

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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* MARASCO WAYNE A _____ (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]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Senior Scientific Advisor		
			3. Date of Earliest Transaction (Month/Day/Year) 06/02/2006					
			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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			
Common Stock, par value \$.001 per share	06/02/2006		A		1,186,713	A	(1)	1,436,713	D	
Common Stock, par value \$.001 per share								1,250,000	I	By Trust

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)	\$0.053	06/02/2006		A		1,000,000		(2)	06/01/2016	Common Stock	1,000,000	\$0	1,000,000(3)	D	

Explanation of Responses:

1. On June 2, 2006, Phase III Medical, Inc. (the "Company") entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") with certain investors listed therein, pursuant to which it agreed to convert the salary of certain officers of the Company into shares of its common stock. Pursuant to the Stock Purchase Agreement, the Company issued to Dr. Marasco 1,186,713 shares of its unregistered common stock, \$.001 par value (the "Common Stock") in payment of \$52,215.39 in accrued salary at a per share price of \$.044.

2. Pursuant to the Stock Purchase Agreement, 33% of these options vest when the Company's cumulative revenue reaches \$1,000,000, another 34% will vest when the Company's cumulative revenue reaches \$2,000,000, and the final 33% will vest when the Company's cumulative revenue reaches \$3,000,000.

3. If Dr. Marasco pays the exercise price with shares of common stock, the option agreement provides that Dr. Marasco shall be granted a "reload" option to purchase the sum of (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 Dr. Marasco paid the option price by receiving a reduced number of shares on exercise), and (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 M. Vaczy as
attorney-in-fact 06/06/2006

** 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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