

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.
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- (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.:

(3) Filing Party:

(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.

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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%

(1) Except as otherwise indicated, the persons named in this table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them, subject to community property laws where applicable and to the information contained in the footnotes to this table. Unless otherwise indicated, the address of the beneficial owner is c/o Neuralstem, Inc. 9700 Great Seneca Highway, Rockville, MD.

(2) 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 54,095,105 shares of common stock issued and outstanding as of April 30, 2012.

(3) Mr. Conron retired on April 9, 2012.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The names of our directors and executive officers and their ages, positions, and biographies as of April 30, 2012 are set forth below. Our executive officers are appointed by, and serve at the discretion of the Board. There are no family relationships among any of our directors or executive officers.

Name	Position	Age	Position Since
I. Richard Garr	Chief Executive Officer, President, General Counsel, Interim Chief Financial Officer and Director	59	1996
Karl Johe, Ph.D.	Chief Scientific Officer and Chairman of the Board	52	1996
Scott Ogilvie	Director	57	2007
William Oldaker	Director	71	2007
Stanley Westreich	Director	75	2/2011

Mr. I. Richard Garr, JD, age 59, has been a director and our Chief Executive Officer since 1996. Mr. Garr was previously an attorney with Beli, Weil & Jacobs, the B&G Companies, and Circle Management Companies. Mr. Garr is a graduate of Drew University (1976) and the Columbus School of Law, The Catholic University of America (1979). Additionally, he was a founder and current Board member of the First Star Foundation, a children's charity focused on abused children's issues; a founder of The Starlight Foundation Mid Atlantic chapter, which focuses on helping seriously ill children; and is a past Honorary Chairman of the Brain Tumor Society. In evaluating Mr. Garr's specific experience, qualifications, attributes and skills in connection with his appointment to our board, we took into account his broad experience in Neural Stem Cells. He is among the longest serving executives in the field.

Dr. Karl Johe, Ph.D., age 52, has been a director, Chairman of the Board and our Chief Scientific Officer since 1996. Dr. Johe has over 15 years of research and laboratory experience. Dr. Johe is the sole inventor of Neuralstem's granted stem cell patents and is responsible for the strategic planning and development of our therapeutic products. Dr. Johe received his Bachelor of Arts Degree in Chemistry and a Master's Degree from the University of Kansas. Dr. Johe received his doctorate from the Albert Einstein College of Medicine of Yeshiva University. From 1993 to January 1997, Dr. Johe served as a Staff Scientist at the Laboratory of Molecular Biology of the National Institute of Neurological Disease and Stroke in Bethesda, Maryland. While holding this position, Dr. Johe conducted research on the isolation of neural stem cells, the elucidation of mechanisms directing cell type specification of central nervous system stem cells and the establishment of an in vitro model of mammalian neurogenesis. In evaluating Dr. Johe's specific experience, qualifications, attributes and skills in connection with his appointment to our board, we took into account his extensive experience in international science and business communities. Dr. Johe is also multilingual.

Scott V. Ogilvie, age 57, has served as a director on our board since February 2008. Mr. Ogilvie is currently the President of AFIN International, Inc., a private equity/business advisory firm, which he founded in 2006. Additionally, Mr. Ogilvie has served as a partner of Wirthlin Worldwide International, a private strategic advisory and M&A firm, since September 2011. Prior to December 31, 2009, he was CEO of Gulf Enterprises International, Ltd, a company that brings strategic partners, expertise and investment capital to the Middle East and North Africa. He held this position since August 2006. Mr. Ogilvie previously served as Chief Operating Officer of CIC Group, Inc., an investment manager, a position he held from 2001 to 2007. He began his career as a corporate and securities lawyer with Hill, Farrer & Burrill, and has extensive public and private corporate management and board experience in finance, real estate, and technology companies. During the past 5 years, Mr. Ogilvie has served on the board of

directors of Neuralstem, Inc. (NYSE AMEX:CUR), Innovative Card Technologies, Inc. (OTCBB:INVC) and Preferred Voice Inc, (OTCBD:PRFV) and GenSpera, Inc. (OTCBB: GNSZ). In evaluating Mr. Ogilvie s specific experience, qualifications, attributes and skills in connection with his appointment to our board, we took into account his prior work in both public and private organizations regarding corporate finance, securities and compliance and international business development.

