

CENTELLA LAWRENCE J  
 Form 4  
 January 26, 2010

**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 \*  
 CENTELLA LAWRENCE J

(Last) (First) (Middle)

C/O NEPHROS, INC., 41 GRAND AVENUE

(Street)

RIVER EDGE, NJ 07661

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 01/08/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 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				(A) or (D) Code V Amount (D) Price	28,410	D	

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

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SEC 1474  
 (9-02)

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

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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)	Amount or Number of Shares			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-qualified stock option (right to buy)	\$ 0.95	01/08/2010		A		20,000		(1)	01/08/2020	Common Stock	20,000
Non-qualified stock option (right to buy)	\$ 1.34							(2)	05/22/2017	Common Stock	10,000
Non-qualified stock option (right to buy)	\$ 2.57							(3)	02/02/2016	Common Stock	10,000
Non-qualified stock option (right to buy)	\$ 3.7							(4)	04/26/2015	Common Stock	10,000
Non-qualified stock option (right to buy)	\$ 4.8							(5)	12/14/2014	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CENTELLA LAWRENCE J C/O NEPHROS, INC. 41 GRAND AVENUE RIVER EDGE, NJ 07661		X		

## Signatures

/s/ Alexander M. Donaldson,  
Attorney-in-Fact

01/26/2010

\*\*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).

On January 8, 2010, the Company granted Mr. Centella an option to purchase 20,000 shares of common stock of the Company under the Company's 2004 Equity Incentive Plan. The option has vested with respect to 6,667 shares. The remainder of the option will vest in annual installments of 6,667 shares on the first anniversary of the grant date, and 6,666 shares on the second anniversary of the grant date.

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- (2) On May 22, 2007, the Company granted Mr. Centella an option to purchase 10,000 shares of common stock of the Company under the Company's 2004 Equity Incentive Plan. The option has vested with respect to all of the shares.
- (3) On February 2, 2006, the Company granted Mr. Centella an option to purchase 10,000 shares of common stock of the Company under the Company's 2004 Equity Incentive Plan. The option has vested with respect to all of the shares.
- (4) On April 26, 2005, the Company granted Mr. Centella an option to purchase 10,000 shares of common stock of the Company under the Company's 2004 Equity Incentive Plan. The option has vested with respect to all of the shares.
- (5) On December 14, 2004, the Company granted Mr. Centella an option to purchase 5,000 shares of common stock of the Company under the Company's 2004 Equity Incentive Plan. The option has vested with respect to all of the shares.

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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