

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): January 16, 2015

NEOSTEM, INC.
(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-33650
(Commission
File Number)

22-2343568
(IRS Employer
Identification No.)

420 Lexington Avenue, Suite 350, 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Amendment of Employment Agreements

As previously announced, NeoStem, Inc. (the “Company”) had discovered that certain recent grants of options (the “Options”) made to certain of the Company’s executive officers (the “Option Holders”) to purchase shares of the common stock, \$.001 par value (the “Common Stock”) of the Company made under and intended to comply with all of the terms and conditions of the Company’s 2009 Amended and Restated Equity Compensation Plan (the “Plan”) inadvertently may have technically exceeded a cap set forth in the Plan. The Option Holders and the Company, with the approval of the Compensation Committee of the Company’s board of directors (the “Board”), have agreed to certain amendments in the employment agreements of the Option Holders under which such Options were granted, to ensure compliance with the cap on the issuance of stock options provided in the Plan. The affected employment agreements were described in, and filed as Exhibits 10.1, 10.2 and 10.3 to the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on January 5, 2015 (the “Commencement Date”).

In connection with her appointment as Executive Chairman of the Board, effective January 1, 2015, Dr. Robin Smith and the Company entered into an amendment to Dr. Smith’s existing employment agreement (the “January 1 Amendment”) which provided, inter alia, that Dr. Smith be granted an option to purchase 300,000 shares of Common Stock at a per share exercise price equal to the value of the Common Stock on the date of execution of the January 1 Amendment (the “Amendment Option”). Pursuant to the amendment to the January 1 Amendment dated January 16, 2015, the Amendment Option was reduced to an option to purchase 250,000 shares of Common Stock. In addition, in accordance with the terms of the Plan, Dr. Smith was granted 39,276 shares of Common Stock under the Plan, which shares have a Black-Scholes value equal to the value of the rescinded portion of the Amendment Option. The Company will withhold a portion of the shares of Common Stock to pay estimated tax liabilities with respect to such issuance, so that the net number of shares of Common Stock to be issued will be 19,159.

In connection with his appointment as Chief Executive Officer, Dr. David Mazzo and the Company entered into an employment agreement (the “Mazzo Employment Agreement”) which provided that Dr. Mazzo shall (i) be granted an option to purchase 620,000 shares of Common Stock at a per share exercise price equal to the closing price of the Common Stock on the Commencement Date (the “Mazzo Initial Option”); and (ii) be granted an additional option to purchase 200,000 shares of Common Stock at a per share exercise price equal to the closing price of the Common Stock on the Commencement Date (the “Mazzo Additional Option”), providing for vesting based on two individual milestones (100,000 Mazzo Additional Option shares each) to be mutually established by the Compensation Committee (or the Executive Chairman of the Board) and Dr. Mazzo. Pursuant to the amendment to the Mazzo Employment Agreement dated January 16, 2015, (i) the Mazzo Initial Option was reduced to an option to purchase 400,000 shares of Common Stock and, in accordance with the terms of the Plan, Dr. Mazzo was granted 151,946 shares of Common Stock under the Plan, which shares have a Black-Scholes value equal to the value of the rescinded portion of the Mazzo Initial Option, and (ii) the Mazzo Additional Option was rescinded in its entirety. In addition, in accordance with the terms of the Plan, Dr. Mazzo was granted 138,132 shares of restricted Common Stock under the Plan, which shares have a Black-Scholes value equal to the value of the rescinded Mazzo Additional Option and which shares will be subject to two comparable performance milestones to be mutually established by the Compensation Committee (or the Executive Chairman of the Board) and Dr. Mazzo (the “Mazzo Performance Milestones”). The Company will withhold shares of Common Stock to pay estimated tax liabilities with respect to such issuances, so that the net number of shares of Common Stock to be issued will be 83,750 shares plus 75,973 restricted shares that vest subject to the satisfaction of the Mazzo Performance Milestones.

