SEC Form 4

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person*	2. Issuer Name **and** Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

1. Name and Address of Reporting Person*

Aholt Robert Joseph JR

(Last)   (First)   (Middle)

C/O PHASE III MEDICAL, INC.

330 SOUTH SERVICE ROAD, SUITE 120

(Street)

MELVILLE   NY   11747

(City)   (State)   (Zip)

2. Issuer Name and Ticker or Trading Symbol

PHASE III MEDICAL INC/DE [PHSM]

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

07/20/2005

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

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

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

Chief Operating Officer

6. Individual or Joint/Group Filing (Check Applicable Line)

X   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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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				
Stock option (right to buy)	$0.06	07/20/2005		A		1,500,000		(1)	07/20/2015	Common Stock	1,500,000	$0	1,500,000(2)	D	

Explanation of Responses:

1. 1,000,000 of the options vest immediately upon the date of grant and the remainder of the options shall vest in two equal annual installments beginning one year from the date of grant.

2. If the filing person pays the exercise price with shares of common stock, the plan committee appointed by the Board of Directors may, in its discretion, grant the filing person an option with a reload feature. A reload stock option, which will be granted at the same time that payment is received on the option exercise, will grant the filing person the option to purchase (i) the number of shares of common stock equal to the sum of the number of shares used to exercise the option (or the number of shares not received if the filing person paid the option price by receiving a reduced number of shares on exercise), or (ii) in the case of non-qualified stock options, the number of shares of common stock used to satisfy any tax withholding requirement related to the exercise of such option. The term of a reload option will be equal to the remaining term of the option which gave rise to the reload option.

/s/ Catherine Vaczy, Esq., Attorney-In-Fact   07/20/2005

** Signature of Reporting Person   Date