

Nile Therapeutics, Inc.
 Form 5
 February 12, 2010

FORM 5

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

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 TANEN DAVID M
 (Last) (First) (Middle)

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/31/2009

C/O TWO RIVER GROUP HOLDINGS, LLC, 689 FIFT AVENUE, 12TH FLOOR
 (Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

NEW YORK, NY 10022
 (City) (State) (Zip)

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) (A) or (D) Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|-----------------------------------|

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

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SEC 2270 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Security |
|------------------------|---------------|--------------------------------------|-----------------------------------|----------------|-------------------------|---|--|
|------------------------|---------------|--------------------------------------|-----------------------------------|----------------|-------------------------|---|--|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | (Month/Day/Year) | | (Instr. 3 and 4) | Title | Am or Num of S |
|-----------------------------|--|----------------------|-----------------|---|----------|------------------|-----------------|------------------|-------|----------------|
| | | | | (A) | (D) | Date Exercisable | Expiration Date | | | |
| Stock Option (Right to Buy) | \$ 4.5 | 09/24/2009 | Â | D4 <u>(1)</u> | Â 50,000 | Â <u>(2)</u> | 01/25/2018 | Common Stock | 50 | |
| Stock Option (Right to Buy) | \$ 4.5 | 09/24/2009 | Â | A4 <u>(1)</u> | 50,000 | Â Â <u>(1)</u> | 09/24/2014 | Common Stock | 50 | |
| Stock Option (Right to Buy) | \$ 0.93 | 09/24/2009 | Â | D4 <u>(1)</u> | Â 25,000 | Â <u>(1)</u> | 12/22/2018 | Common Stock | 25 | |
| Stock Option (Right to Buy) | \$ 0.93 | 09/24/2009 | Â | A4 <u>(1)</u> | 25,000 | Â Â <u>(1)</u> | 09/24/2014 | Common Stock | 25 | |
| Stock Option (Right to Buy) | \$ 1.77 | 09/24/2009 | Â | D4 <u>(1)</u> | Â 65,000 | Â <u>(1)</u> | 07/21/2019 | Common Stock | 65 | |
| Stock Option (Right to Buy) | \$ 1.77 | 09/24/2009 | Â | A4 <u>(1)</u> | 65,000 | Â Â <u>(1)</u> | 09/24/2014 | Common Stock | 65 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| TANEN DAVID M C/O TWO RIVER GROUP HOLDINGS, LLC 689 FIFT AVENUE, 12TH FLOOR NEW YORK, NY 10022 | Â X | Â | Â | Â |

Signatures

/s/ David M. Tanen 02/12/2010

**Signature of Reporting Person Date

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).

- The reported transactions involve amendments to previously granted stock options, resulting in the deemed cancellation of the "old" stock options and the grant of replacement stock options. In connection with the Reporting Person's resignation from the Board of Directors on September 24, 2009, the Company amended the stock options to provide for the acceleration of all unvested portions and to extend the exercise period to September 24, 2014. All stock options are exercisable as of September 24, 2009, the date of the amendments.
- (1) The stock option was originally granted on January 25, 2008, and provided for vesting in three equal installments on September 17, 2008, September 17, 2009, and September 17, 2010.
 - (2) The stock option was originally granted on January 25, 2008, and provided for vesting in three equal installments on September 17, 2008, September 17, 2009, and September 17, 2010.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.