

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 1, 2006

PHASE III MEDICAL, INC.

(Exact name of registrant as specified in its charter)

Delaware ----- (State Or Other Jurisdiction Of Incorporation)	0-10909 ----- (Commission File Number)	22-2343568 ----- (IRS Employer Identification No.)
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330 South Service Road, Suite 120
Melville, New York

11747

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (631)-574-4955

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On March 6, 2006, the Company issued a press release pursuant to which it announced the appointment of Larry Alan May, 56, as its Chief Financial Officer for a term of three years. The appointment of Mr. May became effective on March 1, 2006. Mr. May initially joined the Company in September 2003 to assist with licensing activities.

The Company entered into a three-year employment agreement with Mr. May on January 19, 2006. Mr. May will receive an annual salary of \$165,000, payable in accordance with the Company's standard payroll practices, is entitled to participate in the Company's benefit plans generally available to other executives, including a car allowance equal to \$750 per month, and was granted on the date of the employment agreement an employee stock option under the Company's Equity Purchase Plan to purchase 150,000 shares of the Company's common stock. Under certain circumstances, Mr. May is also entitled to a severance payment equal to one year's salary in the event of the early termination of his employment.

On January 19, 2006, the Company consummated an acquisition of the assets of NeoStem, Inc., a California corporation. Mr. May was the CEO of NeoStem at the time of the transaction. The purchase price for NeoStem's assets included 5 million shares of the Company's common stock, of which Mr. May received a pro rata distribution of 143,821 shares in exchange for his shares of NeoStem preferred stock, and 96,148 shares of Company common stock as consideration for existing debt owed by NeoStem to Mr. May. Of the stock consideration paid to NeoStem, 60% (or 3 million shares) has been retained in escrow for a period of one (1) year from the date of the agreement, subject to

certain indemnification claims and setoffs. Provided that no claims are made against the escrowed shares, Mr. May will be entitled to receive up to 350,563 shares of Company common stock in escrow in exchange for his shares of NeoStem common stock.

Prior to joining the Company, from August 2003 until January 2006, Mr. May served as the Chief Executive Officer and Chief Financial Officer of NeoStem, a private company engaged in the sale of adult stem cell banking services and medical imaging products. From 2000 to May 2003, Mr. May served as the Chief Financial Officer of Saronyx, Inc., a company focused on developing productivity tools and secure communication systems for research scientists. Previously, Mr. May served as the Senior Vice President of Finance and Chief Financial Officer of BioSource International, Inc., a provider of biologic research reagents and assays, and Treasurer of Amgen, Inc., a biotechnology company, in which he helped build its accounting, finance and IT organizations.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1 Employment Agreement between the Company and
Larry A. May, dated January 19, 2006 (incorporated by
reference to Exhibit 10.1 to Form 8-K, filed
January 26, 2006).

Exhibit 99.1 Press Release dated March 6, 2006.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PHASE III MEDICAL, INC.

By: /s/ Mark Weinreb

Mark Weinreb
President

Dated: March 6, 2006

EXHIBIT INDEX

Exhibit Number	Description
10.1	Employment Agreement between the Company and Larry A. May, dated January 19, 2006 (incorporated by reference to Exhibit 10.1 to Form 8-K, filed January 26, 2006).
99.1	Press Release dated March 6, 2006.

Phase III Medical Appoints Larry May,
Former Amgen Treasurer, as Chief Financial Officer

MELVILLE, N.Y.--(BUSINESS WIRE)--March 6, 2006--Phase III Medical, Inc., (OTCBB: PHSM), announced today that Larry A. May, former treasurer of Amgen, Inc., has been named the company's Chief Financial Officer. The appointment of Mr. May became effective on March 1, 2006. Mr. May joined Phase III in January 2006 in connection with the NeoStem acquisition, and brings 30 years of experience in corporate finance, general management, leadership, IT, new business development and joint ventures. Mr. May brings a wealth of knowledge in both the financial and biomedical sectors and he will be responsible for overseeing the Company's financial activities and financial reporting obligations.

From 1983 to 1998 Mr. May worked for Amgen, Inc. (one of the largest biotechnology companies in the world) as Vice President Controller and then Vice President Treasurer. Mr. May successfully created a multi-country business organization and financial infrastructure that supported Amgen's growth from initial product introduction to \$2.2 billion in annual sales. As Treasurer for Amgen, Mr. May had full management responsibility for banking, cash management, tax, customer finance organization and corporate information systems. He administered a \$1 billion cash portfolio and initiated and completed many financings.

From 2000 to May 2003, Mr. May served as CFO of Saronyx, Inc. a company focused on developing productivity tools and secure communication systems for research scientists. Prior to joining Saronyx, Inc., Mr. May was Senior Vice President of Finance and CFO of BioSource International, Inc., a provider of biologic research reagents and assays. From August, 2003 until the completion of the NeoStem acquisition, Mr. May served as the Chief Executive Officer and the Chief Financial Officer of NeoStem. Mr. May graduated with a Bachelor of Science degree in business administration and accounting from University of Missouri.

Mark Weinreb, CEO of Phase III, stated, "We are extremely fortunate to have Larry May, a seasoned financial executive with such an impressive background, as the Company's CFO. His financial experience and knowledge of our adult stem cell business brings a unique combination of skills that will greatly benefit the Company."

Said Mr. May, "I am very happy to be appointed to such an important position in the Company. It's an exciting time in the development and growth of our business and I look forward to assisting the company reach its financial and business goals."

About Phase III Medical, Inc.

Phase III Medical, Inc. (OTCBB:PHSM), a Delaware corporation, is an innovative, publicly traded company that, through the acquisition of NeoStem, is positioned to become a leader in the adult stem cell field and to capitalize on the increasing importance the Company believes adult stem cells will play in the future of regenerative medicine. The management and board of directors and advisors of Phase III have collective experience in life science marketing, business management, and financial expertise, as well as significant technical, medical and scientific experience.

Certain statements in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements concerning the Company's ability to develop the adult stem cell business, the future of regenerative medicine and the role of adult stem cells in that future. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Phase III Medical, Inc. ("the Company"), or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. The Company's ability to enter the adult stem cell arena and future operating results are dependent upon many factors, including but not limited to (i) the Company's ability to obtain sufficient capital or a strategic business arrangement to fund its expansion plans; (ii) the Company's ability to build the management and human resources and infrastructure necessary to support the growth of its business; (iii) competitive factors and developments beyond the Company's control; (iv) scientific and medical developments beyond the Company's control and (v) other risk factors discussed in the Company's periodic filings with the Securities and Exchange Commission which are available for review at www.sec.gov under "Search for Company Filings."

CONTACT: Phase III Medical
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