

CRYOLIFE INC  
Form 4  
August 11, 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)  
**08/07/2008**

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 Indirect Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	08/07/2008		M <sup>(1)</sup>		10,000 A \$ 5.03	118,716	D
Common Stock	08/07/2008		S <sup>(1)</sup>		2,100 D \$ 13.71	116,616	D
Common Stock	08/07/2008		S <sup>(1)</sup>		1,400 D \$ 13.72	115,216	D
Common Stock	08/07/2008		S <sup>(1)</sup>		1,376 D \$ 13.73	113,840	D
Common Stock	08/07/2008		S <sup>(1)</sup>		1,709 D \$ 13.74	112,131	D

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Common Stock	08/07/2008		S <sup>(1)</sup>	1,717	D	\$ 13.75	110,414	D	
Common Stock	08/07/2008		S <sup>(1)</sup>	1,918	D	\$ 13.76	108,496	D	
Common Stock	08/07/2008		S <sup>(1)</sup>	1,490	D	\$ 13.77	107,006	D	
Common Stock	08/07/2008		S <sup>(1)</sup>	1,700	D	\$ 13.78	105,306	D	
Common Stock	08/07/2008		S <sup>(1)</sup>	600	D	\$ 13.79	104,706	D	
Common Stock	08/07/2008		S <sup>(1)</sup>	690	D	\$ 13.8	104,016	D	
Common Stock	08/07/2008		S <sup>(1)</sup>	300	D	\$ 13.82	103,716	D	
Common Stock	08/07/2008		S <sup>(1)</sup>	500	D	\$ 14	103,216	D	
Common Stock	08/11/2008		M <sup>(1)</sup>	10,000	A	\$ 5.03	113,216	D	
Common Stock	08/11/2008		S <sup>(1)</sup>	11,533	D	\$ 14	101,683	D	
Common Stock	08/11/2008		S <sup>(1)</sup>	747	D	\$ 14.01	100,936	D	
Common Stock							1,700	I	By Parents <sup>(2)</sup>
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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(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	Title

						Expiration Date		Amount or Number of Shares
Stock Option	\$ 5.03	08/07/2008	M <sup>(1)</sup>	10,000	05/04/2007 <sup>(3)</sup>	11/04/2011	Common Stock	10,000
Stock Option	\$ 5.03	08/11/2008	M <sup>(1)</sup>	10,000	05/04/2007 <sup>(3)</sup>	11/04/2011	Common Stock	10,000

## 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/ D. A. Lee                      08/11/2008

\_\_\_\_\_  
\*\*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) The sales and option exercise reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on June 16, 2008.

(2) The reporting person holds 1,700 shares indirectly through parents for which the reporting person has power of disposition only and 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) The options will become exercisable subject to the Reporting Person remaining continuously employed by CryoLife as follows: 50,000 shares will become exercisable on the first anniversary of the option grant date of May 4, 2006 and 50,000 more shares will become subject to exercise on each subsequent anniversary thereof until all 250,000 shares (100% of the option) are subject to exercise. The option will have a term of 66 months but the option may terminate earlier as stated in the option document. The right to exercise will accelerate for all shares subject to the option agreement if, during the term of the Reporting Person's employment agreement and during the Reporting Person's continuous employment, (i) CryoLife terminates the Reporting Person's employment other than for cause, death or disability, (ii) the Reporting Person terminates employment for good reason, or (iii) the Reporting Person becomes entitled to receive a retention payment under his employment agreement.

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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