

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

<b>OMB APPROVAL</b>	
OMB Number:	3235-0287
Estimated average burden	
hours per response:	0.5

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

<p>1. Name and Address of Reporting Person*</p> <p><u>Smith Robin L</u></p> <hr/> <p>(Last) (First) (Middle)</p> <p><u>C/O PHASE III MEDICAL, INC.</u></p> <p><u>420 LEXINGTON AVENUE, SUITE 450</u></p> <hr/> <p>(Street)</p> <p><u>NEW YORK NY 10170</u></p> <hr/> <p>(City) (State) (Zip)</p>	<p>2. Issuer Name and Ticker or Trading Symbol</p> <p><u>PHASE III MEDICAL INC/DE [ PHSM ]</u></p> <hr/> <p>3. Date of Earliest Transaction (Month/Day/Year)</p> <p><u>08/11/2006</u></p> <hr/> <p>4. If Amendment, Date of Original Filed (Month/Day/Year)</p>	<p>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</p> <p><input checked="" type="checkbox"/> Director 10% Owner</p> <p><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)</p> <p style="text-align: center;"><b>Chairman and CEO</b></p> <hr/> <p>6. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p>
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**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, \$.001 par value	08/11/2006		C <sup>(1)</sup>		284,090	A	\$0.044	4,284,090	D	
Common Stock, \$.001 par value	08/11/2006		J <sup>(1)</sup>		56,818	A	(1)	4,340,908	D	

**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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
9% Convertible Promissory Notes due 2006	\$0.06 <sup>(1)</sup>	08/11/2006		J <sup>(1)</sup>			208,333	(2)	09/30/2006	Common Stock	208,333	(1)	208,333	D	
9% Convertible Promissory Notes due 2006	\$0.044 <sup>(1)</sup>	08/11/2006		J <sup>(1)</sup>		284,090		(2)	09/30/2006	Common Stock	284,090	(1)	284,090	D	
9% Convertible Promissory Notes due 2006	\$0.044 <sup>(1)</sup>	08/11/2006		C <sup>(1)</sup>		284,090		(2)	09/30/2006	Common Stock	284,090	(1)	0	D	
Warrants (right to buy)	\$0.12 <sup>(1)</sup>	08/11/2006		J <sup>(1)</sup>		208,333		(3)	12/29/2008	Common Stock	208,333	(1)	208,333	D	
Warrants (right to buy)	\$0.08 <sup>(1)</sup>	08/11/2006		J <sup>(1)</sup>		208,333		(3)	12/29/2008	Common Stock	208,333	(1)	208,333	D	
Warrants (right to buy)	\$0.08	08/11/2006		J <sup>(1)</sup>		208,333		(3)	12/29/2008	Common Stock	208,333	(1)	208,333	D	

**Explanation of Responses:**

- On August 11, 2006, Dr. Smith executed an agreement with Phase III Medical Inc. (the "Company") pursuant to which Dr. Smith agreed to convert that certain 9% Convertible Promissory Note issued December 30, 2005. As consideration for entering into such agreement, the Company agreed to: (i) reduce the conversion price of the convertible promissory note from \$.06 per share to \$.044 per share, (ii) to reduce the exercise price of certain warrants held by Dr. Smith from \$0.12 to \$0.08 per share, (iii) issue 56,818 shares of the Company's common stock to Dr. Smith, and (iv) grant to Dr. Smith a warrant to purchase 208,333 shares of common stock of the Company at an exercise price of \$0.08 per share.
- The convertible promissory note is convertible immediately.
- These warrants are exercisable immediately.

/s/ Catherine M. Vaczy, Esq., 08/15/2006  
 Attorney-In-Fact

\*\* Signature of Reporting Person Date

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

\* 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).

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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