

Evans Daron  
Form 4  
July 12, 2010

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Evans Daron

(Last) (First) (Middle)

C/O NILE THERAPEUTICS,  
INC., 115 SANSOME STREET,  
SUITE #310

(Street)

SAN FRANCISCO, CA 94104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Nile Therapeutics, Inc. [NLTX]

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/08/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chief Financial Officer

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |
|                                 |                                      |  |                                | Code  | V   | Amount   |                                   |
| Common Stock                    |                                      |  |                                |   | 13,152  | D  |                                   |
| Common Stock                    |                                      |  |                                |   | 10,200  | I  | By Spouse                         |
| Common Stock                    |                                      |  |                                |   | 200   | I  | By Daughter                       |
| Common Stock                    |                                      |  |                                |   | 200   | I  | By Son                            |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**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 Underlying Securities (Instr. 3 and 4) |              |                            |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title        | Amount or Number of Shares |
| Stock Option (Right to Buy)                | \$ 2.71  |                                      |  |                                |   | (1)  | 09/17/2017  | Common Stock | 169,797                    |
| Stock Option (Right to Buy)                | \$ 2.71  |                                      |  |                                |   | (2)  | 09/17/2017  | Common Stock | 239,899                    |
| Stock Option (Right to Buy)                | \$ 0.88  |                                      |  |                                |   | (2)  | 01/15/2019  | Common Stock | 49,020                     |
| Stock Option (Right to Buy)                | \$ 0.89  |                                      |  |                                |   | (3)  | 06/24/2019  | Common Stock | 67,500                     |
| Stock Option (Right to Buy)                | \$ 0.301   | 07/08/2010                           |  | A                              | 200,000   | (4)  | 07/08/2020  | Common Stock | 200,000                    |
| Warrant (Right to Buy)                     | \$ 1.25  |                                      |  |                                |   | (2)  | 07/07/2014  | Common Stock | 988                        |
| Warrant (Right to Buy)                     | \$ 1.71  |                                      |  |                                |   | (2)  | 07/07/2014  | Common Stock | 988                        |
| Warrant (Right to Buy)                     | \$ 2.28  |                                      |  |                                |   | (2)  | 07/07/2014  | Common Stock | 1,976                      |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                         |       |
|---|---------------|-----------|-------------------------|-------|
|   | Director      | 10% Owner | Officer                 | Other |
| Evans Daron<br>C/O NILE THERAPEUTICS, INC.<br>115 SANSOME STREET, SUITE #310<br>SAN FRANCISCO, CA 94104 |               |           | Chief Financial Officer |       |

## Signatures

/s/ Daron Evans                      07/12/2010

\_\_Signature of                      Date  
Reporting Person

## Explanation of Responses:

\* 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).

On 9/17/2007, the Reporting Person was granted an option to purchase up to 288,458 shares of common stock of the Issuer. Up to 1/3 of the shares subject to the option may vest annually (or a pro rata portion thereof for a period of less than a full year) based on the achievement of certain performance milestones as determined by the Compensation Committee of the Board of Directors (the ?Committee?) of the Issuer. On 3/4/2008, the Committee determined that options for the prorated period ending 12/31/2007 would vest in the amount of 76,528 shares, with options to purchase 8,034 shares being forfeited. On January 16, 2009, the Committee determined that options for the period ending 12/31/2008 would vest in the amount of 43,269 shares, with options to purchase 52,884 shares being forfeited. On 1/19/2010, the Committee determined that options for the period ending 12/31/2009 would vest in the amount of 50,000 shares, with options to purchase 46,153 shares being forfeited.

(2) Currently exercisable.

On June 24, 2009, the Reporting Person was granted an option to purchase up to 100,000 shares of common stock of the Issuer, 25,000 of which were immediately exercisable. 50,000 of the shares subject to the option are based on the achievement of certain performance milestones (or a pro rata portion thereof for a five-month period of such milestones) following the date of grant. On February 15, 2010, the Reporting Person's right to purchase 42,500 shares of such 50,000-share installment vested based on the achievement of such milestones; the remaining 7,500 shares of such installment were forfeited. Vesting of the final 25,000 shares of the total grant are subject to certain other performance milestones (or a pro rata portion thereof), which have not yet been achieved.

(4) This option vests in twelve equal quarterly installments over three years with the first installment vesting on September 30, 2010.

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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