Mr. William Oldaker, age 71, has served on our board of directors since April 12, 2007. Mr. Oldaker is a founder and partner in the Washington, D.C. law firm of Oldaker Group LLC. Prior to founding the firm in 1993, Mr. Oldaker was a partner in the Washington office of the law firm of Manatt, Phelps and Phillips from 1987 to 1993. In 2004, Mr.

Oldaker was a founder of Washington First Bank in Washington, D.C. and serves as a member of the board of directors. He previously served as a director of Century National Bank, from 1982 until its acquisition in 2001. Mr.

Oldaker was appointed by President Clinton to serve as a commissioner on the National Bioethics Advisory Commission, a post he held until 2001. He is a member of the Colorado, D.C. and Iowa Bar Associations, the Bar Association for the Court of Appeals, D.C., and the Bar of the United States Supreme Court. He is also a partner in The National Group, a consulting firm. In evaluating Mr. Oldaker's specific experience, qualifications, attributes and skills in connection with his appointment to our board, we took into account his extensive experience with managing and developing federal government regulations and expertise in the legislative process. He also was a founding member, and has served on the board of directors of a bank for almost thirty years.

Mr. Stanley Westreich, age 75, joined our board of director on February 15, 2011. Mr. Westreich is the manager of Westreich Services, LLC, a private investment and advisory firm which he founded in 2005. Prior to founding Westreich Services, LLC, Mr. Westreich was President of Westfield Realty, Inc., a real estate development and construction company, from 1965 to 2005. From July 26, 1994 to May 2010 he served as a director of Capital One Financial Corporation and also served as a director of Capital One Bank (USA), National Association. He served as a member of the Capital One Financial Corporation Compensation Committee from March 1995 through February 2010 and was its Chairman from March 1995 through April 2005. He has also served on the Capital One Financial Corporation Finance and Trust Oversight Committee from April 2004 to May of 2010. In evaluating Mr. Westreich's specific experience, qualifications, attributes and skills in connection with his appointment to our board, we took into account his prior experience on the board of Capital One Financial and its related committees as well as his track record at Westreich Realty, Inc..

Board of Directors

Our Board consists of five members. Our business, property and affairs are managed under the direction of the Board. Members of the Board are kept informed of the our business through discussion with the Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees.

Our Board is responsible for establishing broad corporate policies and for overseeing our overall management. In addition to considering various matters which require its approval, the Board provides advice and counsel to, and ultimately monitors the performance of, our senior management.

Board Meetings

During 2011, the Board held 4 meetings and acted through unanimous written consent 5 times. Each director attended at least 75% of all meetings of the Board and of the committees on which the director served. The Board currently holds regularly scheduled meetings and calls for special meetings or acts through unanimous written consents as necessary. Meetings of the Board may be held telephonically. Directors are expected to attend all board meetings and meetings of the committees of the board on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their duties. Though we do not have a formal policy regarding attendance by directors at annual meetings of stockholders, attendance is encouraged.

Information with regard to committee meetings and written consent is provided for below in the section of this proxy statement entitled Committees.

Classification of Board

Pursuant to our bylaws, we have a classified board of directors which is divided into three classes with staggered three-year terms. Only one class may be elected each year, while the directors in the other classes continue to hold office for the remainder of their three-year terms. Each class is required to have approximately the same number of directors. The Board may, on its own, determine the size of the exact number of directors on the Board and may fill vacancies on the Board. The procedure for electing and

removing directors on a classified board of directors generally makes it more difficult for stockholders to change management control by replacing a majority of the board at any one time, and the classified board structure may discourage a third party tender offer or other attempt to gain control of the company and may maintain the incumbency of directors. In addition, under our bylaws, directors may only be removed from office by a vote of the majority of the shares then outstanding and eligible to vote.

