

Wyman Kevin
Form 4
August 26, 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)

FOUR GREENWICH OFFICE
PARK

3. Date of Earliest Transaction (Month/Day/Year)
08/20/2009

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

(Street)

GREENWICH, CT 06831

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

(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 Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-------------------------|
| | | | | (A) or (D) | Price | | | |
| Common Stock ⁽¹⁾ | 08/20/2009 | | S | 27,610 | D \$ 2.5508 | 844,262 ⁽¹⁾ | I | See footnote <u>(2)</u> |
| Common Stock ⁽¹⁾ | 08/20/2009 | | S | 2,390 | D \$ 2.5508 | 73,068 ⁽¹⁾ | I | See footnote <u>(2)</u> |

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

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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 Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | 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

| | |
|---|------------|
| /s/ Southpaw Asset Management LP | 08/26/2009 |
| **Signature of Reporting Person | Date |
| Southpaw Holdings LLC, its general partner By: /s/ Kevin Wyman, Managing Member | 08/26/2009 |
| **Signature of Reporting Person | Date |
| Southpaw Holdings, LLC By: /s/ Kevin Wyman, Managing Member | 08/26/2009 |
| **Signature of Reporting Person | Date |
| /s/ Kevin Wyman | 08/26/2009 |
| **Signature of Reporting Person | Date |

/s/ Howard Golden

08/26/2009

__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) See Footnote 99.
 - (2) See Footnote 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.