

Wyman Kevin  
Form 4  
June 10, 2009

**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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
06/08/2009

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

FOUR GREENWICH OFFICE  
PARK

(Street)

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

GREENWICH, CT 06831

(City) (State) (Zip)

**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 or (D) Price			
Common Stock <sup>(1)</sup>	06/08/2009		S	230,087 D \$ 0.8837	963,907 <sup>(1)</sup>	I	See footnote <sup>(2)</sup>
Common Stock <sup>(1)</sup>	06/08/2009		S	19,913 D \$ 0.8837	83,423 <sup>(1)</sup>	I	See footnote <sup>(2)</sup>
Common Stock <sup>(1)</sup>	06/09/2009		S	92,035 D \$ 0.8498	871,872 <sup>(1)</sup>	I	See footnote <sup>(2)</sup>
Common Stock <sup>(1)</sup>	06/09/2009		S	7,965 D \$ 0.8498	75,458 <sup>(1)</sup>	I	See footnote

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 Beneficially Owned Following Reported Transaction (Instr. 3)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## 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 Holdings LLC FOUR GREENWICH OFFICE PARK GREENWICH, CT 06831		X		
Wyman Kevin FOUR GREENWICH OFFICE PARK GREENWICH, CT 06831		X		
Golden Howard FOUR GREENWICH OFFICE PARK GREENWICH, CT 06831		X		

## Signatures

Southpaw Asset Management LP

06/10/2009

\_\_Signature of Reporting Person

Date

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Southpaw Holdings LLC, its general partner By: /s/ Kevin Wyman, Managing Member	06/10/2009
**Signature of Reporting Person	Date
Southpaw Holdings, LLC By: /s/ Kevin Wyman, Managing Member	06/10/2009
**Signature of Reporting Person	Date
/s/ Kevin Wyman	06/10/2009
**Signature of Reporting Person	Date
/s/ Howard Golden	06/10/2009
**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) The filing of this Form 4 shall not be construed as an admission that (i) Southpaw Asset Management LP ("Southpaw Management"), (ii) Southpaw Holdings LLC ("Holdings"), (iii) Kevin Wyman or (iv) Howard Golden is or was for the purposes of Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the beneficial owner of the shares of common stock, par value \$0.001 (the "Common Stock"), of Nephros Inc. (the "Issuer"), held by an account managed by Southpaw Management (the "Managed Account") and Southpaw Credit Opportunity Master Fund LP ("Master Fund"). Pursuant to Rule 16a-1, Southpaw Management, Holdings, Mr. Wyman and Mr. Golden disclaim such beneficial ownership.
- (2) Southpaw Management holds the shares of Common Stock indirectly through the accounts of Master Fund, which holds 871,872 shares of Common Stock, and the Managed Account, which holds 75,458 shares of Common Stock. Southpaw Management serves as investment manager of the Managed Account and Master Fund. Southpaw Management receives a performance-based and an asset-based fee for managing investments of the Managed Account and Master Fund. Holdings reports securities held indirectly by Southpaw Management because, as general partner of Southpaw Management, it controls the disposition and voting of such securities. Mr. Wyman and Mr. Golden report these securities because, as managing members of Holdings, they control the disposition and voting of the securities. Each of Southpaw Management, Holdings, Mr. Wyman and Mr. Golden disclaims beneficial ownership of the securities reported herein, except to the extent of each entity's and individual's pecuniary interest in such securities.

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.