

NEPHROS INC
Form 4
June 07, 2016

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

(Last) (First) (Middle)

411 WEST PUTNAM AVENUE, SUITE 125

(Street)

GREENWICH, CT 06830

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
06/03/2016

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing (Check Applicable Line)
 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Common Stock, par value \$0.001 | | | | | 29,800,424 | I | Held directly by Lambda Investors LLC (1) (2) |
| Common Stock, par value \$0.001 | | | | | 190,446 | I | Held directly by Wexford Capital LP (1) (2) |

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 Securities (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|----------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Common Stock Warrant | \$ 0.3 | 06/03/2016 | | A | 600,000 | 06/03/2016 | 06/03/2021 | Common Stock | 600,000 |

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

411 WEST PUTNAM AVE.
GREENWICH, CT 06830

Signatures

| | |
|---|------------|
| Lambda Investors LLC By: Arthur Amron, Vice President and Assistant Secretary | 06/07/2016 |
| __Signature of Reporting Person | Date |
| Wexford Capital LP, By: Wexford GP LLC, its general partner By Arthur Amron, Vice President and Assistant Secretary | 06/07/2016 |
| __Signature of Reporting Person | Date |
| Wexford GP LLC, By Arthur Amron, Vice President and Assistant Secretary | 06/07/2016 |
| __Signature of Reporting Person | Date |
| Charles E. Davidson | 06/07/2016 |
| __Signature of Reporting Person | Date |
| Joseph M. Jacobs | 06/07/2016 |
| __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).

This form is jointly filed by Lambda Investors LLC ("Lambda") a, 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 of Lambda, and as such may be deemed to share beneficial ownership of the securities beneficially

(1) 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 (2) below).

(2) (continued from Footnote (1) 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, but disclaim such beneficial ownership to the extent such beneficial ownership exceeds their pecuniary interest.

(3) On June 3, 2016, Nephros, Inc. (the "Company"), Lambda and certain other investors entered into a Note and Warrant Purchase Agreement whereby Lambda agreed to loan the Company \$300,000 pursuant to the issue of (i) an 11% Unsecured Promissory Note (the "Note"), and (ii) a five-year warrant to acquire two (2) shares of Common Stock, par value\$0.001 per share, for each dollar of principal amount of the Note (the "Warrant").

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.