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Form 4
March 17, 2011

FORM 4

**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).

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 *
Efficacy Capital, Ltd.

2. Issuer Name and Ticker or Trading Symbol
AEOLUS PHARMACEUTICALS, INC. [AOLS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

11622 EL CAMINO REAL, SUITE 100,

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

6. Individual or Joint/Group Filing(Check Applicable Line)

___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

(Street)

SAN DEIGO, CA 92130

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	03/15/2011		S	V	Amount \$ 193,234 D 0.76	I	See Footnote (1)
Common Stock	03/16/2011		S	V	Amount \$ 3,799,380 D 0.61 (2)	I	See Footnote (1)

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

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SEC 1474 (9-02)

number.

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 Security (Instr. 3 and 4)
Common Stock Purchase Warrants (Right to Buy)	\$ 0.75	03/16/2011		S	2,541,000	06/05/2006 ⁽³⁾ 06/05/2011	Common Stock 2,

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Efficacy Capital, Ltd. 11622 EL CAMINO REAL, SUITE 100 SAN DEIGO, CA 92130		X		
Lappe Mark 11622 EL CAMINO REAL SUITE 100 SAN DIEGO, CA 92130		X		
Efficacy Biotech Fund LTD 11622 EL CAMINO REAL SUITE 100 SAN DIEGO, CA 92130		X		
Efficacy Biotech Fund L.P. 11622 EL CAMINO REAL SUITE 100 SAN DIEGO, CA 92130		X		
Efficacy Biotech Master Fund Ltd. 11622 EL CAMINO REAL SUITE 100 SAN DIEGO, CA 92130		X		

Signatures

/s/ Mark Lappe	03/17/2011
__Signature of Reporting Person	Date
Efficacy Biotech Fund Ltd., By Efficacy Capital Ltd., Investment Manager, By /s/ Mark Lappe, Managing Partner	03/17/2011
__Signature of Reporting Person	Date
Efficacy Capital Ltd., By /s/ Mark Lappe, Managing Partner	03/17/2011
__Signature of Reporting Person	Date
Efficacy Biotech Fund L.P., By Efficacy Capital Ltd., Investment Manager, By /s/ Mark Lappe, Managing Partner	03/17/2011
__Signature of Reporting Person	Date
Efficacy Biotech Master Fund Ltd., By Efficacy Capital Ltd., Investment Manager, By /s/ Mark Lappe, Managing Partner	03/17/2011
__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).
These shares are owned directly by Efficacy Biotech Master Fund Ltd. The Reporting Person acts as an investment adviser with
- (1) investment and voting discretion over portfolio investments. The Reporting Person is an indirect beneficial owner of the reported securities.
 - (2) The securities were sold in a block transaction in which shares of common stock and certain warrants to purchase common stock were sold for a price of \$.61 per share of common stock.
 - (3) The warrant is exercisable at any time provided that such date is no later than the expiration date of the warrant.

Note: File three copies of this Form, one of which must be manually signed. If space 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.