

Neuralstem, Inc.
Form PRE 14A
April 14, 2008

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

**SCHEDULE 14A
(Rule 14a-101)**

**INFORMATION REQUIRED IN PROXY STATEMENT
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 Rule 14a-11(c) or Rule 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:
- (2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

NEURALSTEM, INC.
9700 Great Seneca Highway
Rockville, Maryland, 20850

April 14, 2008

Dear Shareholders:

You are cordially invited to attend the annual meeting of shareholders of Neuralstem, Inc. to be held at 9700 Great Seneca Highway, Rockville, Maryland, 20850 at 11:00 am Eastern Standard Time on Wednesday, May 28, 2008.

At the meeting, shareholders will be asked to vote on the election of four directors, the ratification of the appointment of Stegman & Company as the Company's independent registered public accounting firm for the Company's 2008 fiscal year, and the approval of an amendment to the Company's Certificate of Incorporation to increase the total number of shares of common stock which the Company is authorized to issue from 75,000,000 shares to 150,000,000 shares.

The Notice of Annual Meeting of Shareholders and Proxy Statement accompanying this letter provide detailed information concerning matters to be considered at the meeting.

Your vote is important. I urge you to vote as soon as possible, whether or not you plan to attend the annual meeting.

Thank you for your continued support of Neuralstem, Inc.

Sincerely,

/s/ Karl Johe

Karl Johe,
Chairman

**NEURALSTEM, INC.
9700 Great Seneca Highway
Rockville, Maryland, 20850**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 28, 2008

TO THE SHAREHOLDERS OF NEURALSTEM, INC.:

The annual meeting of the shareholders of Neuralstem, Inc., a Delaware corporation, (the "Company"), will be held at 11:00 am Eastern Standard Time on Wednesday, May 28, 2008, at 9700 Great Seneca Highway, Rockville, Maryland, 20850 for the following purposes:

1. To elect the following four directors: (i) 1 directors to serve as Class I directors for a period of 1 years; (ii) 1 director to serve as a Class II director for a period of 2 years; and (iii) 2 director to serve as a Class III director for a period of 3 year.
2. To ratify the appointment of Stegman & Company as the Company's independent registered public accounting firm for the 2008 fiscal year.
3. To approve an amendment to the Company's Certificate of Incorporation to increase the total number of shares of common stock which the Company is authorized to issue from 75,000,000 shares to 150,000,000 shares.
5. To transact such other business as may properly come before the meeting.

The Board of Directors has fixed the close of business on April 21, 2008 as the record date for the determination of shareholders entitled to notice of and to vote at the annual meeting. We hope that you will attend the meeting, but if you cannot do so, please complete, date and sign the enclosed proxy card, and return it in the accompanying envelope as promptly as possible. Returning the enclosed proxy card will not affect your right to vote in person if you attend the meeting.

By Order of the Board of Directors

Karl Johe,
Chairman of the Board of Directors

Rockville, Maryland
April 14, 2008

Your vote is important. Please mark, sign, date and mail the enclosed proxy form(s) whether or not you plan to attend the Annual Meeting. A return envelope is enclosed for your convenience.

**NEURALSTEM, INC.
9700 Great Seneca Highway
Rockville, Maryland, 20850**

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 28, 2008

April 14, 2008

GENERAL

The enclosed proxy is solicited on behalf of the Board of Directors of Neuralstem, Inc., a Delaware corporation (the “Company”), for use at the annual meeting of shareholders to be held at 11:00 am Eastern Standard Time on Wednesday, May 28, 2008 at 9700 Great Seneca Highway, Rockville, Maryland, 20850 (local time), or at any adjournment or postponement of the meeting, for the purposes set forth in this proxy statement and in the accompanying Notice of Annual Meeting. The Company intends to mail this proxy statement and accompanying proxy card on or about April 29, 2008 to all shareholders entitled to vote at the annual meeting.

ABOUT THE MEETING

Why did I receive this proxy statement?

You received this proxy statement because you held shares of the Company’s common stock on April 21, 2008 (the “Record Date”) and are entitled to vote at the annual meeting. The Board of Directors is soliciting your proxy to vote at the meeting.

What am I voting on?

You are being asked to vote on six items:

1. The election of four directors consisting of: 1 class I directors; 1 class II director; and 2 class III directors.
2. The ratification of Stegman & Company as the Company’s independent registered public accounting firm for the 2008 fiscal year.
3. The approval of an amendment to the Company’s Certificate of Incorporation to increase the total number of shares of common stock which the Company is authorized to issue from 75,000,000 shares to 150,000,000 shares.

How do I vote?

Shareholders of Record

You can vote on the Internet or by telephone by following the instructions you received in the mail. If you received a full printed set of our proxy materials in the mail, you can also vote by mail. Finally, you can vote in person at the meeting.

Street Name Holders

You can vote on the Internet or by telephone by following the instructions you received in the mail. If you received a full printed set of our proxy materials in the mail, you can also vote by mail. You can vote in person at the meeting only if you obtain a signed proxy from your broker, bank or nominee giving you this right . Regardless of how your shares are registered, if you complete and properly sign the accompanying proxy card and return it to the address indicated, it will be voted as you direct.

What are the voting recommendations of the Board of Directors?

The Board of Directors recommends that you vote in the following manner:

1. **FOR** each of the persons nominated by the Board of Directors to serve as directors.
2. **FOR** the ratification of the appointment of Stegman and Company as independent registered public accounting firm for the 2007 fiscal year.
3. **FOR** the approval of the proposed amendment to the Company's Certificate of Incorporation to increase the authorized common stock.

