

NEPHROS INC  
Form SC 13G  
January 08, 2009

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Under the Securities Exchange Act of 1934

SCHEDULE 13G

INFORMATION STATEMENT PURSUANT TO RULES 13d-1 AND 13d-2  
UNDER THE SECURITIES EXCHANGE ACT OF 1934

Nephros, Inc.  
(Name of Issuer)

Common Stock, par value \$0.001 per share  
(Title of Class of Securities)

640671103  
(CUSIP Number)

December 29, 2008  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

SCHEDULE 13G

CUSIP No. 640671103

- 1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
  
AFS Holdings One LLC
- 2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) ..  
(b) ..
- 3) SEC USE ONLY
- 4) CITIZENSHIP OR PLACE OF ORGANIZATION  
  
Delaware
- 5) SOLE VOTING POWER
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
- 6) 3,150,597 SHARED VOTING POWER
- 7) None SOLE DISPOSITIVE POWER
- 8) 3,150,597 SHARED DISPOSITIVE POWER
- 9) None  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
3,150,597
- 10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES ..
- 11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
8.3%
- 12) TYPE OF REPORTING PERSON  
OO

Schedule 13G

Item 1(a). Name of Issuer:

Nephros, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:

3960 Broadway  
New York, New York 10032

Item 2(a) – (c). Name of Person Filing; Address of Principal Business Office or, if None, Residence; Citizenship:

AFS Holdings One LLC is a Delaware limited liability company, the sole member of which is Barry F. Schwartz. The address of the principal business and principal office of AFS Holdings One LLC is 35 East 62nd St., New York, New York 10065.

Item 2(d). Title of Class of Securities:

Common Stock, par value \$.001 per share

Item 2(e). CUSIP Number:

640671103

Item 3. If this statement is filed pursuant to §§ 240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:

(a)  Broker or Dealer Registered Under Section 15 of the Act (15 U.S.C. 78o)

(b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c)

(c)  Insurance Company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c)

(d)  Investment Company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8)

(e)  Investment Adviser in accordance with § 240.13d-1(b)(1)(ii)(E)

(f)  Employee benefit plan or endowment fund in accordance with § 240.13d-1(b)(1)(ii)(F)

(g)  Parent Holding Company or control person in accordance with §240.13d-1(b)(ii)(G)

(h)  Savings Association as defined in §3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813)

(i)  Church plan that is excluded from the definition of an investment company under §3(c)(15) of the Investment Company Act of 1940 (15 U.S.C. 80a-3)

(j)  Group, in accordance with §240.13d-1(b)(ii)(J)



- Item 4. Ownership.
- (a) Amount beneficially owned: 3,150,597
  - (b) Percent of class: 8.3%
  - (c) Number of shares as to which such person has:
    - (i) Sole power to vote or to direct the vote: 3,150,597
    - (ii) Shared power to vote or to direct the vote: None
  - (iii) Sole power to dispose or to direct the disposition of: 3,150,597
  - (iv) Shared power to dispose or to direct the disposition of: None

- Item 5. Ownership of Five Percent or Less of a Class.
- Not applicable

- Item 6. Ownership of More than Five Percent on Behalf of Another Person.
- Not applicable

- Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.
- Not applicable

- Item 8. Identification and Classification of Members of the Group.
- Not applicable

- Item 9. Notice of Dissolution of Group.
- Not applicable

- Item 10. Certification.

By signing below on behalf of AFS Holdings One LLC, Barry F. Schwartz certifies that, to the best of his knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.



SIGNATURE

After reasonable inquiry and to the best knowledge and belief of the undersigned, the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Date: January 8, 2009

AFS HOLDINGS ONE LLC

By: /s/ Barry F. Schwartz

Name: Barry F. Schwartz

Title: Sole Member