

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 9, 2008

NEOSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State Or Other
Jurisdiction Of
Incorporation)

0-10909
(Commission
File Number)

22-2343568
(IRS Employer
Identification No.)

420 Lexington Avenue, Suite 450
New York, New York
(Address of principal executive offices)

10170
(Zip Code)

Registrant's telephone number, including area code: (212)-584-4180

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangement of Certain Officers.

On January 9, 2008, NeoStem, Inc. (the "Company") entered into a letter agreement with Dr. Robin L. Smith, its Chairman of the Board and Chief Executive Officer, pursuant to which Dr. Smith's employment agreement dated as of May 26, 2006 and amended as of January 26, 2007 and September 27, 2007 was further amended to provide that, in response to the Company's efforts to conserve cash, Dr. Smith would be paid \$50,000 of her 2008 salary in shares of the Company's Common Stock, net of shares in payment of applicable withholding taxes valued at the closing price of the Common Stock on the date of issuance. Accordingly, Dr. Smith was issued 16,574 shares of the Company's Common Stock pursuant to the Company's 2003 Equity Purchase Plan (the "EPP") which was based on a price per share of \$1.70, the closing price of the Common Stock on the date of approval by the Compensation Committee of the Board of Directors. Her salary for 2008 will be \$225,000.

Also on January 9, 2008, the Company entered into a letter agreement with Catherine M. Vaczy, its Vice President and General Counsel, pursuant to which Ms. Vaczy's employment agreement dated as of January 26, 2007 was amended to provide that, in response to the Company's efforts to conserve cash, Ms. Vaczy would be paid \$11,250 of her 2008 salary in shares of the Company's Common Stock. Accordingly, Ms. Vaczy was issued 3,729 shares of the Company's Common Stock pursuant to the Company's EPP which was based on a price per share of \$1.70, the closing price of the Common Stock on the date of approval by the Compensation Committee of the Board of Directors. Her salary for 2008 will be \$161,250.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1	Letter agreement dated January 9, 2008 with Dr. Robin Smith
Exhibit 10.2	Letter agreement dated January 9, 2008 with Catherine M. Vaczy

SIGNATURE

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

NEOSTEM, INC.

By: /s/ Catherine M. Vaczy _____
Catherine M. Vaczy
Vice President and General Counsel

Dated: January 11, 2008

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
Exhibit 10.1	Letter agreement with Dr. Robin Smith
Exhibit 10.2	Letter agreement with Catherine M. Vaczy

January 9, 2008

Dr. Robin L. Smith
930 Fifth Avenue
Suite 8H
New York, NY 10021

Dear Robin:

This letter is being written to serve as an amendment to the employment agreement by and between you and NeoStem, Inc. (the "Company") dated as of May 26, 2006 pursuant to which you serve as the Company's Chairman of the Board and Chief Executive Officer and amendments dated each of January 26, 2007 and September 27, 2007. Except as set forth herein, your employment agreement shall remain unchanged. Initially capitalized terms used herein but not defined herein shall have the meaning set forth in the employment agreement.

1. Base Salary.

Pursuant to your employment agreement, since October 1, 2007, you have been receiving a Base Salary equal to \$275,000. In response to the Company's efforts to conserve cash, you have agreed to accept \$50,000 of your 2008 salary in shares of the Company's Common Stock valued at the closing price of the Common Stock on December 19, 2007, net of shares in payment of applicable withholding taxes valued at the closing price of the Common Stock on the date of issuance. Accordingly, on December 19, 2007, by resolution approved by the Compensation Committee you were issued on December 19, 2007 under the Company's 2003 Equity Purchase Plan 16,574 shares of Common Stock.

Except as provided in this letter agreement, the terms of the employment agreement shall remain unchanged.

Very truly yours,

NeoStem, Inc.
By: /s/ Richard Berman
Name: Richard Berman
Title: Chair, Compensation Committee

Accepted and Agreed:

/s/ Robin Smith
Robin Smith

January 9, 2008

Catherine M. Vaczy
140 East 28th Street
#11C
New York, NY 10016

Dear Catherine:

This letter is being written to serve as an amendment to the employment agreement by and between you and NeoStem, Inc. (the "Company") dated as of January 26, 2007 pursuant to which you serve as the Company's Vice President and General Counsel. Except as set forth herein, your employment agreement shall remain unchanged. Initially capitalized terms used herein but not defined herein shall have the meaning set forth in the employment agreement.

Pursuant to the terms of your employment agreement, you are entitled for calendar year 2008 to a minimum annual base salary equal to \$172,500. In response to the Company's efforts to conserve cash, you have agreed to accept for 2008 an annual base salary of \$161,250 and accept \$11,250 in shares of the Company's Common Stock valued at the closing price of the Common Stock on December 19, 2007, net of shares in payment of applicable withholding taxes valued at the closing price of the Common Stock on the date of issuance. Accordingly, on December 19, 2007, by resolution approved by the Compensation Committee you were issued on December 19, 2007 under the Company's 2003 Equity Purchase Plan (the "EPP") 3,729 shares of Common Stock. Also on December 19, 2007, the Compensation Committee awarded you (i) a stock award of 10,000 shares of Common Stock; and (ii) an option to purchase 12,000 shares of Common Stock at a per share exercise price equal to \$1.70 (the closing price of the Common Stock on the date of grant) fully vested and exercisable in its entirety on the date of grant.

Except as provided in this letter agreement, the terms of the employment agreement shall remain unchanged.

Very truly yours,

NeoStem, Inc.
By: /s/ Robin Smith
Name: Robin Smith
Title: CEO

Accepted and Agreed:

/s/ Catherine M. Vaczy
Catherine M. Vaczy
