

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 3)*

PHASE III MEDICAL, INC.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

71721N108

(CUSIP Number)

Catherine M. Vaczy
330 South Service Road, Suite 120
Melville, NY 11747
917-359-3715

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

June 2, 2006

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See s. 240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

Cusip No. 71721N108

- 1. Names of Reporting Persons.
I.R.S. Identification Nos. of above persons (entities only):

Catherine M. Vaczy

- 2. Check the Appropriate Box if a Member of a Group (See Instructions):
(a)
(b)

3. SEC Use Only

4. Source of Funds (See Instructions): 00

- 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items
2(d) or 2(e):

6. Citizenship or Place of Organization: United States

Number of Shares Beneficially Owned by Each Reporting Person With	7. Sole Voting Power:	7,436,465*
	8. Shared Voting Power:	0
	9. Sole Dispositive Power:	7,436,465*
	10. Shared Dispositive Power:	0

11. Aggregate Amount Beneficially Owned by Each Reporting Person:
7,436,465*

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares
(See Instructions):

13. Percent of Class Represented by Amount in Row (11): 5.1%**

14. Type of Reporting Person (See Instructions): IN

* Includes 1,100,000 shares of common stock, par value \$.001 per share (the "Common Stock") of Phase III Medical, Inc. (the "Company") issuable upon exercise of options held by Ms. Vaczy that are exercisable within sixty days of this Schedule 13D; excludes options to purchase 1,000,000 shares of Common Stock which are not exercisable within sixty days of this Schedule 13D.

** Based upon information provided by the Company, as of June 2, 2006, there were issued and outstanding 145,046,364 shares of Common Stock.

This Amendment No. 3 to Schedule 13D is being filed by the undersigned to amend and supplement the Schedule 13D filed April 29, 2005, as amended, with respect to the shares of common stock, par value \$.001 per share (the "Common Stock"), of Phase III Medical, Inc. (the "Company").

Item 3. Source and Amount of Funds or Other Consideration

Item 3 of this Schedule 13D is amended by adding at the end thereof the following:

On October 3, 2005, Phase III Medical, Inc. (the "Company"), pursuant to a letter agreement between the Company and Ms. Vaczy dated as of August 12, 2005, issued to Ms. Vaczy 260,817 shares of Common Stock, in payment of \$10,432.70 in salary accrued during the period August 15, 2005 through September 30, 2005, at a per share price of \$.04, the closing price of one share of Common Stock on the National Association of Securities Dealers, Inc. Over-the-Counter Bulletin Board on September 30, 2005.

On November 30, 2005, Ms. Vaczy participated in an exchange offer made by the Company to holders of its outstanding promissory notes. Pursuant to the exchange offer, Ms. Vaczy exchanged a promissory note in the principal amount of \$100,000 representing indebtedness of the Company to her into 1,700,000 shares of Common Stock based on an exchange ratio of 17,000 shares of Common Stock per \$1,000 of outstanding indebtedness.

On December 22, 2005, the Company issued 416,666 shares of Common Stock to Ms. Vaczy in payment of \$25,000 in accrued salary.

On June 2, 2006, the Company entered into a Securities Purchase Agreement (the "Securities Purchase Agreement") with certain accredited investors listed therein. As a condition of the initial closing under the Securities Purchase Agreement, Ms. Vaczy entered into a letter agreement with the Company pursuant to which he converted an aggregate of \$26,826.93 of accrued salary into shares of Common Stock at a per share price of \$0.044. After adjustments for applicable payroll and withholding taxes which were paid by the Company, the Company issued to Ms. Vaczy 609,703 shares of Common Stock. In addition to the conversion of accrued salary, the letter agreement provides for the grant of options to purchase up to 1,000,000 shares of Common Stock under the Company's 2003 Equity Purchase Plan (the "2003 EPP") which become exercisable upon the Company achieving certain revenue milestones, and the acceleration of the vesting of all outstanding options and restricted shares held by Ms. Vaczy.

On June 21, 2006, Ms. Vaczy converted outstanding expenses of \$892.07 into an aggregate of 20,274 shares of Common Stock at a per-share price of \$.044.

Item 4. Purpose of Transaction

The acquisition of the securities described in Item 3 by Ms. Vaczy and the Trust is for investment purposes. Except as set forth above in Item 3 of this Schedule 13D, Ms. Vaczy does not have any present plans or proposals which relate to or would result in the types of events described in clauses (a) through (j) under Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

Item 5 of this Schedule 13D is amended by deleting the entirety of the text and replacing it with the following:

Based on the information from the Company, as of June 2, 2006, there were 145,046,364 shares of Common Stock outstanding. As of such date, Ms. Vaczy owned an aggregate of 7,436,465 shares of Common Stock, or 5.1% of the outstanding shares of Common Stock. Ms. Vaczy has the sole power to vote or to direct the vote and the sole power to dispose or to direct the disposition of all of such shares.

Except as described in Item 3 of this Amendment, during the past sixty days, there were no purchases of shares of Common Stock, or securities convertible into or exchangeable for shares of Common Stock, by Ms. Vaczy or any person or entity controlled by Ms. Vaczy or any person or entity for which Ms. Vaczy possesses voting control over the securities thereof. During such sixty day period, there were no sales of the shares of Common Stock, or securities convertible into or exchangeable for shares of Common Stock, by Ms. Vaczy or any person or entity controlled by Ms. Vaczy or any person or entity for which Ms. Vaczy possesses voting control over the securities thereof.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Schedule 13D is amended by adding the following at the end thereof:

Exhibit 5 Letter Agreement between Phase III Medical, Inc. and Catherine M. Vaczy effective as of June 2, 2006 (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 8, 2006)

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: June 28, 2006

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001).

/s/ Catherine M. Vaczy, Esq.

Catherine M. Vaczy, Esq.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Schedule 13D is amended by adding the following at the end thereof:

Exhibit 5 Letter Agreement between Phase III Medical, Inc. and Catherine M. Vaczy effective as of June 2, 2006 (incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 8, 2006)