Independent Directors

Our common stock is listed on the NYSE AMEX. As such, we are subject to the NYSE AMEX's director independence standards. In accordance with these standards, in determining independence the Board affirmatively determines whether a director has a material relationship with Neuralstem that would compromise his or her independence from management or would cause him or her to fail to meet the NYSE AMEX's specific independence criteria. When assessing the materiality of a director's relationship with Neuralstem, the Board considers all relevant facts and circumstances, not merely from the director's standpoint, but from that of the persons or organizations with which the director has an affiliation, and, where applicable, the frequency and regularity of the services, and whether the services are being carried out at arm's length in the ordinary course of business. Material relationships can include commercial, consulting, charitable, familial and other relationships. A relationship is not material if, in the Board's judgment, it is not inconsistent with the NYSE AMEX's director independence standards and it does not compromise a director's independence from management.

Applying the NYSE AMEX's standards, the Board has determined that Messrs Ogilvie, Oldaker and Westreich are each independent as that term is defined by the NYSE Amex. Of the independent directors, Mr. Ogilvie is up for re-election at the Annual Meeting.

Communications with Directors

We have adopted a formal process for shareholder communications with our independent directors. The policy, which is available on our website, www.neuralstem.com is as follows:

Interested parties are invited to communicate with the non-management members of the Board by sending correspondence to the non-management members of the Board of Directors, c/o Corporate Secretary, Neuralstem, Inc. 9700 Great Seneca Highway, Rockville, Maryland 20850.

The Corporate Secretary will review all such correspondence and forward to the non-management members of the Board a summary of all such correspondence received during the prior month and copies of all such correspondence that deals with the functions of the Board or committees thereof or that otherwise is determined to require attention of the non-management directors. Non-management directors may at any time review the log of all correspondence received by us that is addressed to the non-management members of the Board and request copies of any such correspondence. Concerns relating to accounting, internal controls or auditing matters will immediately be brought to the attention of the Chairman of the Audit Committee.

Corporate Governance Guidelines and Code of Ethics

We have adopted Corporate Governance Guidelines that are intended to ensure that our Board has the necessary authority and practices in place to review and evaluate our business operations and to make decisions that are independent of management. The Corporate Governance Guidelines are intended to align the interests of directors and management with those of our shareholders and establish practices for the Board with regard to its oversight of the

company. Under our guidelines, the Board annually conducts a self-evaluation to assess adherence to the Corporate Governance Guidelines and identify opportunities to improve Board performance. A copy of our codes can be viewed on our website at www.neuralstem.com.

In addition to our Corporate Governance Guidelines, we have adopted several guidelines intended to promote the honest and ethical conduct of our officers, directors, employees and consultants. They include, our Code of Ethics that applies to our officer, directors and employees and our Finance Code of Professional Conduct that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, and any persons who participate in our financial reporting process. A copy of our codes can be viewed on our website at www.neuralstem.com.

The codes incorporate our guidelines designed to deter wrongdoing and to promote honest and ethical conduct and compliance with applicable laws and regulations. The codes also incorporate our expectations of our officers, directors and employees that enable us to provide accurate and timely disclosure in our filings with the SEC and other public communications. In addition, the codes incorporate guidelines pertaining to topics such as complying with applicable laws, rules, and regulations; reporting violations; and maintaining accountability for adherence to the codes.

We intend to disclose future amendments to certain provisions of our codes, or waivers of such provisions on our web site within four business days following the date of such amendment or waiver.

Committees

We have established 3 corporate governance committees comprising of the: (i) Audit Committee; (ii) Compensation Committee; and (iii) Nomination and Corporate Governance Committee. The committee membership and the function of each of the committees are described below. Each committee is governed by written committee charters. We periodically review such charters and may amend or update the process and procedures contained therein. In the event of such amendment or update, we will promptly post our revised charter on our website. A copy of each respective committee's charter can be viewed on our website at www.neuralstem.com.

