



<b>B #:</b>	0244-14
<b>Date:</b>	02/18/2014
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	Supervisor, Stock Dividend Department
<b>Attention:</b>	Dividend Managers, Cashiers, and Reorganization Managers
<b>Subject:</b>	Rights Offering: Nephros Inc. Common Stock CUSIP: 640671301 Rights Contra CUSIP: 640671699 Record Date: 01/30/14 Expiration: 03/14/14 5:00 P.M. Eastern time Rate: 1.00

\*\*\*\*\*WARNING TIME CRITICAL\*\*\*\*\*

Nephros Inc. will distribute to each common stock holder as of record date (January 30, 2014) one non-transferable subscription right for each share of common stock held. The rights offering expires on 03/14/2014 at 5:00 P.M. Eastern time, subject to extension or early termination.

DTC will allocate rights today, February 18, 2014.

THE DIVIDEND POSITION AND ALLOCATION HISTORY (DPAL) OPTION, ACCESSED VIA THE PTS DIVIDEND ANNOUNCEMENTS INQUIRY FUNCTION (DIVA), SHOULD BE USED TO CONFIRM YOUR RECORD DATE POSITION HISTORY.

IT IS IMPORTANT THAT PARTICIPANTS REFER TO THE DTC REORGANIZATION INQUIRY FOR PARTICIPANTS (RIPS), FUNCTION CODE 59, FOR INFORMATION REGARDING THE SUBSCRIPTION PRIVILEGE AND ANY EXTENSIONS TO THE EXPIRATION DATE.

If participants have any questions regarding this Important Notice, they may contact DTC's Customer Help Center at (888) 382-2721.

For questions regarding this Rights Offering, please contact the Information agent, John C. Houghton, at (201) 343-5202 Ext 101.

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