

FORM 5

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL	
OMB Number:	3235-0362
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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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * <u>TANEN DAVID M</u> (Last) (First) (Middle) <u>C/O TWO RIVER GROUP HOLDINGS, LLC</u> <u>689 FIFT AVENUE, 12TH FLOOR</u> (Street) <u>NEW YORK NY 10022</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Nile Therapeutics, Inc. [NLTX]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) <u>12/31/2009</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	

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

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
					(A)	(D)	Date Exercisable	Expiration Date						
Stock Option (Right to Buy)	\$4.5	09/24/2009		4D ⁽¹⁾		50,000	(2)	01/25/2018	Common Stock	50,000	\$0	0	D	
Stock Option (Right to Buy)	\$4.5	09/24/2009		4A ⁽¹⁾	50,000		(1)	09/24/2014	Common Stock	50,000	\$0	50,000	D	
Stock Option (Right to Buy)	\$0.93	09/24/2009		4D ⁽¹⁾		25,000	(1)	12/22/2018	Common Stock	25,000	\$0	0	D	
Stock Option (Right to Buy)	\$0.93	09/24/2009		4A ⁽¹⁾	25,000		(1)	09/24/2014	Common Stock	25,000	\$0	25,000	D	
Stock Option (Right to Buy)	\$1.77	09/24/2009		4D ⁽¹⁾		65,000	(1)	07/21/2019	Common Stock	65,000	\$0	0	D	
Stock Option (Right to Buy)	\$1.77	09/24/2009		4A ⁽¹⁾	65,000		(1)	09/24/2014	Common Stock	65,000	\$0	65,000	D	

Explanation of Responses:

- 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.
- 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.

Remarks:

/s/ David M. Tanen 02/12/2010
 ** Signature of Reporting Person Date

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

* 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).

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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