

CRITICARE SYSTEMS INC /DE/

Form 4

August 22, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
BlueLine Partners, L.L.C.

2. Issuer Name **and** Ticker or Trading
Symbol
CRITICARE SYSTEMS INC /DE/
[CMD]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
4115 BLACKHAWK PLAZA
CIRCLE, SUITE 100

3. Date of Earliest Transaction
(Month/Day/Year)
08/18/2006

____ Director ____X__ 10% Owner
____ Officer (give title ____X__ Other (specify
below) below)
See "Remarks" Page

(Street)
DANVILLE, CA 94506

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

(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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	08/18/2006		P		101,000	A	\$ 2.8
					863,700		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
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SEC 1474
(9-02)

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

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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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				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
BlueLine Partners, L.L.C. 4115 BLACKHAWK PLAZA CIRCLE SUITE 100 DANVILLE, CA 94506	X See "Remarks" Page
BlueLine Partners, L.L.C. 4115 BLACKHAWK PLAZA CIRCLE, NO. 100 DANVILLE, CA 94506	See "Remarks" Page
BlueLine Capital Partners, L.P. 4115 BLACKHAWK PLAZA CIRCLE, NO. 100 DANVILLE, CA 94506	X See "Remarks" Page
BLUELINE CATALYST FUND VII LP 4115 BLACKHAWK PLAZA CIRCLE SUITE 100 DANVILLE, CA 94506	X See "Remarks" Page

Signatures

Scott Shuda, by power of Attorney for all Reporting
Persons 08/22/2006

__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).

Remarks:

See Footnotes 1,2, and 3

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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