In connection with his appointment as President and Chief Financial Officer, Mr. Vaters and the Company entered into an employment agreement (the “Vaters Employment Agreement”) which provided that Mr. Vaters shall be granted (i) an option to purchase 480,000 shares of Common Stock at a per share exercise price equal to the closing price of the Common Stock on the Commencement Date (the “Vaters Initial Option”), and (ii) an additional option to purchase 120,000 shares of Common Stock at a per share exercise price equal to the closing price of the Common Stock on the Commencement Date (the “Vaters Additional Option”), providing for vesting based on two individual milestones (60,000 Vaters Additional Option shares each) to be mutually established by the Compensation Committee (or the Executive Chairman of the Board) and Mr. Vaters. Pursuant to the amendment to the Vaters Employment Agreement dated January 16, 2015, (i) the Vaters Initial Option was reduced to an option to purchase 400,000 shares of Common Stock and, in accordance with the terms of the Plan, Mr. Vaters was granted 54,811 shares of Common Stock under the Plan, which shares have a Black-Scholes value equal to the value of the rescinded portion of the Vaters Initial Option, and (ii) the Vaters Additional Option was rescinded in its entirety. In addition, in accordance with the terms of the Plan, Mr. Vaters was granted 82,217 shares of restricted Common Stock under the Plan, which shares have a Black-Scholes value equal to the value of the rescinded Vaters Additional Option and which shares will be subject to two comparable performance milestones to be mutually established by the Compensation Committee (or the Executive Chairman of the Board) and Mr. Vaters (the “Vaters Performance Milestones”). The Company will withhold shares of Common Stock to pay estimated tax liabilities with respect to

such issuances, so that the net number of shares of Common Stock to be issued will be 30,146 shares plus 45,219 restricted shares that vest subject to the satisfaction of the Vaters Performance Milestones.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment, dated as of January 16, 2015, to Amendment dated as of January 1, 2015 to Employment Agreement by and between NeoStem, Inc. and Robin L. Smith, M.D. dated May 26, 2006 (as previously amended on each of January 26, 2007, September 27, 2007, January 9, 2008, August 29, 2008, July 29, 2009, April 4, 2011, November 13, 2012 and March 11, 2014).
10.2	Amendment, dated as of January 16, 2015, to Employment Agreement, dated as of January 5, 2015 and effective on January 5, 2015, by and between NeoStem, Inc. and David J. Mazzo, Ph.D.
10.3	Amendment, dated as of January 16, 2015, to Employment Agreement, dated as of January 5, 2015 and effective on January 5, 2015, by and between NeoStem, Inc. and Robert S. Vaters.

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.

NEOSTEM, INC.

By: /s/ Catherine M. Vaczy, Esq.

Name: Catherine M. Vaczy, Esq.

Title: General Counsel

Dated: January 16, 2015

**AMENDMENT
TO LETTER AGREEMENT AMENDING
EMPLOYMENT AGREEMENT**

This Amendment (“Amendment”), dated as of January 16, 2015 (the “Amendment Date”), amends the letter agreement (the “Agreement”) dated January 2, 2015 (effective as of January 1, 2015) between NeoStem, Inc. (the “Company”) and Dr. Robin L. Smith (the “Executive”). All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

R E C I T A L S

WHEREAS, the Company has determined that the grants of stock options under the Agreement inadvertently may have caused grants to the Executive technically to exceed the annual per person limit for 2015 under the Company’s Amended and Restated 2009 Equity Compensation Plan; and

WHEREAS, the Company and the Executive desire to rescind the excess grants (to the extent of the excess only) as provided in this Amendment and to provide certain other compensation to the Executive as provided in this Amendment.

NOW THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, intending to be legally bound, hereby agree as follows:

1. Amendments.

1.1. The number of shares covered by the Amendment Grant shall be reduced from 300,000 to 250,000 (with the excess rescinded), with vesting as provided in the following amended and restated insert to Section 2 of the Agreement. For avoidance of doubt, the 250,000 share portion of the Amendment Grant shall remain in full force and effect, as granted on the original date of grant, and shall not be affected by this Amendment other than with respect to the revised vesting terms. A grant of unrestricted shares shall be made as provided in the following amended and restated insert to Section 2 of the Agreement.

