

NEPHROS INC
Form 4
December 11, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Southpaw Asset Management LP

(Last) (First) (Middle)

FOUR GREENWICH OFFICE
PARK

(Street)

GREENWICH,, CT 06831

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
NEPHROS INC [NEP]

3. Date of Earliest Transaction
(Month/Day/Year)
11/14/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock ⁽¹⁾ | 11/14/2007 | | C ⁽²⁾ | | 253,767 | A | \$ 0.706 |
| | | | | | 253,767 ⁽³⁾ | I | |
| Common Stock ⁽¹⁾ | 11/14/2007 | | C ⁽²⁾ | | 2,931,638 | A | \$ 0.706 |
| | | | | | 3,185,405 ⁽³⁾ | I | |

See footnote ⁽⁴⁾
See footnote ⁽⁴⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Edgar Filing: NEPHROS INC - Form 4

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) | | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title Underlying Instrument (Instr. 10) |
|---|--|--------------------------------------|--|--------------------------------|--|-----|--------------------|--|-----------------|---|
| | | | | | V | (A) | (D) | Date Exercisable | Expiration Date | |
| Series A 10% Secured Convertible Note due 2008 ⁽¹⁾ | \$ 0.706 ⁽⁵⁾ | 11/14/2007 | | C ⁽²⁾ | | | \$ 176,500 | ⁽⁶⁾ | ⁽⁷⁾ | Common Stock Warrant to Purchase Common Stock |
| Series B 10% Secured Convertible Note due 2008 ⁽¹⁾ | \$ 0.706 ⁽⁵⁾ | 11/14/2007 | | C ⁽²⁾ | | | \$ 2,038,461.54 | ⁽⁶⁾ | ⁽⁷⁾ | Common Stock Warrant to Purchase Common Stock |
| Class D Warrant for the Purchase of Shares of Common Stock ⁽¹⁾ | \$ 0.9 | 11/14/2007 | | C ⁽²⁾ | 125,000 | | | 11/14/2007 | 11/14/2012 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Southpaw Asset Management LP FOUR GREENWICH OFFICE PARK GREENWICH,, CT 06831 | | X | | |
| Southpaw Credit Opportunity Master Fund, L.P. FOUR GREENWICH OFFICE PARK GREENWICH, CT 06831 | | X | | |
| Southpaw Holdings LLC FOUR GREENWICH OFFICE PARK GREENWICH, CT 06831 | | X | | |
| | | X | | |

Wyman Kevin
FOUR GREENWICH OFFICE PARK
GREENWICH, CT 06831

Golden Howard
FOUR GREENWICH OFFICE PARK
GREENWICH, CT 06831

X

Signatures

/s/ Kevin
Wyman

12/11/2007

Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) See Exhibit 99.
- (2) See Exhibit 99.
- (3) See Exhibit 99.
- (4) See Exhibit 99.
- (5) See Exhibit 99.
- (6) See Exhibit 99.
- (7) See Exhibit 99.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.