

Neuralstem, Inc.
Form DEF 14A
April 30, 2012

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION**

**Proxy statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant
Filed by a Party other than the Registrant
Check the appropriate box:

- Preliminary Proxy statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

NEURALSTEM, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
 - Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:

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(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

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(4) Date Filed:

Proxy statement

April 30, 2012

Dear Stockholder,

I am pleased to invite you to the 2012 Annual Meeting of Stockholders of Neuralstem, Inc. The meeting will be held at our headquarters located at 9700 Great Seneca Highway Rockville, Maryland, 20850, on Tuesday, June 19, 2012, starting at 12:00 p.m. (local time). Only stockholders of record on April 30, 2012, are entitled to notice of, and to vote, at the meeting and at any adjournment or postponement that may take place.

The accompanying notice and proxy statement includes important information about the matters to be acted on at the meeting.

Your vote is important. On behalf of the Board, I urge you to vote promptly even if you plan to attend the meeting. Voting now will not prevent you from voting in person at the meeting if you are a stockholder of record and wish to do so. At this year's Annual Meeting, the agenda includes the following items:

Election of Director; and

Ratification of Stegman & Company as our independent registered public accounting firm.

Whether or not you plan to attend the meeting, please vote electronically via the Internet, by telephone, or, complete, sign, date and return the accompanying proxy in the enclosed postage-paid envelope.

Thank you for your ongoing support of, and continued interest in, Neuralstem, Inc. I look forward to seeing you at the 2012 Annual Shareholders meeting.

Sincerely,

/s/ I. Richard Garr

I. Richard Garr

Chief Executive Officer

**NEURALSTEM, INC.
9700 Great Seneca Highway
Rockville, Maryland, 20850
(301)-366-4841**

**Important Notice Regarding the Availability of Proxy
Materials for the
Stockholder Meeting to Be Held on June 19, 2012**

**The proxy statement and annual report to security
holders are available at
*<http://proxy.neuralstem.com>***

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Neuralstem Inc.:

The 2012 Annual Meeting of Stockholders (Annual Meeting) of Neuralstem, Inc., a Delaware corporation, (Company) will be held at our headquarters located at 9700 Great Seneca Highway Rockville, Maryland, 20850, on June 19, 2012, starting at 12:00 p.m. (local time).

The Board of Directors has fixed the close of business on April 30, 2012, as the record date for the determination of stockholders entitled to notice of and to vote at this Annual Meeting and at any adjournment or postponement thereof.

At the meeting we plan to:

1. elect one (1) members to Class I of the Board of Directors to serve for the following three years or until his successors is elected and qualified;
2. ratify the appointment of Stegman & Company as our independent registered public accounting firm; and
3. transact any other business that may properly come before the meeting or any adjournment or postponement of the meeting.

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The foregoing items of business are more fully described in the proxy statement accompanying this Notice. Our Board of Directors recommends that you vote **FOR** the election of the director nominee named in this proxy statement, and **FOR** the ratification of the appointment of Stegman & Company as our independent registered public accounting firm.

We cordially invite you to attend the meeting. To ensure your representation at the meeting, please vote promptly even if you plan to attend the meeting. Voting now will not prevent you from voting in person at the meeting if you are a stockholder of record and wish to do so.

By Order of the Board of Directors

/s/ I. Richard Garr

I. Richard Garr

Chief Executive Officer

Rockville, Maryland

April 30, 2012

IMPORTANT

Whether or not you expect to attend the Annual Meeting in person, we urge you to vote your shares at your earliest convenience. This will ensure the presence of a quorum at the meeting. Promptly voting your shares by telephone, via the Internet, or by signing, dating, and returning the enclosed proxy card will save us the expenses and extra work of additional solicitation. Submitting your proxy now will not prevent you from voting your shares at the meeting if you desire to do so, as your proxy is revocable at your option.

