

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* <u>Smith Robin L</u>  (Last) (First) (Middle) <u>C/O PHASE III MEDICAL, INC.</u> <u>330 SOUTH SERVICE ROAD, SUITE 120</u>  (Street) <u>MELVILLE NY 11747</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>PHASE III MEDICAL INC/DE [ PHSM ]</u>	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) <p style="text-align: center;"><b>Chairman and CEO</b></p>
	3. Date of Earliest Transaction (Month/Day/Year) <u>06/02/2006</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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	06/02/2006		A		2,000,000	A	\$0	2,500,000	D	
Common Stock, \$.001 par value	06/02/2006		A		1,000,000	A	\$0 <sup>(1)</sup>	3,500,000	D	
Common Stock, \$.001 par value	06/02/2006		P		500,000	A	\$0.044	4,000,000	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				
Stock options (right to buy)	(2)	06/02/2006		A		5,400,000		(3)	06/02/2011	Common Stock	5,400,000	\$0	5,400,000 <sup>(4)</sup>	D	
Warrants (right to buy)	\$0.08	06/02/2006		P		250,000		(5)	06/01/2011	Common Stock	250,000	\$0	250,000	D	

**Explanation of Responses:**

- These shares were issued to Dr. Smith as a fee for services rendered to the Company as financial advisor, pursuant to an advisory agreement between Dr. Smith and the Company, dated September 14, 2005.
- The exercise price of these options shall be: (i) \$.053 as to the first 1,000,000 options exercised, (ii) \$.08 as to the second 1,000,000 options exercised, (iii) \$.10 as to the third 1,000,000 options exercised, (iv) \$.16 as to the next 1,200,000 options exercised, and (v) \$.25 as to the remainder of the options exercised.
- 3,000,000 of these options shall vest immediately, 1,200,000 options shall vest on the first anniversary of the grant date and 1,200,000 options shall vest on the second anniversary of the grant date.
- If Dr. Smith pays the exercise price with shares of common stock, the option agreement provides that Dr. Smith 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. Smith 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.
- These warrants are exercisable immediately.

Robin L. Smith By: /s/Catherine M. Vaczy, Esq., 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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