

NEPHROS INC  
Form 4  
December 22, 2014

**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 \*  
Lambda Investors LLC

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
12/18/2014

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

411 WEST PUTNAM AVENUE, SUITE 125

(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 06830

(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	(A) or (D)	Price
Common Stock, par value \$0.001	12/18/2014		J		3,303,808	A	(1)
					15,275,748	I	Held directly by Lambda Investors LLC (1) (3) (4)
Common Stock, par value \$0.001	12/18/2014		J		14,853	A	(2)
					190,446	I	(2)
							Held directly by Wexford Capital LP (2)

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Class D Warrants	\$ 0.3					11/14/2007	12/18/2019 <sup>(5)</sup>	Common Stock	11,742,10
Common Stock Warrants	\$ 0.4					03/10/2011	12/18/2019 <sup>(5)</sup>	Common Stock	2,782,576

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lambda Investors LLC 411 WEST PUTNAM AVENUE SUITE 125 GREENWICH, CT 06830	X	X		
WEXFORD CAPITAL LP 411 WEST PUTNAM AVENUE SUITE 125 GREENWICH, CT 06830		X		
		X		

Wexford GP LLC  
 C/O WEXFORD CAPITAL LP  
 SUITE 125  
 GREENWICH, CT 06830

JACOBS JOSEPH  
 C/O WEXFORD CAPITAL LP  
 411 WEST PUTNAM AVENUE, SUITE 125  
 GREENWICH, CT 06830 X

DAVIDSON CHARLES E  
 C/O WEXFORD CAPITAL LP  
 411 WEST PUTNAM AVE.  
 GREENWICH, CT 06830 X

## Signatures

Lambda Investors LLC By: Arthur Amron, Vice President and Assistant Secretary	12/22/2014
__Signature of Reporting Person	Date
Wexford Capital LP, By: Wexford GP LLC, its general partner By Arthur Amron, Vice President and Assistant Secretary	12/22/2014
__Signature of Reporting Person	Date
Wexford GP LLC, By Arthur Amron, Vice President and Assistant Secretary	12/22/2014
__Signature of Reporting Person	Date
Charles E. Davidson	12/22/2014
__Signature of Reporting Person	Date
Joseph M. Jacobs	12/22/2014
__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) On December 18, 2014 Lambda Investors LLC ("Lambda") exercised certain subscription rights certificates received pursuant to a rights offering with Nephros, Inc. (the "Company"), Lambda received 3,303,808 shares of Common Stock at a purchase price of \$0.60 per share for a cost of \$1,982,284.80.
  - (2) On December 18, 2014, Wexford Capital LP ("Wexford") exercised certain subscription rights certificates received pursuant to a rights offering with the Company, Wexford received 14,853 shares of Common Stock at a purchase price of \$0.60 per share for a cost of \$8,911.80. In addition to these shares, since the date of the last group filing, Wexford received 50,790 shares of Common which the Company granted to Mr. Arthur Amron and Dr. Paul Mieyal in respect of their service as members of the Board of Directors of the Company. The grant of these shares was reported on Form 4's filed by Mr. Arthur Amron and Dr. Paul Mieyal on November 7, 2014. Each Form 4 indicated that the shares were assigned to Wexford.
  - (3) This form is jointly filed by Lambda, Wexford, Charles E. Davidson ("Davidson"), Joseph M. Jacobs ("Jacobs") and Wexford GP LLC ("Wexford GP"). The reported securities are held directly by Lambda and by Wexford. Wexford serves as manager, investment advisor or sub-advisor of Lambda, and as such may be deemed to share beneficial ownership of the securities beneficially owned by Lambda, but disclaims such beneficial ownership to the extent such beneficial ownership exceeds its pecuniary interest. Wexford GP, as the general partner of Wexford, may be deemed to share beneficial ownership of the securities beneficially owned by Lambda, but disclaims such ownership to the extent such beneficial ownership exceeds its pecuniary interest. (continued under Footnote (4) below).

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- (continued from Footnote (3) above) Messrs. Davidson and Jacobs, as the controlling persons of Wexford GP, may be deemed to share
- (4) beneficial ownership of any securities beneficially owned by Lambda for which Wexford serves as manager, investment advisor or sub-advisor, but disclaim such beneficial ownership to the extent such beneficial ownership exceeds their pecuniary interest.
  - (5) The Company agreed to amend the expiration of the existing Class D and Common Stock Warrants held by Lambda to December 18, 2019.

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.