**NEURALSTEM, INC.
9700 Great Seneca Highway
Rockville, Maryland, 20850
(301)-366-4841**

PROXY STATEMENT

GENERAL

We are providing this proxy statement to you as part of a solicitation by the board of directors (**Board**) of Neuralstem, Inc. for use at our 2012 Annual Meeting of Stockholders and at any adjournment or postponement that may take place.

We will hold our Annual Meeting at our headquarters, located at 9700 Great Seneca Highway Rockville, Maryland, 20850, on June 19, 2012 starting at 12:00 p.m. (local time). Only stockholders of record on April 30, 2012 (**Record Date**), are entitled to notice of and to vote at the meeting and at any adjournment or postponement that may take place.

We expect to mail this proxy statement and accompanying proxy card to stockholders beginning on or about May 9, 2012. Unless the context otherwise requires, the terms **Neuralstem**, **us**, **we**, and **our** references Neuralstem, Inc.

**QUESTIONS AND ANSWERS ABOUT THE PROXY
MATERIALS AND THE MEETING**

***Q:* Why am I receiving these materials?**

A: Our Board is providing these proxy materials to you in connection with our 2012 Annual Meeting of Stockholders, which will take place at 12:00 p.m. (local time) on Tuesday, June 19, 2012, at our headquarters located at 9700 Great Seneca Highway Rockville, Maryland, 20850. As a stockholder, you are invited to attend the meeting and requested to vote on the items of business described in this proxy statement.

***Q:* What information is contained in these materials?**

A: The information in this proxy statement relates to the proposals to be voted on at the Annual Meeting, the voting process, the compensation of our directors and most highly paid executive officers, corporate governance, and certain other required information.

***Q:* What can I vote on at the meeting?**

A: The items of business scheduled to be voted on at the Annual Meeting are:

the election of one (1) Class I director to our Board, to hold office until the annual meeting of stockholders in 2015, or until his successor is elected and qualified; and
the ratification of Stegman & Company as our independent registered public accounting firm for the fiscal year ending December 31, 2012.

We will also consider any other business that properly comes before the Annual Meeting.

Q: How does the Board recommend that I vote on each of the matters?

A: Our Board recommends that you vote your shares:

FOR the director nominee; and

FOR the ratification of the appointment of Stegman & Company as our independent registered public accounting firm for the 2012 fiscal year.

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Q: What shares can I vote?

A: Each share of our common stock outstanding on the Record Date is entitled to one vote on each of the items being voted on at the meeting. You can vote all shares you owned on the Record Date. These shares include (1) shares held directly in your name as the stockholder of record, and (2) shares held for you as the beneficial owner through a stockbroker, bank or other nominee. On the Record Date, we had 54,095,105 shares of common stock outstanding which are entitled to vote at our Annual Meeting. Each share of common stock is entitled to one vote. We have no other classes of stock outstanding.

Q: What does it mean if I get more than one set of proxy-related materials?

A: It means you hold shares registered in more than one account. Follow the instructions in each set of proxy-related materials to ensure that all of your shares are voted.

Q: What is the difference between holding shares as a stockholder of record and as a beneficial owner?

A: Most of our stockholders hold their shares through a stockbroker, bank or other nominee rather than directly in their own name. There are some important distinctions between shares held of record and those beneficially owned.

Stockholder of Record

If your shares are registered directly in your name with our transfer agent, American Stock Transfer and Trust Company., you are considered, with respect to those shares, the *stockholder of record*, and the proxy-related materials were sent directly to you by Neuralstem. As the *stockholder of record*, you have the right to grant your voting proxy directly to Neuralstem or to vote in person at the Annual Meeting. Neuralstem has enclosed herewith a proxy card for you to use. You may also vote on the internet or by telephone, as below under the heading *How can I vote my shares without attending the Annual Meeting?*

Beneficial Owner

If your shares are held in an account at a brokerage firm, bank, broker-dealer, trust, or other similar organization, like the vast majority of our stockholders, you are considered the *beneficial owner* of shares held *in street name*, and the Proxy materials were forwarded to you by that organization. As the beneficial owner, you have the right to direct your broker, bank, trustee, or nominee how to vote your shares, and you are also invited to attend the Annual Meeting.

