

LACY VIRGINIA C
Form 4
October 12, 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 *
LACY VIRGINIA C

(Last) (First) (Middle)

CRYOLIFE, INC., 1655 ROBERTS BOULEVARD, N.W.

(Street)

KENNESAW, GA 30144

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CRYOLIFE INC [CRY]

3. Date of Earliest Transaction (Month/Day/Year)
10/10/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 | | | |
| Common Stock | 09/07/2006 | | G | V | 24,000 | D | (\$1) | 301,280 | I | Beneficiary of Trusts (2) |
| Common Stock | 09/19/2006 | | G | V | 30,000 | D | (\$3) | 2,500 | D | |
| Common Stock | 09/19/2006 | | G | V | 30,000 | A | (\$3) | 331,280 | I | Beneficiary of Trusts (2) |
| Common Stock | 10/10/2006 | | S | | 300 | D | \$ 6.11 | 330,980 | I | Beneficiary of Trusts (2) |
| Common Stock | 10/10/2006 | | S | | 1,000 | D | \$ 6.15 | 329,980 | I | Beneficiary of Trusts (2) |

Edgar Filing: LACY VIRGINIA C - Form 4

| | | | | | | | | |
|--------------|------------|---|-------|---|---------|---------|---|--------------------------------------|
| Common Stock | 10/10/2006 | S | 300 | D | \$ 6.16 | 329,680 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 10/10/2006 | S | 700 | D | \$ 6.17 | 328,980 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 10/10/2006 | S | 1,000 | D | \$ 6.18 | 327,980 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 10/10/2006 | S | 300 | D | \$ 6.19 | 327,680 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 10/10/2006 | S | 400 | D | \$ 6.2 | 327,280 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | | | | | | 165,879 | I | Beneficiary of IRA ⁽²⁾ |
| Common Stock | | | | | | 22,500 | I | Administrator of Pension Plan |

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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|-----------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| LACY VIRGINIA C CRYOLIFE, INC. | X | | | |

1655 ROBERTS BOULEVARD, N.W.
KENNESAW, GA 30144

Signatures

/s/ Virginia C.

Lacy

10/11/2006

 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).

- (1) 24,000 shares of common stock of Issuer were gifted from a trust for which the reporting person is a beneficiary.
- (2) Ms. Lacy is the beneficiary of three trusts and an IRA in the name of her deceased spouse.
- (3) Reporting person transferred 30,000 shares from direct ownership to trust for which the reporting person is a beneficiary.

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.