1.2. The last sentence of Section 2 of the Agreement is hereby deleted and replaced with the following:

Upon your execution of this Amendment, you will also be granted a stock option under the Company’s 2009 Amended & Restated Equity Compensation Plan (the “2009 Equity Plan”) to purchase 250,000 shares of Common Stock (the “Amendment Grant”) at a per-share exercise price equal to the value of the Common Stock on the date of execution of this Amendment, with one-third (1/3) of such option being vested and exercisable immediately upon grant, one-third (1/3) of such option being vested and exercisable on June 7, 2015 and the remaining one-third (1/3) of such option being vested on December 7, 2015. In addition, you will be granted, upon the Amendment Date, an award of Unrestricted Shares (as defined in the 2009 Equity Plan) of 39,276 shares of the Common Stock (the “Unrestricted Award”). The Unrestricted Award shall be subject to the terms and conditions of the 2009 Equity Plan and applicable law. The Company will withhold from the number of shares otherwise deliverable under the Unrestricted Award a number of shares of Common Stock having a Fair Market Value (as defined in the 2009 Equity Plan) equal to an amount sufficient to satisfy the Company’s and your estimated federal and state tax withholding obligations with respect to the award of such shares (assuming a combined 51.22% tax rate), and the Company shall then pay the cash amount of

such taxes to the relevant federal and state taxing authorities as withholding, so that the net number of shares delivered pursuant to the Unrestricted Award shall be 19,159 shares.

2. Effect of Amendments. Except as specifically amended hereby, the Agreement shall continue in full force and effect. This Amendment shall not itself be amended, except as part of any future amendment to the Agreement effected in accordance with the terms thereof. The terms of this Amendment may be reflected in an amended and restated employment agreement upon approval and execution thereof.

3. Further Assurances. Each party agrees to execute and deliver such other documents and to do such other acts and things as any other party may reasonably request from time to time for the purpose of carrying out the intent of this Amendment.

4. Miscellaneous.

4.1. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Company and Executive and their respective permitted successors, assigns, heirs, beneficiaries and representatives.

4.2. Governing Law. This Amendment and any and all matters arising directly or indirectly herefrom or therefrom shall be governed under the laws of the State of New York without reference to choice of law rules.

4.3. Counterparts. This Amendment may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of the date set forth above.

NEOSTEM, INC.

By: /s/ Richard Berman
Richard Berman

/s/ Robin L. Smith
Dr. Robin L. Smith

**AMENDMENT
TO
EMPLOYMENT AGREEMENT**

This Amendment (“Amendment”), dated as of January 16, 2015 (the “Amendment Date”), amends the Employment Agreement between NeoStem, Inc. (the “Company”) and David J. Mazzo, Ph.D. (the “Executive”) dated as of January 5, 2015 (the “Agreement”). All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

R E C I T A L S

WHEREAS, the Company has determined that the grants of stock options under the Agreement inadvertently may have technically exceeded the annual per person limit under the Company’s Amended and Restated 2009 Equity Compensation Plan; and

WHEREAS, the Company and the Executive desire to rescind the excess grants (to the extent of the excess only) as provided in this Amendment and to provide certain other compensation to the Executive as provided in this Amendment.

NOW THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, intending to be legally bound, hereby agree as follows:

1. Amendments.

1.1. The number of Initial Option Shares covered by the Initial Option shall be reduced from 620,000 to 400,000 (with the excess rescinded), with vesting as provided in the following amended and restated Section 3(c) of the Agreement. For avoidance of doubt, the 400,000 share portion of the Initial Option shall remain in full force and effect, as granted on the Effective Date, and shall not be affected by this Amendment other than with respect to the revised vesting terms. The Additional Option shall be rescinded, and grants of unrestricted shares and restricted shares shall be made as provided in the following amended and restated Section 3(c) of the Agreement.

1.2. Section 3(c) of the Agreement is hereby replaced in its entirety with the following:

Upon the Effective Date, the Executive shall be granted an option (the “Initial Option”) to purchase 400,000 shares (the “Initial Option Shares”) of the Company’s common stock, \$.001 par value (the “Common Stock”) under and subject to the Company’s 2009 Equity Compensation Plan, as the same may be amended and/or restated from time to time (the “2009 Equity Plan”) at an exercise price equal to the closing price of the Common Stock on the Effective Date. The Initial Option shall be subject in all respects to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a written grant agreement setting forth the terms and conditions to which such Initial Option grant shall be subject (“Initial Grant Agreement”). The Initial Grant Agreement will provide, among other things, that 100,000 shares of the Initial Option Shares shall be immediately vested, with the balance of the Initial Option Shares vesting in a series of sixteen successive equal quarterly installments (18,750 shares each) such that vesting is complete on the fourth anniversary of the Effective Date (in each case, subject to the Executive’s continued employment with the Company on the applicable vesting date). The Executive shall be granted, upon the Amendment Date, an award of Unrestricted Shares (as defined in the 2009 Equity Plan) of 151,946 shares of the Common Stock

