

NEPHROS INC  
Form 4  
December 22, 2015

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
Estimated average burden hours per response... 0.5

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)  
12/18/2015

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 | 12/18/2015                           |  | X                              |   | 2,782,576   | A  | (1)   |
|                                 |                                      |  |                                |   | 29,800,424  | I  |   |
|                                 |                                      |  |                                |   |   |  | Held directly by Lambda Investors LLC (2) (3)         |
| Common Stock, par value \$0.001 |                                      |  |                                |   | 190,446   | I  |   |
|                                 |                                      |  |                                |   |   |  | Held directly by Wexford Capital LP (2) (3)           |

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)

| 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 of Underlying Security (Instr. 3 and 4) |                  |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title  | Number of Shares |
| Common Stock Warrants                      | \$ 0.4 <sup>(4)</sup>                                  | 12/18/2015                           |  | X                              | 2,782,576   | 03/11/2011 12/18/2019                                    | Common Stock  | 2,782,576                                      |                  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| Lambda Investors LLC<br>411 WEST PUTNAM AVENUE<br>SUITE 125<br>GREENWICH, CT 06830          | X             | X         |         |       |
| DAVIDSON CHARLES E<br>C/O WEXFORD CAPITAL LP<br>411 WEST PUTNAM AVE.<br>GREENWICH, CT 06830 |               | X         |         |       |
| WEXFORD CAPITAL LP<br>411 WEST PUTNAM AVENUE<br>SUITE 125<br>GREENWICH, CT 06830            |               | X         |         |       |
| Wexford GP LLC<br>C/O WEXFORD CAPITAL LP<br>SUITE 125<br>GREENWICH, CT 06830                |               | X         |         |       |
| JACOBS JOSEPH<br>C/O WEXFORD CAPITAL LP   |               | X         |         |       |

411 WEST PUTNAM AVENUE, SUITE 125  
 GREENWICH, CT 06830

## Signatures

|   |            |
|---|------------|
| Lambda Investors LLC By: Arthur Amron, Vice President and Assistant Secretary                                       | 12/22/2015 |
| __Signature of Reporting Person   | Date       |
| Wexford Capital LP, By: Wexford GP LLC, its general partner By Arthur Amron, Vice President and Assistant Secretary | 12/22/2015 |
| __Signature of Reporting Person   | Date       |
| Wexford GP LLC, By Arthur Amron, Vice President and Assistant Secretary   | 12/22/2015 |
| __Signature of Reporting Person   | Date       |
| Charles E. Davidson   | 12/22/2015 |
| __Signature of Reporting Person   | Date       |
| Joseph M. Jacobs  | 12/22/2015 |
| __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, 2015, Nephros, Inc. (the "Company") completed its offer to exercise certain outstanding warrants to purchase shares of the Company's common stock including warrants to purchase an aggregate of 2,782,577 shares of the Company's common stock at an exercise price of \$0.40 per share, issued on March 10, 2011 to Lambda Investors LLC ("Lambda") in connection with a private placement financing transaction (the "Lambda Warrants") at a temporarily reduced cash exercise price of \$0.20 per share of common stock.

This form is jointly filed by Lambda, Wexford Capital LP ("Wexford"), Wexford GP LLC ("Wexford GP"), Charles E. Davidson ("Davidson") and Joseph M. Jacobs ("Jacobs"). 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

(2) 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 (3) below).

(3) (continued from Footnote (2) above) Messrs. Davidson and Jacobs, as the controlling persons of Wexford GP, may be deemed to share 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.

(4) As indicated in Footnote (1), the Lambda Warrants were exercised at the temporarily reduced exercise price of \$0.20 per share of common stock.

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.