

LACY VIRGINIA C  
Form 4  
December 27, 2006

**FORM 4**

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

OMB APPROVAL

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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)  
12/26/2006

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	12/26/2006		S <sup>(1)</sup>	500 D \$ 7.43	290,780	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006		S <sup>(1)</sup>	400 D \$ 7.44	290,380	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006		S <sup>(1)</sup>	100 D \$ 7.46	290,280	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006		S <sup>(1)</sup>	800 D \$ 7.47	289,480	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006		S <sup>(1)</sup>	800 D \$ 7.49	288,680	I	Beneficiary of Trusts <sup>(2)</sup>

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Common Stock	12/26/2006	S <sup>(1)</sup>	500	D	\$ 7.51	288,180	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006	S <sup>(1)</sup>	100	D	\$ 7.53	288,080	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006	S <sup>(1)</sup>	200	D	\$ 7.54	287,880	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006	S <sup>(1)</sup>	500	D	\$ 7.57	287,380	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock	12/26/2006	S <sup>(1)</sup>	100	D	\$ 7.59	287,280	I	Beneficiary of Trusts <sup>(2)</sup>
Common Stock						2,500	D	
Common Stock						165,879	I	Beneficiary of IRA <sup>(2)</sup>
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.

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(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 Beneficially Owned (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

Reporting Owners

LACY VIRGINIA C  
CRYOLIFE, INC. X  
1655 ROBERTS BOULEVARD, N.W.  
KENNESAW, GA 30144

## Signatures

/s/ Virginia C.

Lacy

12/26/2006

\_\_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) The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on September 6, 2006.
  - (2) Ms. Lacy is the beneficiary of three trusts and an IRA in the name of her deceased spouse.

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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