The table below identifies the Board's standing committees and committee membership:

Director	Audit Committee	Nomination and Corporate Governance Committee	Compensation Committee
William Oldaker	Chair	Member	Member
Scott Ogilvie	Member	Chair	Member
Stanley Westreich	Member		Chair

Each member of the Audit Committee, the Compensation Committee and the Nomination and Corporate Governance Committee is considered independent under NYSE AMEX listing criteria.

Audit Committee

We have a designated audit committee in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Audit Committee are Messrs Ogilvie, Oldaker and Westreich. The Audit Committee assists our board in fulfilling its responsibility for the oversight of the quality and integrity of our accounting, auditing, and reporting practices, and such other duties as directed by the board. The committee's purpose is to oversee our accounting and financial reporting processes, the audits of our financial statements, the qualifications of our public accounting firm engaged by us as our independent auditor to prepare or issue an audit report on our financial statements, and the performance of our internal audit function and independent auditor. The committee reviews and assesses the qualitative aspects of financial reporting to shareholders, our processes to manage business and financial risk, and compliance with significant applicable legal, ethical, and regulatory requirements. The committee is directly responsible for the appointment (subject to shareholder ratification), compensation, retention, and oversight of our independent auditor.

During 2011, our Audit Committee held 4 meetings and acted by written consent 0 times. The Board has determined that Messrs Ogilvie, Oldaker and Westreich are audit committee financial expert within the meaning of SEC rules. An audit committee financial expert is a person who can demonstrate the following attributes: (1) an understanding of generally accepted accounting principles and financial statements; (2) the ability to assess the general application of

such principles in connection with the accounting for estimates, accruals and reserves; (3) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the company's financial statements, or experience actively supervising one or more persons engaged in such activities; (4) an understanding of internal controls and procedures for financial reporting; and (5) an understanding of audit committee functions.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance Committee reviews and evaluates the effectiveness of our executive development and succession planning processes, as well as provides active leadership and oversight of these processes, and oversight of our corporate governance policies. The Nomination and Corporate Governance Committee also evaluates and recommends nominees for membership on our board of directors and its committees. Messrs. Ogilvie, and Oldaker are the members of the Nomination Committee. During 2011, our Nomination and Corporate Governance Committee held 1 meeting and acted by written consent 1 time.

The Nomination and Governance Committee evaluates candidates for the Board on the basis of the process and standards set forth in its charter. Candidates may come to the attention of the Nomination and Governance Committee through current Board members, professional search firms, stockholders or other persons. The Nomination and Governance Committee will consider nominees recommended by our stockholders. For additional information regarding the process for nominee submission and selection, see the *Consideration of Director Nominees* on page 12 of this proxy statement.

Compensation Committee

The Compensation Committee's role is to discharge our board's responsibilities relating to compensation of our executives and to oversee and advise the board of directors on the adoption of policies that govern our compensation and benefit programs. Messrs Ogilvie, Oldaker and Westreich are the members of the Compensation Committee. During 2011 Compensation Committee held 3 meetings and acted by written consent 2 times.

Leadership Structure

The Board does not have a policy regarding the separation of the roles of Chief Executive Officer and Chairman of the Board as the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board. At present, the positions of Chairman and Chief Executive Officer are held by different individuals. This structure makes the best use of the Chief Executive Officer's and Chairman's respective knowledge of the Company and its industry, as well as fostering greater communication between the Company's management and the Board.

Risk Oversight

The Company has a risk management program overseen by the Chief Executive Officer. Material risks are identified and prioritized by management, and each prioritized risk is referred to a Board Committee or the full Board for oversight. For example, strategic risks are referred to the full Board while financial risks are referred to the Audit Committees. The Board regularly reviews information regarding the Company's liquidity and operations, as well as the risks associated with each, and annually reviews the Company's risk management program as a whole. Also, the Compensation Committee periodically reviews the most important risks to the Company to ensure that compensation programs do not encourage excessive risk-taking.

Compensation Committee Interlocks and Insider Participation

During 2011, Messrs. Ogilvie, Oldaker and Westreich served on the Compensation Committee. None of the members of the Compensation Committee has been an officer or employee of Neuralstem. None of our executive officers serves on the board of directors or compensation committee of a company that has an executive officer that serves on the Board or the Compensation Committee.