(the "Amendment Award"). The Amendment Award shall be subject to the terms and conditions of the 2009 Equity Plan and applicable law. In addition, the Executive shall be granted, upon the Amendment Date, a Stock Award of 138,132 shares of the Common Stock (the "Performance-Based Award"), subject to a Restricted Period (as defined in the 2009 Equity Plan) as provided below. The Performance-Based Award shall be subject to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a Stock Award Agreement setting forth the terms and conditions to which such Performance-Based Award shall be subject (the "Performance-Based Award Agreement"). The Performance-Based Award Agreement will provide, among other things, that the Performance-Based Award shall vest and become exercisable based on two (2) individual milestones (69,066 shares each), subject to the Executive's continued employment by the Company on each of the applicable milestone vesting dates. The milestones shall be mutually established by the Compensation Committee (or the Executive Chairman) and the Executive within three (3) months following the Amendment Date. The Initial Option, share issuances thereunder, the Amendment Award and the Performance-Based Award (collectively, the "Award Shares") are subject to the Executive's execution of the Company's Insider Trading Policy. In addition, the Executive acknowledges that in his position he will be an "affiliate" of the Company for purposes of U.S. securities laws and the Award Shares and any transfer of the Award Shares will be treated as such. The Award Shares will be included in the Company's registration statements on Form S-8. The Company will withhold from the number of shares otherwise deliverable under the Amendment Award and the Performance-Based Award a number of shares of Common Stock having a Fair Market Value (as defined in the 2009 Equity Plan) equal to an amount sufficient to satisfy the Company's and the Executive's estimated federal and state tax withholding obligations with respect to the award of such shares (assuming a combined 45% tax rate), and the Company shall then pay the cash amount of such taxes to the relevant federal and state taxing authorities as withholding, so that the net number of shares delivered pursuant to the Amendment Award shall be 83,570 shares and the net number of shares delivered pursuant to the Performance-Based Award shall be 75,973 shares; provided, that, with respect to the Performance-Based Award, the Executive shall file an 83(b) election and shall promptly provide a copy of such election to the Company.

2. Effect of Amendments. Except as specifically amended hereby, the Agreement shall continue in full force and effect. This Amendment shall not itself be amended, except as part of any future amendment to the Agreement effected in accordance with the terms thereof. The terms of this Amendment may be reflected in an amended and restated employment agreement upon approval and execution thereof.

3. Further Assurances. Each party agrees to execute and deliver such other documents and to do such other acts and things as any other party may reasonably request from time to time for the purpose of carrying out the intent of this Amendment.

4. Miscellaneous.

4.1. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Company and Executive and their respective permitted successors, assigns, heirs, beneficiaries and representatives.

4.2. Governing Law. This Amendment and any and all matters arising directly or indirectly herefrom or therefrom shall be governed under the laws of the State of New York without reference to choice of law rules.

4.3. Counterparts. This Amendment may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of the date set forth above.

NEOSTEM, INC.

By: /s/ Robin L. Smith
Robin L. Smith

/s/ David J. Mazzo

David J. Mazzo, Ph.D.

**AMENDMENT
TO
EMPLOYMENT AGREEMENT**

This Amendment (“Amendment”), dated as of January 16, 2015 (the “Amendment Date”), amends the Employment Agreement between NeoStem, Inc. (the “Company”) and Robert S. Vaters (the “Executive”) dated as of January 5, 2015 (the “Agreement”). All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

R E C I T A L S

WHEREAS, the Company has determined that the grants of stock options under the Agreement inadvertently may have technically exceeded the annual per person limit under the Company’s Amended and Restated 2009 Equity Compensation Plan; and

WHEREAS, the Company and the Executive desire to rescind the excess grants (to the extent of the excess only) as provided in this Amendment and to provide certain other compensation to the Executive as provided in this Amendment.

NOW THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, intending to be legally bound, hereby agree as follows:

1. Amendments.

1.1. The number of Initial Option Shares covered by the Initial Option shall be reduced from 480,000 to 400,000 (with the excess rescinded), with vesting as provided in the following amended and restated Section 3(c) of the Agreement. For avoidance of doubt, the 400,000 share portion of the Initial Option shall remain in full force and effect, as granted on the Effective Date, and shall not be affected by this Amendment other than with respect to the revised vesting terms. The Additional Option shall be rescinded, and grants of unrestricted shares and restricted shares shall be made as provided in the following amended and restated Section 3(c) of the Agreement.

