

Nile Therapeutics, Inc.
Form SC 13D/A
February 25, 2010

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D A/1

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

NILE THERAPEUTICS, INC.
(Name of Issuer)

Shares of Common Stock, par value \$0.001 per share
(Title of Class of Securities)

654145101
(CUSIP Number)

Arthur H. Amron, Esq.
Wexford Capital LP
411 West Putnam Avenue
Greenwich, CT 06830
(203) 862-7012
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

January 1, 2010
(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 Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box.o

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See section 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 other subject to the liabilities of that section of Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 654145101

1	Names of Reporting Persons. I.R.S. Identification Nos. of above Persons (entities only)	Iota Investors LLC
2	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) x (b) o
3	SEC Use Only	
4	Source of Funds (See Instructions)	OO
5	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	o
6	Citizenship or Place of Organization	Delaware
Number of Shares	7 Sole Voting Power	0
Beneficially Owned by	8 Shared Voting Power (see Item 5 below)	1,926,944
Each Reporting Person With	9 Sole Dispositive Power	0
	10 Shared Dispositive Power (see Item 5 below)	1,926,944
11	Aggregate Amount Beneficially Owned by Each Reporting Person *includes 16,841 warrants exercisable to acquire 16,841 shares of common stock	*1,926,944
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	o
13	Percent of Class Represented by Amount in Row (11)	7.12%
14	Type of Reporting Person (See Instructions)	OO

CUSIP No. 654145101

1	Names of Reporting Persons. I.R.S. Identification Nos. of above Persons (entities only)	Wexford Spectrum Investors LLC	
2	Check the Appropriate Box if a Member of a Group (See Instructions)		(a) x (b) o
3	SEC Use Only		
4	Source of Funds (See Instructions)		OO
5	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)		o
6	Citizenship or Place of Organization	Delaware	
Number of Shares	7 Sole Voting Power		0
Beneficially Owned by	8 Shared Voting Power (see Item 5 below)		696,675
Each Reporting Person With	9 Sole Dispositive Power		0
	10 Shared Dispositive Power (see Item 5 below)		696,675
11	Aggregate Amount Beneficially Owned by Each Reporting Person		696,675
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)		o
13	Percent of Class Represented by Amount in Row (11)		2.57%
14	Type of Reporting Person (See Instructions)		OO

CUSIP No. 654145101

1	Names of Reporting Persons. I.R.S. Identification Nos. of above Persons (entities only)	Wexford Capital LP
2	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) x (b) o
3	SEC Use Only	
4	Source of Funds (See Instructions)	OO
5	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	o
6	Citizenship or Place of Organization	Delaware
Number of Shares	7 Sole Voting Power	0
Beneficially Owned by	8 Shared Voting Power (see Item 5 below)	2,681,952
Each Reporting Person With	9 Sole Dispositive Power	0
	10 Shared Dispositive Power (see Item 5 below)	2,681,952
11	Aggregate Amount Beneficially Owned by Each Reporting Person *includes 16,841 warrants exercisable to acquire 16,841 shares of common stock	*2,681,952
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	o
13	Percent of Class Represented by Amount in Row (11)	9.88%
14	Type of Reporting Person (See Instructions)	PN

CUSIP No. 654145101

1	Names of Reporting Persons. I.R.S. Identification Nos. of above Persons (entities only)	Wexford GP LLC
2	Check the Appropriate Box if a Member of a Group (See Instructions)	(a) x (b) o
3	SEC Use Only	
4	Source of Funds (See Instructions)	OO
5	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)	o
6	Citizenship or Place of Organization	Delaware
Number of Shares	7 Sole Voting Power	0
Beneficially Owned by	8 Shared Voting Power (see Item 5 below)	2,681,952
Each Reporting Person With	9 Sole Dispositive Power	0
	10 Shared Dispositive Power (see Item 5 below)	2,681,952
11	Aggregate Amount Beneficially Owned by Each Reporting Person *includes 16,841 warrants exercisable to acquire 16,841 shares of common stock	*2,681,952
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	o
13	Percent of Class Represented by Amount in Row (11)	9.88%
14	Type of Reporting Person (See Instructions)	OO

