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AASTROM BIOSCIENCES INC

Filed by

CAPITAL VENTURES INTERNATIONAL /E9/

FORM SC 13G

(Statement of Ownership)

Filed 12/20/10

Address	24 FRANKL LLOYD WRIGHT DR PO BOX 376 ANN ARBOR, MI 48106
Telephone	7349305555
CIK	0000887359
Symbol	ASTM
SIC Code	2836 - Biological Products, Except Diagnostic Substances
Industry	Biotechnology & Drugs
Sector	Healthcare
Fiscal Year	12/31

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO § 240.13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED PURSUANT TO § 240.13d-2.
(Amendment No.)*

Aastrom Biosciences, Inc.

(Name of Issuer)

Common Stock, no par value per share

(Title of Class of Securities)

00253U107

(CUSIP Number)

December 10, 2010

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- ☐ Rule 13d-1(b)
- ☒ Rule 13d-1(c)
- ☐ Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) Names of Reporting Persons
Capital Ventures International

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☐

(3) SEC Use Only

(4) Citizenship or Place of Organization
Cayman Islands

Number of Shares Beneficially Owned by Each Reporting Person With	(5)	Sole Voting Power 0
	(6)	Shared Voting Power ** 3,333,333
	(7)	Sole Dispositive Power 0
	(8)	Shared Dispositive Power ** 3,333,333

(9) Aggregate Amount Beneficially Owned by Each Reporting Person
3,333,333

(10) Check box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

(11) Percent of Class Represented by Amount in Row (9)
8.6%

(12) Type of Reporting Person (See Instructions)
CO

** Heights Capital Management, Inc. is the investment manager to Capital Ventures International and as such may exercise voting and dispositive power over these shares.

(1) Names of Reporting Persons
Heights Capital Management, Inc.

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) ☐

(b) ☐

(3) SEC Use Only

(4) Citizenship or Place of Organization
Delaware

Number of Shares Beneficially Owned by Each Reporting Person With	(5)	Sole Voting Power 0
	(6)	Shared Voting Power ** 3,333,333
	(7)	Sole Dispositive Power 0
	(8)	Shared Dispositive Power ** 3,333,333

(9) Aggregate Amount Beneficially Owned by Each Reporting Person
3,333,333

(10) Check box if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) ☐

(11) Percent of Class Represented by Amount in Row (9)
8.6%

(12) Type of Reporting Person (See Instructions)
CO

** Heights Capital Management, Inc. is the investment manager to Capital Ventures International and as such may exercise voting and dispositive power over these shares.

Item 1.

(a) Name of Issuer
Aastrom Biosciences, Inc.

(b) Address of Issuer's Principal Executive Offices
24 Frank Lloyd Wright Dr., P.O. Box 376, Ann Arbor, MI 48106

Item 2(a). Name of Person Filing
This statement is filed by the entities listed below, who are collectively referred to herein as "Reporting Persons," with respect to the shares of Common Stock of the Company, no par value per share (the "Shares").

(i) Capital Ventures International

(ii) Heights Capital Management, Inc.

Item 2(b). Address of Principal Business Office or, if none, Residence
The address of the principal business office of Capital Ventures International is:

One Capitol Place
P.O Box 1787 GT
Grand Cayman, Cayman Islands
British West Indies

The address of the principal business office of Heights Capital Management, Inc. is:

101 California Street, Suite 3250
San Francisco, California 94111

Item 2(c). Citizenship
Citizenship is set forth in Row 4 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person.

Item 2(d) Title of Class of Securities
Common Stock, no par value per share

Item 2(e) CUSIP Number
00253U107

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

(a) ☐ Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).

(b) ☐ Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) ☐ Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) ☐ Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) ☐ An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);

(f) ☐ An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);

(g) ☐ A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);

(h) ☐ A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i) ☐ A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

(j) ☐ A non-U.S. institution in accordance with §240.13d–1(b)(1)(ii)(J);

(k) ☐ Group, in accordance with Rule 13d–1(b)(1)(ii)(K).

If filing as a non-U.S. institution in accordance with § 240.13d–1(b)(1)(ii)(J), please specify the type of institution:

_____

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

The information required by Items 4(a) – (c) is set forth in Rows 5 – 11 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person.

The number of Shares reported as beneficially owned does not include warrants to purchase 3,333,333, 60,307 or 712,500 shares of Common Stock. None of the warrants mentioned in this paragraph are exercisable to the extent that the total number of Shares then beneficially owned by a Reporting Person and its Affiliates and any other Persons whose beneficial ownership of Shares would be aggregated with such Reporting Person for purposes of Section 13(d) of the Exchange Act, would exceed 4.99%.

The Company's Prospectus Supplement (to Prospectus dated September 12, 2010, Registration No. 333- 170581), filed on December 10, 2010 indicates there are 38,613,662 Shares outstanding as of the completion of the offering of the Shares to the Reporting Persons.

Heights Capital Management, Inc., which serves as the investment manager to Capital Ventures International, may be deemed to be the beneficial owner of all Shares owned by Capital Ventures International. Each of the Reporting Persons hereby disclaims any beneficial ownership of any such Shares, except for their pecuniary interest therein.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: ☐

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not applicable

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Exhibits:

Exhibit I: Joint Filing Agreement, dated as of December 20, 2010, by and among Capital Ventures International and Heights Capital Management, Inc.

SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: December 20, 2010

CAPITAL VENTURES INTERNATIONAL

By: Heights Capital Management, Inc.
pursuant to a Limited Power of Attorney

By: /s/ Brian Sopinsky
Name: Brian Sopinsky
Title Secretary

HEIGHTS CAPITAL MANAGEMENT, INC.

By: /s/ Brian Sopinsky
Name: Brian Sopinsky
Title Secretary

The Limited Power of Attorney executed by Capital Ventures International, authorizing Heights Capital Management, Inc. to sign and file this Schedule 13G on its behalf, which was filed with the Schedule 13G filed with the Securities and Exchange Commission on December 1, 2006 by Capital Ventures International and Heights Capital Management, Inc. with respect to the common stock of Discovery Laboratories, Inc., is hereby incorporated by reference.

EXHIBIT I

JOINT FILING AGREEMENT

This will confirm the agreement by and among the undersigned that the Schedule 13G filed with the Securities and Exchange Commission on or about the date hereof with respect to the beneficial ownership by the undersigned of the shares of Common Stock of Aastrom Biosciences, Inc., no par value per share is being filed, and all amendments thereto will be filed, on behalf of each of the persons and entities named below in accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated as of December 20, 2010

CAPITAL VENTURES INTERNATIONAL

By: Heights Capital Management, Inc.
pursuant to a Limited Power of Attorney

By: /s/ Brian Sopinsky
Name: Brian Sopinsky
Title Secretary

HEIGHTS CAPITAL MANAGEMENT, INC.

By: /s/ Brian Sopinsky
Name: Brian Sopinsky
Title Secretary