Stockholder Recommendations and Nominees

The policy of our Nominating and Corporate Governance Committee is to consider properly submitted recommendations for candidates to the Board from stockholders. In evaluating such recommendations, the Nominating and Corporate Governance Committee seeks to achieve a balance of experience, knowledge, integrity, and capability on the Board and to address the membership criteria set forth under Director Qualifications below. Any stockholder recommendations for consideration by the Nominating and Corporate

Governance Committee should include the candidate s (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by the person, (iv) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, (v) a written indication of the candidate s willingness to serve on the Board, (vi) any other information required to be provided under securities laws and regulations, and (vii) a written indication to provide such other information as the Nominating and Corporate Governance Committee may reasonably request. There are no differences in the manner in which the Nominating and Corporate Governance Committee evaluates nominees for director based on whether the nominee is recommended by a stockholder or otherwise. Stockholder recommendations to the Board should be sent to:

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

In addition, our bylaws permit stockholders to nominate directors for consideration at an annual meeting. For a description of the process for nominating directors in accordance with our bylaws, see Questions and Answers about the Proxy Materials and the Annual Meeting 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? on page 5 of this proxy statement.

Director Qualifications

Our Nominating and Corporate Governance Committee will evaluate and recommend candidates for membership on the Board consistent with criteria it establishes. While the Board has not adopted a formal diversity policy or specific standards with regard to the selection of director nominees, due to the nature of our business, the Board believes it is important to consider diversity of race, ethnicity, gender, age, education, cultural background, and professional experiences in evaluating board candidates.

Although the Board has not formally established any specific, minimum qualifications that must be met by each candidate for the Board or specific qualities or skills that are necessary for one or more of the members of the Board to possess, when considering a potential non-incumbent candidate, the Nominating and Corporate Governance Committee will factor into its determination the following qualities of a candidate: educational background, diversity of professional experience, including whether the person is a current or former chief executive officer or chief financial officer of a public company or the head of a division of a large international organization, knowledge of our business, integrity, professional reputation, independence, and ability to represent the best interests of our stockholders.

The Board is composed of a diverse group of individuals who have gained experience over their respective careers in strategic and financial planning, public company financial reporting, compliance, risk management, and leadership development. Most of our directors also have experience serving on boards of directors and board committees of other public and private companies, which provides an understanding of different business processes, challenges, and strategies. Some of our directors also have experience with regard to the protection of intellectual property and litigation strategy as well as with the development of our core technologies.

The Nominating and Corporate Governance Committee and the Board believe that the above-mentioned attributes, along with the leadership skills and other experiences of our board members described below, provide us with a diverse range of perspectives and judgment necessary to guide our strategies and monitor their execution.

Identification and Evaluation of Nominees for Directors

Our Nominating and Corporate Governance Committee uses a variety of methods for identifying and evaluating nominees for directors. Our Nominating and Corporate Governance Committee regularly assesses the appropriate size and composition of the Board, the needs of the Board and the respective committees of the Board, and the qualifications of candidates in light of these needs. Candidates may come to the attention of the Nominating and Corporate Governance Committee through stockholders, management, current members of the Board, or search firms. The evaluation of these candidates may be based solely upon information provided to the committee or may also include discussions with persons familiar with the candidate, an interview of the candidate or other actions the committee deems appropriate, including the use of third parties to review candidates.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our officers, directors, and stockholders owning more than ten percent of our common stock, to file reports of ownership and changes in ownership with the SEC and to furnish us with copies of such reports. Based solely on our review of Form 3, 4 and 5 s, the following table provides information regarding any of the reports which were filed late during the fiscal year ended December 31, 2011:

Name of Reporting Person	Type of Report and Number Filed Late	No. of Transactions Reported Late
Stanley Westreich	Form 4 Statement of Changes of Beneficial Ownership of Securities. Form 4	1
Scott Ogilvie	Statement of Changes of Beneficial Ownership of Securities. Form 4	1
William Oldaker	Statement of Changes of Beneficial Ownership of Securities. Form 4	2
Karl Johe	Statement of Changes of Beneficial Ownership of Securities.	1

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions Procedure

We review all known relationships and transactions in which Neuralstem and our directors, executive officers, and significant stockholders or their immediate family members are participants to determine whether such persons have a direct or indirect interest. Our management, in consultation with our outside legal consultants, determines based on specific fact and circumstances whether Neuralstem or a related party has a direct or indirect interest in these transactions. In addition, our directors and executive officers are required to notify us of any potential related party transactions and provide us with the information regarding such transactions.

