

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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

| OMB APPROVAL | |
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|--|---|---|
| 1. Name and Address of Reporting Person* <u>DAUWALTER JAMES E</u> (Last) (First) (Middle) <u>BIODRAIN MEDICAL INC.</u> <u>2060 CENTRE POINTE BLVD., SUITE 7</u> (Street) <u>MENDOTA MN 55120</u> (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>BioDrain Medical, Inc. [BIOR]</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. Date of Earliest Transaction (Month/Day/Year) <u>01/13/2010</u> | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Convertible note due 2012 | 01/13/2010 | | P | | 0 ⁽¹⁾ | A | (1) | 0 ⁽¹⁾ | D | |
| Common stock | 05/27/2010 | | A | | 89,143 | A | (2) | 910,572 | D | |
| Common stock | 11/16/2010 | | A | | 75,000 ⁽³⁾ | A | \$0 | 985,572 | D | |

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) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|--|--|---|--|--------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | | Title |
| Options | \$0.15 | 11/16/2010 | | A | | 325,000 | | 11/16/2010 | 11/16/2020 | Common stock | 325,000 | \$0 | 325,000 | I | Son ⁽⁴⁾ |

Explanation of Responses:

- This security was issued with a \$50,000 principal amount by the Issuer in exchange for \$50,000 in cash consideration. The conversion price is not fixed and floats based on the market price on the underlying common stock - specifically, the security converts at 50% of the average closing price of the Issuer's common stock during the 10-day period prior to conversion.
- The issuer granted these securities to the reporting person as a penalty for its failure to cause timely effectiveness of a registration statement on Form S-1.
- This stock award vests 100% upon the earlier of a change in control, average 30 day trading volume of 50,000 shares, or 6 consecutive quarters of not less than \$150,000 in net income recognized by the issuer. If none of these events occur within 10 years of the grant date, then the stock is forfeited.
- This security was granted to David Dauwalter, the adult son of the reporting person and an employee of the Issuer. The reporting person disavows any beneficial interest in the security and underlying securities.

/s/ James Dauwalter 12/29/2010

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.