

NEPHROS INC
Form 4
May 20, 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 *
Stagg Capital Group LLC

(Last) (First) (Middle)
3 GREENWICH OFFICE PARK

(Street)
GREENWICH, CT 06831

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
11/20/2007

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)
X 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock ⁽¹⁾ | 11/14/2007 | | C ⁽²⁾ | V | 2,198,729 A \$ 0.706 | 2,198,729 ⁽³⁾ I | See footnote ⁽¹⁾ |
| Common Stock ⁽¹⁾ | 11/14/2007 | | C ⁽²⁾ | V | 2,198,729 A \$ 0.706 | 4,397,458 ⁽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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Series B 10% Secured Convertible Note due 2008 ⁽¹⁾ | \$ 0.706 ⁽³⁾ | 11/14/2007 | | C ⁽²⁾ | \$ 1,552,302.42 | ⁽⁴⁾ ⁽⁵⁾ | Common Stock 2,1 |
| Series B 10% Secured Convertible Note due 2008 ⁽¹⁾ | \$ 0.706 ⁽³⁾ | 11/14/2007 | | C ⁽²⁾ | \$ 1,552,302.42 | ⁽⁴⁾ ⁽⁵⁾ | Common Stock 2,1 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Stagg Capital Group LLC 3 GREENWICH OFFICE PARK GREENWICH, CT 06831 | | X | | |

Signatures

/s/ Scott A. Stagg Managing Member
Date: 05/08/2008

⁽¹⁾Signature of Reporting Person ⁽²⁾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 - Footnote 1
- (2) See Exhibit 99 - Footnote 2
- (3) See Exhibit 99 - Footnote 3
- (4) See Exhibit 99 - Footnote 4
- (5) See Exhibit 99 - Footnote 5

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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