If it is determined that a transaction is a related party transaction, the Audit Committee must review the transaction and either approve or disapprove it. In determining whether to approve or ratify a transaction with a related party, the Audit Committee will take into account all of the relevant facts and circumstances available to it, including, among any other factors it deems appropriate:

the benefits to us of the transaction;

the nature of the related party's interest in the transaction;

whether the transaction would impair the judgment of a director or executive officer to act in the best interests of Neuralstem and our stockholders;

the potential impact of the transaction on a director's independence; and

whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances.

Any member of the Audit Committee who is a related party with respect to a transaction under review may not participate in the deliberations or vote on the approval of the transaction.

Related Party Transactions

Summarized below are certain transactions and business relationships between Neuralstem and persons who are or were an executive officer, director or holder of more than five percent of any class of our securities since January 1, 2011.

Information regarding disclosure of an employment relationship or transaction involving an executive officer and any related compensation solely resulting from that employment relationship or transaction is included in the Section of this proxy statement entitled *Director Compensation* and *Executive Compensation*.

Information regarding disclosure of compensation to a director is included in the Section of this proxy statement entitled *Director Compensation*.

Information regarding the identification of each independent director is included in the Section of this proxy statement entitled *Director, and Executive Officers - Independent Directors*.

DIRECTOR COMPENSATION

Board Compensation Arrangements

Our director compensation program is designed to enable continued attraction and retention of highly qualified directors by ensuring that director compensation is in line with peer companies competing for director talent, and is designed to address the time, effort, expertise, and accountability required of active board membership. In general, we believe that annual compensation for non-employee directors should consist of both a cash component, designed to compensate members for their service on the Board and its committees, and an equity component, designed to align the interests of directors and stockholders and, by vesting over time, to create an incentive for continued service on the board.

Our Compensation Committee has adopted a formal non-employee director compensation plan to assist us in attracting and retaining qualified directors. The following are the terms of our Director Compensation Plan pursuant to which non-employee directors are compensated:

Cash Compensation

Board Retention Amount. Each director receives a \$20,000 annual board retainer. The retainer is payable quarterly.

Committee Retainer. Each director serving on a committee receives an additional \$5,000 per committee on which he or she serves.

Meeting Fees. Each director receives a meeting fee equal to: (i) \$1,500 for in person attendance, and (ii) \$750 for telephonic attendance.

Equity Compensation

First Year Grant. Upon joining the Board, individual receive a restricted stock grant or restricted stock unit grant equal to 25,000 common shares. The grant vests as follows: (i) 12,500 vest on the one month anniversary of joining the Board; and (ii) 12,500 vest quarterly over a one year period commencing on the date such director joins the Board.

Annual Grant. Each eligible director is granted annually, at the directors election, either options purchase 20,000 shares of common stock or the equivalent value of restricted shares or restricted stock units. These Annual Grants vest quarterly during the year.

Committee Grant. Each director receives, at their election, either options to purchase an additional 5,000 shares of common stock or the equivalent value of restricted shares or restricted stock units for each committee on which he or she serves. These Committee Grants vest quarterly during the year.

The exercise price for the options granted to non-employee directors is the market price of the stock on each applicable grant date. With regard to options, the options expire 7 years from the grant date. The option, restricted stock or restricted stock units are granted pursuant to our incentive stock option plans. All restricted stock grants and restricted stock units contain restrictions with regard to the resale of the shares.

Compensation for 2011

The following table summarizes compensation paid to non-employee directors during 2011.