

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

OMB APPROVAL	
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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>BLECH ISAAC</u>  (Last) (First) (Middle) 2020 AVON COURT, SUITE 4  (Street) CHARLOTTESVILLE VA 22902  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 08/11/2016	3. Issuer Name and Ticker or Trading Symbol <u>Diffusion Pharmaceuticals Inc. [ DFFN ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)	5. 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 Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	28,334	D	
Common Stock	11,905	I	By Spouse <sup>(1)</sup>
Common Stock	154,763	I	By Trusts <sup>(1)(2)</sup>

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
Stock Option (Right to Buy)	(3)	01/06/2024	Common Stock	1,745	30	D
Stock Option (Right to Buy)	(4)	07/23/2024	Common Stock	8,745	39.2	D
Warrant (Right to Buy)	(5)	08/20/2017	Common Stock	5,000	380	D
Warrant (Right to Buy)	(5)	10/21/2018	Common Stock	7,500	48	D

**Explanation of Responses:**

- The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and the inclusion of these shares in this report shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.
- Includes 11,905 shares owned by the River Charitable Remainder Unitrust f/b/o Isaac Blech, 71,429 shares owned by the West Charitable Remainder Trust and 71,429 shares owned by the Liberty Charitable Remainder Trust f/b/o Isaac Blech.
- The option was originally granted on January 7, 2014 and vested in full in accordance with the terms of the underlying option award agreement upon the completion of the Issuer's merger with Diffusion Pharmaceuticals LLC on January 8, 2016.
- The option was originally granted on July 24, 2014 and vested in full in accordance with the terms of the underlying option award agreement upon the completion of the Issuer's merger with Diffusion Pharmaceuticals LLC on January 8, 2016.
- Warrant is currently exercisable.

/s/ Isaac Blech

08/30/2016

\*\* 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 5 (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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