Company"), at its option, converted its 8,177,512 shares of Series C Preferred Stock into 9,086,124 shares of the Company's common stock at a conversion price of \$0.90.

Following this conversion, there are no shares of Series C Preferred Stock outstanding and RimAsia will not be entitled to receive any dividends on such shares, to receive notices or to vote such shares or to exercise or to enjoy any other powers, preferences or rights in respect thereof; provided however that RimAsia will be entitled to receive a cash payment on January 1, 2011, which is the next dividend payment date, equal to any dividends accrued but unpaid through May 17, 2010. Immediately following this conversion, the Company had 53,034,089 shares of common stock outstanding.

On May 20, 2010, the Company issued a press release regarding the conversion of the Series C Preferred Stock. A copy of the Company's press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press Release dated May 20, 2010.

SIGNATURE

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

NEOSTEM, INC.

By: /s/ Catherine M. Vaczy

Name: Catherine M. Vaczy

Title: Vice President and General Counsel

Date: May 21, 2010

NeoStem Announces Conversion of Convertible Preferred Stock by Principal Shareholder

NeoStem Shareholder Equity Increases by \$13.7 million

Press Release Source: NeoStem, Inc. On Thursday May 20, 2010, 10:27 am

NEW YORK, May 20 /PRNewswire-Asia-FirstCall/ -- NeoStem, Inc. (NYSE Amex: NBS) ("NeoStem" or the "Company"), an international biopharmaceutical company with operations in the U.S. and China, is pleased to announce the conversion of Convertible Redeemable Series C Preferred Stock (Series C Preferred) by RimAsia Capital Partners, LP ("RimAsia"), a principal shareholder. With the conversion of the Series C Preferred, the Company will no longer be required to pay the annual dividend and expects to recognize cash savings of \$408,875 per year.

RimAsia has exercised its right to convert its 8,177,512 shares of Series C Preferred, issued in October 2009 as part of the China Biopharmaceutical Holdings acquisition, into 9,086,124 shares of the Company's common stock. RimAsia is currently subject to a lock-up agreement through the end of the summer 2010.

"We are both pleased and encouraged by the recent positive developments at NeoStem, which prompted our decision to convert all of the Series C Preferred held by us into NeoStem common shares. By doing so now, RimAsia will release the Company from a 5% per annum cumulative dividend charge on the income statement, significantly improve its balance sheet by reclassifying the principal amount (approximately \$13.7 million) from its accounting treatment as temporary equity to shareholder equity, and provide NeoStem with an expanded primary equity base and a significantly higher market cap," said Eric Wei, the Managing Partner of RimAsia and a member of the Company's board of directors.

"This decision by RimAsia also reflects our encouragement from the rapid expansion, successful pursuit, and strong execution of NeoStem's business strategies on multiple fronts by management. We are also impressed with the Company's outlook and especially the recent partnership with the Pontifical Council for Culture, which we believe will leapfrog NeoStem to the forefront of the stem cell community," added Mr. Wei. "This collaboration with the Pontifical Council for Culture highlights the quality of NeoStem's technology and we are delighted to be able to provide our further support through the conversion of the Series C Preferred."

"We appreciate RimAsia's ongoing support of our endeavor to leverage our adult stem cell technologies to revolutionize the treatment paradigm for a wide range of disease. We are excited about our recent collaboration with the Pontifical Council for Culture, which validates our leadership and strategy in the stem cell field," said Robin Smith, M.D., NeoStem's CEO and Chairman of the board of directors. "The Company has transformed significantly over the past year to become a sophisticated international biopharmaceutical company with multiple commercial revenue streams. We thank RimAsia and all of our shareholders for the continued support in NeoStem to grow our adult stem cell platform in the U.S. and China, and to expand the capacity of our majority-owned Suzhou Erye subsidiary in anticipation of the significant growth in China's pharmaceutical market."

About NeoStem, Inc.

NeoStem, Inc. is engaged in the development of stem cell-based therapies, pursuit of anti-aging initiatives and building of a network of adult stem cell collection centers in the U.S. and China that are focused on enabling people to donate and store their own (autologous) stem cells for their personal use in times of future medical need. The Company also has licensed various stem cell technologies, including a worldwide exclusive license to VSEL(TM) technology which uses very small embryonic-like stem cells, shown to have several physical characteristics that are generally found in embryonic stem cells, and is pursuing the licensing of other technologies for therapeutic use. NeoStem's majority-controlled Chinese pharmaceutical operation, Suzhou Erye, manufactures and distributes generic antibiotics in China. For more information, please visit: <http://www.neostem.com>

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect management's current expectations, as of the date of this press release, and involve certain risks and uncertainties. Forward looking statements include statements herein with respect to the benefits associated with the conversion of the Series C Preferred Stock by RimAsia, about which no assurances can be given. The Company's actual results could differ materially from those anticipated in these forward- looking statements as a result of various factors. Factors that could cause future results to materially differ from the recent results or those projected in forward-looking statements include the "Risk Factors" described in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2010 and the Company's Quarterly Report on Form 10-q filed with the Securities and Exchange Commission on May 17, 2010, as well as other periodic filings made with the Securities and Exchange Commission. The Company's further development is highly dependent on future medical and research developments and market acceptance, which is outside its control.

For further information, please contact:

NeoStem, Inc.
Robin Smith, CEO
Phone: +1-212-584-4174
Email: rsmith@neostem.com
Web: <http://www.neostem.com>

CCG Investor Relations, Inc.
Lei Huang, Account Manager
Phone: +1-646-833-3417
Email: lei.huang@ccgir.com
Web: <http://www.ccgirasia.com>

Crocker Coulson, President
Phone: +1-646-213-1915
Email: crocker.coulson@ccgir.com
