

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

OMB APPROVAL	
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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

1. Name and Address of Reporting Person* <u>Aholt Robert Joseph JR</u>  (Last) (First) (Middle) 20128 CAVERN COURT  (Street) SAUGUS CA 91390  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 09/13/2004	3. Issuer Name and Ticker or Trading Symbol <u>PHASE III MEDICAL INC/DE [ PHSM ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) Chief Operating Officer	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line) Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
common stock, par value \$0.001 per share	7,282,913 <sup>(1)</sup>	I <sup>(2)</sup>	See footnote number 2 <sup>(2)</sup>
common stock, par value \$0.001 per share	0 <sup>(3)</sup>	D	

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

1. Name and Address of Reporting Person\*  
Aholt Robert Joseph JR  
 (Last) (First) (Middle)  
 20128 CAVERN COURT  
 (Street)  
 SAUGUS CA 91390  
 (City) (State) (Zip)

1. Name and Address of Reporting Person\*  
Aholt Jr Family Trust  
 (Last) (First) (Middle)  
 20128 CAVERN COURT  
 (Street)  
 SAUGUS CA 91390  
 (City) (State) (Zip)

**Explanation of Responses:**

- Aholt, Jr. Family Trust dated 2/17/97 (the "Trust") acquired these shares pursuant to the terms of a subscription agreement (as amended, modified or supplemented, the "Subscription Agreement"), dated September 13, 2004, between Phase III Medical, Inc. (the "Company") and the Trust. The address of the Trust is 20128 Cavern Court, Saugus, California 91390.
- These shares are owned directly by the Trust, holder of more than 10% of the shares of common stock, par value \$0.001 per share, of the Company ("Common Stock"), outstanding as of the date hereof, and indirectly by Robert J. Aholt, Jr., as trustee of the Trust. Mr. Aholt is the chief operating officer of the Company and, by virtue of his position as trustee of the Trust, holder of more than 10% of the shares of Common Stock outstanding as of the date hereof.
- Pursuant to the Subscription Agreement, the Company and Mr. Aholt agreed that upon maturity of a promissory note made by the Company in favor of Mr. Aholt on August 30, 2004 (the "Note"), the Company will repay the Note in shares of Common Stock, at a per share conversion price equal to 85% of the average of the closing price of one share of Common Stock on the National Association of Securities Dealers, Inc. Over-the-Counter Bulletin Board (the "Bulletin Board") for the five (5) days immediately preceding the maturity date of the Note, or, if the Common Stock is not then traded on the Bulletin Board, at 85% of fair market value as determined by the Board of Directors of the Company. The Note, which was made in the principal amount of \$100,000, bears interest at a rate of 20% per annum and matures on February 28, 2005. The interests in these shares are owned directly by Mr. Aholt.

/s/ Robert J. Aholt, Jr., 09/23/2004  
Individually.  
/s/ Robert J. Aholt, Jr., as 09/23/2004

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 5 (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.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**