CUSIP No. 654145101

1	Names of Reporting Persons. I.R.S. Identification Nos. of above Persons (entities only)	Charles E. Davidson	
2	Check the Appropriate Box if a Member of a Group (See Instructions)		(a) x (b) o
3	SEC Use Only		
4	Source of Funds (See Instructions)		OO
5	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)		o
6	Citizenship or Place of Organization	United States	
Number of Shares	7 Sole Voting Power		0
Beneficially Owned by	8 Shared Voting Power (see Item 5 below)	2,681,952	
Each Reporting Person With	9 Sole Dispositive Power		0
	10 Shared Dispositive Power (see Item 5 below)	2,681,952	
11	Aggregate Amount Beneficially Owned by Each Reporting Person *includes 16,841 warrants exercisable to acquire 16,841 shares of common stock	*2,681,952	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)		o
13	Percent of Class Represented by Amount in Row (11)		9.88%
14	Type of Reporting Person (See Instructions)		IN

CUSIP No. 654145101

1	Names of Reporting Persons. I.R.S. Identification Nos. of above Persons (entities only)	Joseph M. Jacobs	
2	Check the Appropriate Box if a Member of a Group (See Instructions)		(a) x (b) o
3	SEC Use Only		
4	Source of Funds (See Instructions)		OO
5	Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)		o
6	Citizenship or Place of Organization	United States	
	Number of 7	Sole Voting Power	0
	Beneficially 8	Shared Voting Power (see Item 5 below)	2,681,952
	Owned by		
	Each Reporting 9	Sole Dispositive Power	0
	Person With		
	10	Shared Dispositive Power (see Item 5 below)	2,681,952
11	Aggregate Amount Beneficially Owned by Each Reporting Person *includes 16,841 warrants exercisable to acquire 16,841 shares of common stock	*2,681,952	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)		o
13	Percent of Class Represented by Amount in Row (11)	9.88%	
14	Type of Reporting Person (See Instructions)	IN	

This Amendment No. 1 to Schedule 13D modifies and supplements the Schedule 13D initially filed on September 24, 2007 (the "Statement"), with respect to the common stock, \$0.001 par value per share (the "Common Stock"), of Nile Therapeutics, Inc. (the "Company"). Except to the extent supplemented by the information contained in this Amendment No. 1, the Statement, as amended as provided herein, remains in full force and effect. Capitalized terms used herein without definition have the respective meanings ascribed to them in the Statement.

Item 1. Security and Issuer

The address of the principal executive offices of the Company is:

Nile Therapeutics, Inc.
4 West 4th Ave., Suite 400
San Mateo, CA 94402

Item 2. Identity and Background

(a) This statement is filed by

- (i) Iota Investors LLC ("Iota") with respect to the shares of Common Stock owned by it directly;
- (ii) Wexford Spectrum Investors LLC ("WSI") with respect to the shares of Common Stock owned by it directly;
- (iii) Wexford Capital LP ("Wexford Capital"), a Delaware limited partnership, which is the managing member of Iota;
- (iv) Wexford GP LLC ("Wexford GP"), a Delaware limited liability company, which is the general partner (the "General Partner") of Wexford Capital;
- (v) Charles E. Davidson ("Davidson"), the Chairman and a managing member of Wexford GP; and
- (vi) Joseph M. Jacobs ("Jacobs"), the President and a managing member of Wexford GP.