Since a beneficial owner is not the *stockholder of record*, you may not vote your shares in person at the Annual Meeting unless you obtain a legal proxy from the broker, bank, trustee, or nominee that holds your shares giving you the right to vote the shares at the meeting. If you do not wish to vote in person or you will not be attending the Annual Meeting, you may vote by proxy. You may vote by proxy over the internet or by telephone, as described below under the heading *How can I vote my shares without attending the Annual Meeting?*

Q: How can I contact Neuralstem's transfer agent?

A: Contact our transfer agent by either writing to American Stock Transfer & Trust Company, 6201 15th Avenue Brooklyn, NY 11219 or by telephone at 718-921-8200.

Q: How can I attend the Annual Meeting?

A: You are entitled to attend the Annual Meeting only if you were a Neuralstem stockholder as of the Record Date or you hold a valid proxy for the Annual Meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis. You must present photo identification for admittance. If you are not a stockholder of record but hold shares as a beneficial owner in street name, you must also provide proof of beneficial ownership as of the Record Date, such as your most recent account statements for the periods prior to and after April 30, 2012, a copy of the voting instruction card provided by your broker, bank, trustee, or nominee, or other similar evidence of ownership. If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the Annual Meeting. For security reasons, you and your bags will be subject to search prior to your admittance to the meeting. The meeting will begin promptly at 12:00 p.m. (local time). Check-in will begin at 11:30 a.m., local time, and you should allow ample time for the check-in procedures.

Q: How can I vote my shares in person at the Annual Meeting?

A: Shares held in your name as the stockholder of record may be voted by you in person at the Annual Meeting. Shares held beneficially in street name may be voted by you in person at the Annual Meeting only if you obtain a legal proxy from the broker, bank, trustee, or nominee that holds your shares giving you the right to vote the shares. Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions as described below so that your vote will be counted if you later decide not to attend the meeting.

Q: How can I vote my shares without attending the Annual Meeting?

A: Whether you hold shares directly as the stockholder of record or beneficially in street name, you may direct how your shares are voted without attending the Annual Meeting. If you are a stockholder of record, you may vote by proxy. You can vote by proxy over the internet by mail or telephone pursuant to instructions provided on the proxy card. If you hold shares beneficially in street name, you may also vote by proxy over the internet by telephone or mail by following the voting instruction card provided to you by your broker, bank, trustee, or nominee.

Q: Can I change my vote or revoke my proxy?

A: Yes. You can change your vote or revoke your proxy at any time before the final vote at the meeting. You can do this by casting a later proxy through any of the available methods described in the questions and answers above. If you are a stockholder of record, you can also revoke your proxy by delivering a written notice of your revocation to our Corporate Secretary at our principal executive office at 9700 Great Seneca Highway Rockville, Maryland, 20850. If you are a beneficial owner, you can revoke your proxy by following the instructions sent to you by your broker, bank or other nominee.

Q: Is my vote confidential?

A: Proxy instructions, ballots, and voting tabulations that identify individual stockholders are handled in a manner that protects your voting privacy. Your vote will not be disclosed either within Neuralstem or to third parties, except: (1) as necessary to meet applicable legal requirements, (2) to allow for the tabulation of votes and certification of the vote, and (3) to facilitate a successful proxy solicitation. Occasionally, stockholders provide on their proxy card written comments, which are then forwarded to Neuralstem's management.

Q: How are votes counted?

A: In the election of directors (proposal number 1), you may vote **FOR** the nominee or your vote may be **WITHHELD** with respect to the nominee.

For the other items of business, you may vote **FOR**, **AGAINST**, or **ABSTAIN**. If you elect to **ABSTAIN**, the abstention has the same effect as a vote **AGAINST**.

If you provide specific instructions with regard to certain items, your shares will be voted as you instruct on such items. If no instructions are indicated, the shares will be voted as recommended by the Board.

Q: What is the voting requirement to approve each of the proposals?

A: In the election of directors, the person receiving the highest number of affirmative **FOR** votes at the Annual Meeting will be elected.

