

Wyman Kevin  
Form 4  
March 24, 2011

**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 \*  
Southpaw Asset Management LP

(Last) (First) (Middle)

2 GREENWICH OFFICE PARK

(Street)

GREENWICH, CT 06831

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
03/10/2011

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 Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock, par value \$0.001 per share | 03/10/2011                           |  | P                              | 520,242<br>(1) (2) (3)  | A<br>(1) (2) (3)<br>525,079 (1) (2) (3)   | I  | See Footnote (1)                  |

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

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SEC 1474 (9-02)

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**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 Security (Instr. 3 and 4)  |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|
|  |  |                                      |  | Code V (A) (D)                 |   | Date Exercisable Expiration Date                         | Title Amount Number of Shares                                |
| Common Stock Warrants                      | \$ 0.4 <sup>(2)</sup> / <sub>(3)</sub>                 | 03/10/2011                           |  | P                              | 10,404,862 <sup>(2)</sup> / <sub>(3)</sub>  | 03/10/2011 03/10/2016                                    | Common Stock, par value \$0.001 per share 480 <sup>(2)</sup> |
| Class D Warrants                           | \$ 0.4 <sup>(4)</sup>                                  | 03/10/2011                           |  | J                              | 1 <sup>(4)</sup>  | 03/10/2011 11/14/2012                                    | Common Stock, par value \$0.001 per share 285                |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Southpaw Asset Management LP<br>2 GREENWICH OFFICE PARK<br>GREENWICH, CT 06831                  |               | X         |         |       |
| Southpaw Credit Opportunity Master Fund, L.P.<br>2 GREENWICH OFFICE PARK<br>GREENWICH, CT 06831 |               | X         |         |       |
| Southpaw Holdings LLC<br>2 GREENWICH OFFICE PARK<br>GREENWICH, CT 06831                         |               | X         |         |       |
| Wyman Kevin<br>2 GREENWICH OFFICE PARK<br>GREENWICH, CT 06831                                   |               | X         |         |       |
| Golden Howard<br>2 GREENWICH OFFICE PARK<br>GREENWICH, CT 06831                                 |               | X         |         |       |

## Signatures

See Exhibit 99.1 03/24/2011

\*\*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 99.1

(2) See Exhibit 99.1

(3) See Exhibit 99.1

(4) See Exhibit 99.1

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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