Unless you give contrary instructions on your proxy card, the persons named as proxies will vote your shares in accordance with the recommendations of the Board of Directors.

Will any other matters be voted on?

We do not know of any other matters that will be brought before the shareholders for a vote at the annual meeting. If any other matter is properly brought before the meeting, your signed proxy card would authorize Messrs Garr and Johe to vote on such matters in their discretion.

Who is entitled to vote at the meeting?

Only shareholders of record at the close of business on the Record Date are entitled to receive notice of and to vote at the annual meeting. If you were a shareholder of record on that date, you will be entitled to vote all of the shares that you held on that date at the meeting, or any postponement or adjournment of the meeting.

How many votes do I have?

You will have one vote for each share of the Company's common stock that you owned on the Record Date.

How many votes can be cast by all shareholders?

The Company had [_____] outstanding shares of common stock on the Record Date. Each of these shares is entitled to one vote. There is no cumulative voting.

How many votes must be present to hold the meeting?

The holders of a majority of the Company's common stock outstanding on the Record Date must be present at the meeting in person or by proxy in order to fulfill the quorum requirement necessary to hold the meeting. This means at least [_____] shares must be present in person or by proxy.

If you vote, your shares will be part of the quorum. Abstentions and broker non-votes will also be counted in determining the quorum. A broker non-vote occurs when a bank or broker holding shares in street name submits a proxy that states that the broker does not vote for some or all of the proposals because the broker has not received instructions from the beneficial owners on how to vote on the proposals and does not have discretionary authority to vote in the absence of instructions.

We urge you to vote by proxy even if you plan to attend the meeting so that we will know as soon as possible that a quorum has been achieved.

What vote is required to approve each proposal?

In the election of directors, the affirmative vote of a plurality of the votes present in person or by proxy and entitled to vote at the meeting is required. A proxy that has properly withheld authority with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for the purposes of determining whether there is a quorum.

For the proposal to approve the amendment to the Company's Certificate of Incorporation, the affirmative vote of a majority of the outstanding shares of common stock on the Record Date will be required for approval. An abstention with respect to this proposal is not an affirmative vote and therefore will have the same effect as a negative vote.

For all other proposals, the affirmative vote of a majority of the shares represented in person or by proxy and entitled to vote at the meeting will be required for approval. An abstention with respect to these proposals will be counted for the purposes of determining the number of shares entitled to vote that are present in person or by proxy. Accordingly,

an abstention will have the effect of a negative vote.

If a broker indicates on the proxy that it does not have discretionary authority as to vote on a particular matter, those shares will not be considered as present and entitled to vote with respect to the matter.

Can I change my vote?

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 principal executive office Attn: Shareholder Services, 9700 Great Seneca Highway Rockville, Maryland, 20805. 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.

Who can attend the annual meeting?

Any person who was a shareholder of the Company on April 21, 2008 may attend the meeting. If you own shares in street name, you should ask your broker or bank for a legal proxy to bring with you to the meeting. If you do not receive the legal proxy in time, bring your most recent brokerage statement so that we can verify your ownership of our stock and admit you to the meeting. However, you will not be able to vote your shares at the meeting without a legal proxy.

What happens if I sign and return the proxy card but do not indicate how to vote on an issue?

If you return a proxy card without indicating your vote, your shares will be voted as follows:

- ***FOR*** each of the nominees for director named in this proxy statement;
 - ***FOR*** ratification of the appointment of Stegman & Company as the independent registered public accounting firm for the Company for the 2008 fiscal year.
 - ***FOR*** the approval of the amendment to the Company's Certificate of Incorporation to increase the authorized common stock.
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PRINCIPAL STOCKHOLDERS

The following tables set forth certain information regarding the beneficial ownership of our common stock. Beneficial ownership is determined in accordance with the applicable rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares of our common stock. The information set forth below is not necessarily indicative of beneficial ownership for any other purpose, and the inclusion of any shares deemed beneficially owned in this table does not constitute an admission of beneficial ownership of those shares. Unless otherwise indicated, to our knowledge, all persons named in the table have sole voting and investment power with respect to their shares of common stock, except, where applicable, to the extent authority is shared by spouses under applicable state community property laws.

The following table sets forth information regarding beneficial ownership of our capital stock as of April 10, 2008 by:

- each person, or group of affiliated persons, known to us to be the beneficial owner of more than 5% of the outstanding shares of our common stock;
- each of our directors and named executive officers; and
- all of our directors and executive officers as a group.

Name	Common Stock	
	Amount (1)	%
Karl Johe (2)	2,369,484	7.39
Stanley Westreich (3)	2,231,404	6.96
Merrill Solomon (4)	2,177,097	6.79
Richard Garr (5)	1,973,084	6.15
William Oldaker (6)	132,200	0.41
John Conron (7)	160,000	0.34
Scott Ogilvie (8)	35,000	0.11
Executives Officers and Directors as a Group	6,796,865	21.19

Pursuant to

- (1) Pursuant to Rules 13d-3 and 13d-5 of the Exchange Act, beneficial ownership includes any shares as to which a shareholder has sole or shared voting power or investment power, and also any shares which the shareholder has the right to acquire within 60 days, including upon exercise of common shares purchase options or warrant. There are 32,075,875 shares of common stock issued and outstanding as of April [], 2008.
- (2) Includes 1,769,484 common shares and 600,000 vested options.
- (3) Includes 2,031,404 common shares and 200,000 vested options
- (4)