

CRYOLIFE INC
Form 4
February 27, 2008

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 *
LEE DAVID ASHLEY

(Last) (First) (Middle)

CRYOLIFE, INC., 1655 ROBERTS BLVD., 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)
02/25/2008

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)
Exec. VP, COO and CFO

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | 02/25/2008 | | A | (A) or (D) A | 10,190 (1) \$ 9.73 | D | |
| Common Stock | | | | | 1,700 | I | By Parents (2) |
| Common Stock | | | | | 1,500 | I | By Children |

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

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number.

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 |
| Stock Option | \$ 9.73 | 02/25/2008 ⁽³⁾ | | A | | 37,500 | | 02/25/2009 ⁽⁴⁾ | 02/25/2015 | Common Stock | 37,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LEE DAVID ASHLEY CRYOLIFE, INC. 1655 ROBERTS BLVD., N.W. KENNESAW, GA 30144 | | | Exec. VP, COO and CFO | |

Signatures

/s/ Steven G. Anderson as Attorney-in-Fact for David Ashley Lee 02/27/2008

__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) Represents unrestricted common stock shares issued pursuant to the CryoLife, Inc. 2007 Executive Incentive Plan.

The reporting person holds 1,700 shares indirectly through parents for which the reporting person has power of disposition only and
(2) disclaims beneficial ownership. This report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other reason.

(3) Options were approved by the Compensation Committee on February 19, 2008 to be issued and priced on February 25, 2008 following the Issuer's lifting of a blackout period after its February 21, 2008 earnings release.

(4) Stock option vests 33 1/3% per year beginning on first anniversary of grant date.

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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