

Evans Daron
Form 4
December 18, 2018

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 *
Evans Daron

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)
C/O NEPHROS, INC., 380
LACKAWANNA PLACE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
12/14/2018

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

SOUTH ORANGE, NJ 07079

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|------------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 12/14/2018 | | A | | 108,296 ⁽¹⁾ | A | \$ 0 |
| Common Stock | | | | | 95,000 | I | By PoC Capital, LLC ⁽²⁾ |
| Common Stock | | | | | 65,666 | I | By UTMA #1 |
| Common Stock | | | | | 63,166 | I | By UTMA #2 |

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) | 8. De | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (Right to Buy) | \$ 0.46 | | | | | <u>(3)</u> | 03/26/2024 | Common Stock | 75,361 |
| Stock Option (Right to Buy) | \$ 0.6 | | | | | <u>(4)</u> | 04/15/2025 | Common Stock | 982,887 |
| Stock Option (Right to Buy) | \$ 0.4999 | | | | | <u>(5)</u> | 12/20/2027 | Common Stock | 837,125 |
| Common Stock Warrants (Right to Buy) | \$ 0.3 | | | | | 06/03/2016 | 06/03/2021 | Common Stock | 10,000 |
| Common Stock Warrants (Right to Buy) | \$ 0.3 | | | | | 06/03/2016 | 06/03/2021 | Common Stock | 10,000 |
| Common Stock Warrants (Right to Buy) | \$ 0.3 | | | | | 03/17/2017 | 03/17/2022 | Common Stock | 41,666 |

| | | | | | |
|---|--------|------------|------------|-----------------|--------|
| Common Stock Warrants (Right to Buy) | \$ 0.3 | 03/17/2017 | 03/17/2022 | Common Stock | 41,666 |
|---|--------|------------|------------|-----------------|--------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Evans Daron C/O NEPHROS, INC. 380 LACKAWANNA PLACE SOUTH ORANGE, NJ 07079 | X | | President and CEO | |

Signatures

/s/ Daron Evans 12/18/2018

**Signature of Date
Reporting Person

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 14, 2018, the Company granted 108,296 shares of restricted stock (the "Restricted Stock") to the Reporting Person in lieu of a cash bonus. The Restricted Stock was granted under the Company's 2015 Equity Incentive Plan. The Restricted Stock vests six months following the grant date.

(2) The Reporting Person is a managing director of the LLC that owns the reported securities. The Reporting Person disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest therein.

(3) Fully exercisable.

(4) On 4/15/2015, the Reporting Person was granted an option to purchase up to 2,184,193 shares of common stock of the Company. 35% of the shares subject to the option (relating to a total of 764,468 shares) vest quarterly in 16 equal amounts, commencing on 6/30/2015. 15% of the shares subject to the option will vest, if ever, upon the listing of the Company's common stock on Nasdaq, NYSE, or such other exchange as the Board may later determine. The remaining 50% of the shares subject to the option will vest, if ever, upon the Company's achievement of certain annual revenue milestones as specified in that certain Employment Agreement dated 4/15/2015 between the Reporting Person and the Company. The Company achieved the \$3,000,000 annual revenue milestone in fiscal year 2017 and options to purchase 218,419 shares vested on 2/1/18.

(5) On 12/20/17, the Reporting Person was granted an option to purchase 837,125 shares of common stock of the Company. 25% of the shares subject to the option (relating to a total of 209,282 shares) vest on 12/20/18 and the remaining 75% of the shares subject to the option (relating to a total of 627,843 shares) vest quarterly in 12 equal amounts, commencing on 3/20/19.

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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