

NEPHROS INC  
Form 4  
August 21, 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 \*  
Stagg Capital Group LLC

(Last) (First) (Middle)  
3 GREENWICH OFFICE PARK,  
  
(Street)  
  
GREENWICH, CT 06831

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
06/16/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	06/16/2008		S		22,050 D \$ 0.67	4,144,508	I See footnote (1)
Common Stock	06/17/2008		S		6,050 D \$ 0.702	4,138,458	I See footnote (1)
Common Stock	06/18/2008		S		4,100 D \$ 0.6846	4,134,358	I See footnote (1)
Common Stock	06/19/2008		S		15,900 D \$ 0.6693	4,118,458	I See footnote (1)

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Common Stock	06/20/2008	S	4,400	D	\$ 0.6736	4,114,058	I	See footnote (1)
Common Stock	06/23/2008	S	10,000	D	\$ 0.6	4,104,058	I	See footnote (1)
Common Stock	06/24/2008	S	109,200	D	\$ 0.5338	3,994,858	I	See footnote (1)
Common Stock	06/25/2008	S	500	D	\$ 0.572	3,994,358	I	See footnote (1)
Common Stock	07/03/2008	S	63,900	D	\$ 0.5011	3,930,458	I	See footnote (1)
Common Stock	07/10/2008	S	2,800	D	\$ 0.5541	3,927,658	I	See footnote (1)
Common Stock	07/18/2008	S	61,100	D	\$ 0.4502	3,866,558	I	See footnote (1)
Common Stock	07/22/2008	S	39,200	D	\$ 0.45	3,827,358	I	See footnote (1)
Common Stock	07/23/2008	S	8,400	D	\$ 0.45	3,818,958	I	See footnote (1)
Common Stock	07/24/2008	S	24,400	D	\$ 0.45	3,794,558	I	See footnote (1)
Common Stock	07/25/2008	S	5,700	D	\$ 0.5386	3,788,858	I	See footnote (1)
Common Stock	07/28/2008	S	1,700	D	\$ 0.5082	3,787,158	I	See footnote (1)
Common Stock	07/30/2008	S	4,000	D	\$ 0.45	3,783,158	I	See footnote (1)
Common Stock	08/01/2008	S	2,300	D	\$ 0.4969	3,780,858	I	See footnote (1)
Common Stock	08/04/2008	S	2,400	D	\$ 0.4483	3,778,458	I	See footnote

									(1)
Common Stock	08/05/2008	S	9,900	D	\$ 0.402	3,768,558	I		See footnote (1)
Common Stock	08/07/2008	S	8,500	D	\$ 0.4094	3,760,058	I		See footnote (1)
Common Stock	08/12/2008	S	2,200	D	\$ 0.5	3,757,858	I		See footnote (1)
Common Stock	08/13/2008	S	8,300	D	\$ 0.45	3,749,558	I		See footnote (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Stagg Capital Group LLC 3 GREENWICH OFFICE PARK GREENWICH, CT 06831		X		
		X		

Stagg Scott A  
C/O STAGG CAPITAL GROUP  
3 GREENWICH OFFICE PARK  
GREENWICH, CT 06831

## Signatures

Stagg Capital Group LLC /s/ Scott A. Stagg Managing  
Member

08/20/2008

\_\_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).

(1) Stagg Capital Group LLC ("Management") holds the shares of common stock, par value \$0.001, issued by Nephros, Inc. (the "Common Stock"), indirectly through the account of an offshore private investment account for which Management serves as investment manager (the "Offshore Account"). The filing of this Form 4 shall not be construed as an admission that (i) Management or (ii) Scott A. Stagg is or was, for the purposes of Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the beneficial owner of the shares of Common Stock held at any time by the Offshore Account. Pursuant to Rule 16a-1 promulgated under the Exchange Act, Management and Mr. Stagg disclaim such beneficial ownership.

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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