

AEOLUS PHARMACEUTICALS, INC.
Form 4
March 25, 2008

FORM 4

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

OMB APPROVAL

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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 *
Xmark Opportunity Partners, LLC

2. Issuer Name and Ticker or Trading Symbol
AEOLUS PHARMACEUTICALS, INC. [AOLS.OB]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
90 GROVE STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/19/2008

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

RIDGEFIELD, CT 06877
(City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ 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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$0.01 per share	03/19/2008 ⁽⁴⁾		L		10,000	A	\$ 0.38	10,429,752	I ⁽³⁾	See footnote ⁽³⁾
Common Stock, par value \$0.01 per share	03/20/2008		P		20,000	A	\$ 0.38	10,449,752	I ⁽³⁾	See footnote ⁽³⁾
Common Stock, par value \$0.01 per share	03/24/2008		P		10,000	A	\$ 0.36	10,459,752	I ⁽¹⁾ ⁽²⁾ ⁽³⁾	See footnotes ⁽¹⁾ ⁽²⁾ ⁽³⁾

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

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(9-02)

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) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Xmark Opportunity Partners, LLC 90 GROVE STREET RIDGEFIELD, CT 06877		X		

Signatures

XMARK OPPORTUNITY PARTNERS, LLC, By: Xmark Capital Partners, LLC, its Managing Member, By: Mitchell D. Kaye, its Chief Executive Officer, / Mitchell D. Kaye / 03/25/2008

__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) As of March 28, 2008, Xmark Opportunity Fund, L.P., a Delaware limited partnership ("Opportunity LP"), held 3,026,687 common shares, \$0.01 par value per share (the "Common Shares"), of Aeolus Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and warrants to purchase up to 660,000 Common Shares of the Company at an exercise price of \$0.50 per share. All of the warrants may be exercised within 60 days of this filing.
- (2) As of March 28, 2008, Xmark Opportunity Fund, Ltd., a Cayman Islands exempted company ("Opportunity Ltd"), held 6,409,334 Common Shares of the Company and warrants to purchase up to 990,000 Common Shares of the Company at an exercise price of \$0.50 per share. As of March 28, 2008, Xmark JV Investment Partners, LLC, a Delaware limited liability company ("JV Partners"), held 1,023,731 Common Shares of the Company and warrants to purchase up to 500,000 Common Shares of the Company at an exercise price

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of \$0.50 per share. All of the warrants may be exercised within 60 days of this filing.

The reporting person, Xmark Opportunity Partners, LLC, a Delaware limited liability company ("Opportunity Partners"), is the sole member of the investment manager of Opportunity LP and Opportunity Ltd, and the investment manager of JV Partners, and, as such, possesses sole power to vote and direct the disposition of all securities of the Company held by Opportunity LP, Opportunity Ltd and JV

- (3) Partners. Opportunity Partners' interest in the securities reported herein is limited to the extent of its pecuniary interest in Opportunity LP, Opportunity Ltd and JV Partners, if any. Mitchell D. Kaye and David C. Cavalier, the Chief Executive Officer and Chief Operating Officer, respectively, of Xmark Capital Partners, LLC, the Managing Member of Opportunity Partners, share voting and investment power with respect to all securities beneficially owned by Opportunity Partners.
- (4) The Acquisition on March 19, 2008 was eligible previously for deferred reporting in reliance on Rule 16a-6.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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