The ratification of the appointment of Stegman & Company as our independent registered public accounting firm for the fiscal year ending December 31, 2012 requires the affirmative **FOR** vote of a majority of those shares present in person or represented by proxy and entitled to vote on them at the Annual Meeting.

If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given. These matters are referred to as non-routine matters. All of the matters scheduled to be voted on at the Annual Meeting are non-routine, except for the proposal to ratify the appointment of Stegman & Company as our independent registered public accounting firm for the fiscal year ending December 31, 2012. In tabulating the voting result for any particular proposal, shares that constitute broker non-votes are not considered votes cast on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.

Abstentions are considered votes cast and thus will have the same effect as votes against each of the matters scheduled to be voted on at the Annual Meeting.

Please note that the rules regarding how brokers may vote your shares have changed. Brokers may no longer vote your shares on the election of directors or on executive compensation matters in the absence of your specific instructions as to how to vote so we encourage you to provide instructions to your broker regarding the voting of your shares.

Q: Is cumulative voting permitted for the election of directors?

A: No. You may not cumulate your votes for the election of directors.

Q: Who will count the votes?

A: We will appoint one of our officers present at the meeting to act as the inspector of elections for any votes cast at the meeting. Also, our transfer agent will separately tabulate all votes **FOR** and **AGAINST** each matter, as well as all abstentions and broker non-votes and votes made through the internet, telephone or by proxy for by shareholders of record and beneficial owners.

Q: How will voting on any other business be conducted?

A: We do not expect any matters to be presented for a vote at the meeting other than the matters described in this proxy statement. If you grant a proxy, either of the officers named as proxy holders, I. Richard Garr and Dr. Karl Johe, or their nominees or substitutes, will have the discretion to vote your shares on any additional matters that are properly presented for a vote at the meeting and at any adjournment or postponement that may take place. If, for any unforeseen reason, our nominee is not available as a candidate for director, the persons named as the proxy holder will vote your proxy for another candidate nominated by our Board.

Q: Who is paying for this proxy solicitation?

A: We will pay the cost of soliciting the proxies, if any. In addition, our officers, directors and employees may solicit proxies or votes in person, by telephone or by email. These people will not be paid any additional compensation for these activities. We will send copies of proxy-related materials or additional solicitation materials to brokers, fiduciaries and custodians who will forward these materials to the beneficial owners of our shares. On request, we will reimburse brokers and other persons representing beneficial owners of shares for their reasonable expenses in forwarding these materials to beneficial owners.

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Q: Where can I find the voting results of the Annual Meeting?

A: We will announce preliminary voting results at the Annual Meeting. We will also disclose voting results on a Form 8-K filed with the SEC within four business days after the Annual Meeting, which will also be available on our website.

Q: *What is the deadline to propose actions for consideration at next year's Annual Meeting of Stockholders or to nominate individuals to serve as directors?*

A: **Stockholder Proposals:** Stockholders may present proper proposals for inclusion in our proxy statement and for consideration at the next annual meeting of stockholders by submitting their proposals in writing to Neuralstem's Corporate Secretary in a timely manner. For a stockholder proposal to be considered for inclusion in our proxy statement for our 2013 Annual Meeting of Stockholders, the Corporate Secretary of Neuralstem must receive the written proposal at our principal executive offices no later than March 31, 2013; provided, however, that in the event that we hold our 2013 Annual Meeting of Stockholders more than 30 days before or after the one-year anniversary date of the 2012 Annual Meeting, the deadline is a reasonable time before we begin to print and send our proxy materials for the 2013 Annual Meeting. Such proposals also must comply with any applicable SEC regulations regarding the inclusion of stockholder proposals in company-sponsored proxy materials. Proposals should be addressed to:

Neuralstem, Inc.
Attn: Corporate Secretary
9700 Great Seneca Highway
Rockville, Maryland, 20850
Fax: 301-560-6634