1.2. Section 3(c) of the Agreement is hereby replaced in its entirety with the following:

Upon the Effective Date, the Executive shall be granted an option (the “Initial Option”) to purchase 400,000 shares (the “Initial Option Shares”) of the Company’s common stock, \$.001 par value (the “Common Stock”) under and subject to the Company’s 2009 Equity Compensation Plan, as the same may be amended and/or restated from time to time (the “2009 Equity Plan”) at an exercise price equal to the closing price of the Common Stock on the Effective Date. The Initial Option shall be subject in all respects to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a written grant agreement setting forth the terms and conditions to which such Initial Option grant shall be subject (“Initial Grant Agreement”). The Initial Grant Agreement will provide, among other things, that 80,000 shares of the Initial Option Shares shall be immediately vested, with the balance of the Initial Option Shares vesting in a series of sixteen successive equal quarterly installments (20,000 shares each) such that vesting is complete on the fourth anniversary of the Effective Date (in each case, subject to the Executive’s continued employment with the Company on the applicable vesting date). The Executive shall be granted, upon the Amendment Date, an award of Unrestricted Shares (as defined in the 2009 Equity Plan) of 54,811 shares of the Common Stock

(the "Amendment Award"). The Amendment Award shall be subject to the terms and conditions of the 2009 Equity Plan and applicable law. In addition, the Executive shall be granted, upon the Amendment Date, a Stock Award of 82,217 shares of the Common Stock (the "Performance-Based Award"), subject to a Restricted Period (as defined in the 2009 Equity Plan) as provided below. The Performance-Based Award shall be subject to the terms and conditions of the 2009 Equity Plan and applicable law and shall be subject to a Stock Award Agreement setting forth the terms and conditions to which such Performance-Based Award shall be subject (the "Performance-Based Award Agreement"). The Performance-Based Award Agreement will provide, among other things, that the Performance-Based Award shall vest and become exercisable based on two (2) individual milestones (41,108 shares and 41,109 shares, respectively), subject to the Executive's continued employment by the Company on each of the applicable milestone vesting dates. The milestones shall be mutually established by the Compensation Committee (or the Executive Chairman) and the Executive within three (3) months following the Amendment Date. The Initial Option, share issuances thereunder, the Amendment Award and the Performance-Based Award (collectively, the "Award Shares") are subject to the Executive's execution of the Company's Insider Trading Policy. In addition, the Executive acknowledges that in his position he will be an "affiliate" of the Company for purposes of U.S. securities laws and the Award Shares and any transfer of the Award Shares will be treated as such. The Award Shares will be included in the Company's registration statements on Form S-8. The Company will withhold from the number of shares otherwise deliverable under the Amendment Award and the Performance-Based Award a number of shares of Common Stock having a Fair Market Value (as defined in the 2009 Equity Plan) equal to an amount sufficient to satisfy the Company's and the Executive's estimated federal and state tax withholding obligations with respect to the award of such shares (assuming a combined 45% tax rate), and the Company shall then pay the cash amount of such taxes to the relevant federal and state taxing authorities as withholding, so that the net number of shares delivered pursuant to the Amendment Award shall be 30,146 shares and the net number of shares delivered pursuant to the Performance-Based Award shall be 45,219 shares; provided, that, with respect to the Performance-Based Award, the Executive shall file an 83(b) election and shall promptly provide a copy of such election to the Company.

2. Effect of Amendments. Except as specifically amended hereby, the Agreement shall continue in full force and effect. This Amendment shall not itself be amended, except as part of any future amendment to the Agreement effected in accordance with the terms thereof. The terms of this Amendment may be reflected in an amended and restated employment agreement upon approval and execution thereof.

3. Further Assurances. Each party agrees to execute and deliver such other documents and to do such other acts and things as any other party may reasonably request from time to time for the purpose of carrying out the intent of this Amendment.

4. Miscellaneous.

4.1. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the Company and Executive and their respective permitted successors, assigns, heirs, beneficiaries and representatives.

4.2. Governing Law. This Amendment and any and all matters arising directly or indirectly herefrom or therefrom shall be governed under the laws of the State of New York without reference to choice of law rules.

4.3. Counterparts. This Amendment may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Amendment effective as of the date set forth above.

NEOSTEM, INC.

By: /s/ David J. Mazzo

David J. Mazzo, PhD

/s/ Robert S. Vaters

Robert S. Vaters