

CRITICAL THERAPEUTICS INC
Form 4
August 10, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Phillips Trevor

2. Issuer Name and Ticker or Trading Symbol
CRITICAL THERAPEUTICS INC
[CRTX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
08/08/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
COO and SVP of Operations

C/O CRITICAL THERAPEUTICS, INC., 60 WESTVIEW STREET

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

LEXINGTON, MA 02421

(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 Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock					3,200	I	By Children (1)
Common Stock	08/08/2006		S	900	D \$ 4.14	4,933	D
Common Stock	08/08/2006		S	900	D \$ 4.1	4,033	D
Common Stock	08/08/2006		S	100	D \$ 4.07	3,933	D
	08/08/2006		S	500	D	3,433	D

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Common Stock					\$ 4.06		
Common Stock	08/08/2006	S	900	D	\$ 4.05	2,533	D
Common Stock	08/08/2006	S	700	D	\$ 3.96	1,833	D
Common Stock	08/09/2006	M	10,500	A	\$ 1.05	12,333	D
Common Stock	08/09/2006	S	2,000	D	\$ 3.95	10,333	D
Common Stock	08/09/2006	S	4,500	D	\$ 4	5,833	D
Common Stock	08/09/2006	S	4,000	D	\$ 4.01	1,833	D

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

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 control number.

SEC 1474
(9-02)

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 Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option to Purchase Common Stock (Right to Buy)	\$ 1.05	08/09/2006		M	10,500	<u>(2)</u>	12/19/2013	Common Stock	10,500

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Reporting Owners

Phillips Trevor
C/O CRITICAL THERAPEUTICS, INC.
60 WESTVIEW STREET
LEXINGTON, MA 02421

COO and
SVP of
Operations

Signatures

/s/ Trevor
Phillips

08/10/2006

**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).

Represents shares held by the children of the reporting person who share the reporting person's household. The reporting person disclaims
(1) beneficial ownership of these shares except to the extent of his pecuniary interest therein. This report should not be deemed an admission that the reporting person is the beneficial owner of these shares for purposes of Section 16 or for any other purpose.

Of the option to purchase 176,926 shares of Common Stock of Critical Therapeutics, Inc. originally granted on December 19, 2003, 44,232 of the underlying shares vested on December 19, 2003, 19,904 of the underlying shares vested on December 31, 2004, 18,797 of the underlying shares vested on December 31, 2005 and 5,530 vest on December 31, 2008. 44,230 of the underlying shares vest in two
(2) equal annual installments on each of December 31, 2006 and 2007 based on the satisfaction of certain performance objectives as determined by the Company, provided that any of such shares that remain unvested shall vest on December 31, 2008. The remaining 25% of the underlying shares vest under a schedule providing for one-quarter to become exercisable on December 19, 2004 and the remaining three-quarters to become exercisable in 36 equal monthly installments beginning one month thereafter.

(3) Not applicable.

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.