

NEPHROS INC  
Form 4  
May 30, 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 \*  
Enso Capital Management LLC

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)  
540 MADISON AVENUE  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
11/14/2007

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

NEW YORK, NY 10022

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)
Common Stock	11/14/2007 <sup>(1)</sup>		C	3,446,001	A <u>1</u> 3,446,001	I <sup>(2)</sup>	See footnote <u>(3)</u>
Common Stock	05/27/2008		P	1,249,904	A \$ 0.7 1,249,904	I <sup>(2)</sup>	See footnote <u>(4)</u>

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Series A 10% Secured Convertible Note Due 2008	\$ 0.706	11/14/2007 <sup>(1)</sup>		C	1	<sup>(1)</sup> <sup>(5)</sup>	Common Stock and Warrants to Purchase Common Stock
Class D Warrants to Purchase Common Stock	\$ 0.9	11/14/2007		C	1,723,001	11/14/2007 11/14/2012	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Enso Capital Management LLC 540 MADISON AVENUE NEW YORK, NY 10022		X		
Enso Capital Management Ltd 540 MADISON AVENUE NEW YORK, NY 10022		X		
Fink Joshua A 540 MADISON AVENUE NEW YORK, NY 10022		X		
Enso Global Equities Master Partnership LP 540 MADISON AVENUE NEW YORK, NY 10022		X		

## Signatures

/s/ Salina Love, Chief Operating Officer 05/30/2008  
\_\_Signature of Reporting Person Date

/s/ Salina Love, Chief Operating Officer 05/29/2008  
\_\_Signature of Reporting Person Date

/s/ Joshua A. Fink

05/29/2008

\_\_Signature of Reporting Person

Date

/s/ Salina Love, Chief Operating Officer of Enso Capital Management, Ltd. (general partner of Enso Global Equities Master Partnership, LP)

05/29/2008

\_\_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).

The Series A 10% Secured Convertible Note due 2008 (the "Note") automatically converted on the twenty-first (21st) day after the issuer sent its stockholders a definitive Schedule 14C information statement relating to certain actions taken by stockholders of the issuer by written consent (the "Automatic Conversion Date").

Enso Capital Management, Ltd., as general partner of Enso and Levered, may be deemed to beneficially own the securities reported herein. Enso Capital Management LLC, as investment manager of Enso and Levered, may also be deemed to beneficially own the securities reported herein. Joshua A. Fink is the Director of Enso Capital Management, Ltd. and Chief Executive Officer and Chief Investment Officer of Enso Capital Management LLC. Mr. Fink may also be deemed to beneficially own the securities reported herein. Enso Capital Management, Ltd., Enso Capital Management LLC and Mr. Fink each disclaim beneficial ownership of the securities reported herein and this report shall not be deemed an admission that they are the beneficial owners of such securities except in the case of Mr. Fink to the extent of his interest in each partner of Enso.

(3) These securities are owned directly by Enso Global Equities Master Partnership, LP ("Enso").

(4) These securities are owned directly by Enso Global Equities Levered Master Partnership, LP ("Levered").

(5) The maturity date of the Note is September 25, 2008.

The original principal amount of the Note was \$2,400,000. The Note accrued interest at a rate of 10% per annum, and by the terms of the Note the principal amount and accrued interest were converted automatically into shares of Common Stock on the Automatic Conversion Date at the conversion rate (\$0.706). Warrants were issued upon conversion of the Note to purchase a number of shares of Common Stock equal to 50% of the number of shares of Common Stock issued upon the conversion of the Note.

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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