The foregoing persons are hereinafter sometimes collectively referred to as the "Reporting Persons". All disclosures herein with respect to any Reporting Person are made only by such Reporting Person. Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

- (b) The address of the principal business and principal office of the Reporting Persons is c/o Wexford Capital LP, 411 West Putnam Avenue, Greenwich, CT 06830.
- (c) Iota and WSI are private investment funds formed for the purpose of making various investments. Wexford Capital is the managing member of Iota and WSI. Wexford GP is the General Partner of Wexford Capital. Messrs. Davidson and Jacobs serve as the managing members of Wexford GP.
- (d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).
- (e) None of the Reporting Persons has, during the last five years, been a party to civil proceeding of a judicial administrative body of competent jurisdiction and, as a result of such proceeding, was, or is subject to, a judgment,

decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

- (f) Each of Iota, WSI and Wexford GP is a Delaware limited liability company. Wexford Capital is a Delaware limited partnership. Each of Messrs. Davidson and Jacobs is a United States citizen.

Item 3. Source and Amount of Funds or Other Consideration.

Since the date of the Statement, the Company granted Dr. Paul Mieyal, an employee of Wexford Capital, in respect of his service as a director of the Company, (i) an option to purchase 50,000 shares of Common Stock of the Company on January 25, 2008 with an exercise price of \$4.50 (the "2007 Option"); (ii) on December 23, 2008, an option to purchase 25,000 shares of Common Stock of the Company with an exercise price of \$0.93 (the "2008 Option"); and (iii) on July 21, 2009, an option to purchase 65,000 shares of Common Stock of the Company with an exercise price of \$1.77 (the "2009 Option" and collectively with the 2007 Option and 2008 Option, the "Options"). All Options, upon issuance, were assigned to Wexford Capital. As of January 1, 2010, two thirds of the 2007 Option is fully vested and the 2008 Option is fully vested. The 2009 Options will vest on July 21, 2010.

Item 4. Purpose of Transaction.

The Reporting Persons consider the acquisition and ownership of the Common Stock to be an investment.

The Company's Board of Directors consists of five individuals, including Dr. Paul Mieyal, an employee of Wexford who was appointed to the Board upon the closing of the Offering. In connection with the Offering, the Company agreed to register for resale under the Securities Act of 1933 the shares of Common Stock purchased by the investors in the Offering, including Iota and WSI, within 60 days of the effective date of the Merger. The Company is obligated to pay all expenses in connection with such a registration.

Except as set forth above, none of the Reporting Persons have any plans or proposals which relate to or would result in (i) the acquisition by any person of additional securities of the Company or the disposition of securities of the Company, (ii) an extraordinary corporate transaction, such as a merger, reorganization, or liquidation, involving the Company or any of its securities, (iii) a sale or transfer of a material amount of the assets of the Company or any of its subsidiaries, (iv) any change in the present board of directors or management of the Company, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (v) any material change in the present capitalization or dividend policy of the Company, (vi) any other material change in the Company's business or corporate structure, (vii) changes in the Company's charter, bylaws, or instruments corresponding thereto or other actions which may impede the acquisition of control of the Company by any person, (viii) causing a class of the securities of the Company to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter dealer quotation system of a registered national securities association, (ix) a class of equity securities of the Company becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act, or (x) any action similar to any of those enumerated above. However, Wexford Capital retains its rights to modify its plans with respect to the transactions described in this Item 4, to acquire or dispose of securities of the Company and to formulate plans and proposals that could result in the occurrence of any such events, subject to applicable laws and regulations.

Item 5. Interest in Securities of the Issuer

The aggregate number and percentage of shares of Common Stock beneficially owned by the Reporting Persons (on the basis of 27,061,562 shares of Common Stock issued and outstanding as reported in the Company's Form 10-Q filed with the Commission on November 12, 2009) are as follows:

Iota Investors LLC

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(a) Amount 1,926,944 Percent of class: 7.12%
 beneficially owned:
 (b) Number of shares as to which the person has:
 (i) Sole power to vote or to direct the vote: 0
 (ii) Shared power to vote or to direct the vote: 1,926,944
 (iii) Sole power to dispose or to direct the disposition 0
 of:
 (iv) Shared power to dispose or to direct the 1,926,944
 disposition of:

Wexford Spectrum Investors LLC

(a) Amount 696,675 Percent of class: 2.57%
 beneficially owned:
 (b) Number of shares as to which the person has:
 (i) Sole power to vote or to direct the vote: 0
 (ii) Shared power to vote or to direct the vote: 696,675
 (iii) Sole power to dispose or to direct the disposition 0
 of:
 (iv) Shared power to dispose or to direct the 696,675
 disposition of:

Wexford Capital LP

(a) Amount 2,681,952 Percent of class: 9.88%
 beneficially owned:
 (b) Number of shares as to which the person has:
 (i) Sole power to vote or to direct the vote: 0
 (ii) Shared power to vote or to direct the vote: 2,681,952
 (iii) Sole power to dispose or to direct the disposition 0
 of:
 (iv) Shared power to dispose or to direct the 2,681,952
 disposition of:

Wexford GP LLC

(a) Amount 2,681,952 Percent of class: 9.88%
 beneficially owned:
 (b) Number of shares as to which the person has:
 (i) Sole power to vote or to direct the vote: 0
 (ii) Shared power to vote or to direct the vote: 2,681,952
 (iii) Sole power to dispose or to direct the disposition 0
 of:
 (iv) Shared power to dispose or to direct the 2,681,952
 disposition of:

Charles E. Davidson

(a) Amount 2,681,952 Percent of class: 9.88%
 beneficially owned:
 (b) Number of shares as to which the person has:
 (i) Sole power to vote or to direct the vote: 0
 (ii) Shared power to vote or to direct the vote: 2,681,952
 (iii) Sole power to dispose or to direct the disposition 0
 of:

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(iv) Shared power to dispose or to direct the disposition of: 2,681,952

Joseph M. Jacobs

(a) Amount 2,681,952 Percent of class: 9.88%

beneficially owned:

(b) Number of shares as to which the person has

(i) Sole power to vote or to direct the vote: 0

(ii) Shared power to vote or to direct the vote: 2,681,952

(iii) Sole power to dispose or to direct the disposition of: 0

of:

(iv) Shared power to dispose or to direct the disposition of: 2,681,952

Wexford Capital may, by reason of its status as managing member of Iota and WSI, be deemed to own beneficially the shares of Common Stock of which Iota and WSI possess beneficial ownership. Wexford GP may, by reason of its status as General Partner of Wexford Capital, be deemed to own beneficially the shares of Common Stock of which Iota and WSI possess beneficial ownership. Each of Messrs. Davidson and Jacobs may, by reason of his status as a controlling person of Wexford GP, be deemed to own beneficially the shares of Common Stock of which Iota and WSI possess beneficial ownership. Each of Wexford Capital, Wexford GP, Davidson and Jacobs shares the power to vote and to dispose of the shares of Common Stock beneficially owned by Iota and WSI. Each of Wexford Capital, Wexford GP and Messrs. Davidson and Jacobs disclaims beneficial ownership of the shares of Common Stock owned by Iota and WSI and this report shall not be deemed as an admission that they are the beneficial owner of such securities except, in the case of Davidson and Jacobs, to the extent of their respective personal ownership interests in any of the members of Iota and WSI.

Except as set forth in Item 3 above, the Reporting Persons have not effected any transactions in the Common Stock during the 60 days preceding the date of this Schedule 13D A/1.

* * * * *

SIGNATURE

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: February 25, 2010

IOTA INVESTORS LLC

By: /s/ Arthur H. Amron
Name: Arthur H. Amron
Title: Vice President and Assistant
Secretary

WEXFORD SPECTRUM INVESTORS LLC

By: /s/ Arthur H. Amron
Name: Arthur H. Amron
Title: Vice President and Assistant
Secretary

WEXFORD CAPITAL LP

By: /s/ Arthur H. Amron
Name: Arthur H. Amron
Title: Partner and Secretary

WEXFORD GP LLC

By: /s/ Arthur H. Amron
Name: Arthur H. Amron
Title: Vice President and Assistant
Secretary

/s/ Charles E. Davidson
CHARLES E. DAVIDSON

/s/ Joseph M. Jacobs
JOSEPH M. JACOBS