Our bylaws also establish an advance notice procedure for stockholders who wish to present a proposal before an annual meeting of stockholders but do not intend for the proposal to be included in our proxy statement. Our bylaws provide that the only business that may be conducted at an annual meeting is business that is (1) specified in the notice of a meeting given by or at the direction of the Board, (2) otherwise properly brought before the meeting by or at the direction of the Board, or (3) a proper matter for stockholder action under the Delaware General Corporate Law that has been properly brought before the meeting by a stockholder entitled to vote at the annual meeting who has delivered timely written notice to our Corporate Secretary, which notice must contain the information specified in our bylaws. To be timely for our 2013 Annual Meeting of Stockholders, our Corporate Secretary must receive the written notice at our principal executive offices:

not earlier than the close of business on February 19, 2013, and
not later than the close of business on March 31, 2013.

In the event that we hold our 2013 Annual Meeting of Stockholders more than 30 days before or after the one-year anniversary date of the 2012 Annual Meeting, then notice of a stockholder proposal that is not intended to be included in our proxy statement must be received not later than the close of business on the earlier of the following two dates:

the 10th day following the day on which notice of the meeting date is mailed, or
the 10th day following the day on which public disclosure of the meeting date is made.

If a stockholder who has notified us of his or her intention to present a proposal at an annual meeting does not appear to present his or her proposal at such meeting, we are not required to present the proposal for a vote at such meeting.

Nomination of Director Candidates: You may propose director candidates for consideration by our Nominating and Corporate Governance Committee. Any such recommendations should include the nominee's name and qualifications for membership on the Board, and should be directed to the Corporate Secretary of Neuralstem at the address set forth above. For additional information regarding stockholder recommendations for director candidates, see *Directors, Executive Officers and Corporate Governance - Consideration of Director Nominees - Stockholder Recommendations and Nominees* on page 12 of this proxy statement.

In addition, our bylaws permit stockholders to nominate directors for election at an annual meeting of stockholders. To nominate a director, the stockholder must provide the information required by our bylaws. In addition, the stockholder must give timely notice to our Corporate Secretary in accordance with our bylaws, which, in general, require that the notice be received by our Corporate Secretary within the time period described above under *Stockholder Proposals* for stockholder proposals that are not intended to be included in our proxy statement.

Copy of Bylaw Provisions: You may contact our Corporate Secretary at our principal executive offices for a copy of the relevant bylaw provisions regarding the requirements for making stockholder proposals and nominating director candidates.

* * * * *

BENEFICIAL OWNERSHIP OF SHARES OF COMMON STOCK

The following table sets forth, as of April 30, 2012, information regarding beneficial ownership of our capital stock by:

each person, or group of affiliated persons, known by us to be the beneficial owner of 5% or more of any class of our voting securities;

each of our current directors and nominees;
each of our current named executive officers; and
all current directors and named executive officers as a group.

Beneficial ownership is determined according to the rules of the SEC. Beneficial ownership means that a person has or shares voting or investment power of a security and includes any securities that person or group has the right to acquire within 60 days after the measurement date. This table is based on information supplied by officers, directors and principal stockholders. Except as otherwise indicated, we believe that each of the beneficial owners of the common stock listed below, based on the information such beneficial owner has given to us, has sole investment and voting power with respect to such beneficial owner's shares, except where community property laws may apply.

Name and Address of Beneficial Owner ⁽¹⁾	Common Stock			Percent of Class ⁽²⁾
	Shares	Shares Underlying Convertible Securities ⁽²⁾	Total	
Directors and named				
Karl Johe, Ph.D	1,116,984	6,906,242	8,023,226	14.83 %
I. Richard Garr	1,507,459	3,431,573	4,939,032	9.13 %
Stanley Westreich	1,482,902	56,458	1,539,360	2.85 %
John Conron ⁽³⁾	95,299	1,171,983	1,267,282	2.34 %
William Oldaker	104,300	246,458	350,758	*
Scott Ogilvie	15,000	200,000	215,000	*
Thomas Hazel		160,000	160,000	*
All directors and named executive officers as a group (7 persons)			16,494,658	30.50 %

* Represents less than 1%