

ULTRALIFE BATTERIES INC

Form SC 13D/A

October 10, 2006

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

SCHEDULE 13D/A

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 3)

Ultralife Batteries, Inc.
(Name of Issuer)

COMMON STOCK, par value \$.10
(Title of Class of Securities)

903899102
(CUSIP Number)

Jerald A. Trannel
290 South County Farm Road, Third Floor
Wheaton, Illinois 60187-4526
Telephone: (630) 588-7200
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

September 29, 2006
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on
Schedule 13G to report the acquisition which is the subject
of this Schedule 13D, and is filing this schedule because
of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g),
check the following box. []

NOTE: Schedules filed in paper format shall include a
signed original and five copies of the schedule, including
all exhibits. See Section 240.13d-7(b) for other parties
to whom copies are to be sent.

The remainder of this cover page shall be filled out for a
reporting person's initial filing on this form with respect
to the subject class of securities, and for any subsequent
amendment containing information which would alter
disclosures provided in a prior cover page.

The information required on the remainder of this cover
page shall not be deemed to be "filed" for the purpose of
Section 18 of the Securities Exchange Act of 1934 ("Act")
or otherwise subject to the liabilities of that section of
the Act but shall be subject to all other provisions of the
Act (however, see the Notes).

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Schedule 13D/A

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1. Names of Reporting Person
S.S. OR I.R.S. Identification No. of Above Persons

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Grace Brothers, Ltd.

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See instructions)

00

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Illinois Limited Partnership

	7 Sole Voting Power
Number of	0
Shares	8 Shared Voting Power
Beneficially	3,793,964 shares
Owned by	
Each	
Reporting	9 Sole Dispositive Power
Person	0
With	10 Shared Dispositive Power
	3,793,964 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,793,964 shares

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions)

13. Percent of Class Represented by Amount in Row (11)

25.4%

14. Type of Reporting Person (See instructions)

PN,

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Schedule 13D/A

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1. Names of Reporting Person

S.S. OR I.R.S. Identification No. of Above Persons

Bradford T. Whitmore

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a)

(b)

3. SEC Use Only

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4. Source of Funds (See instructions)

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) []

6. Citizenship or Place of Organization

United States

Number of Shares

7 Sole Voting Power	25,815
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Beneficially Owned by Each	8 Shared Voting Power	3,793,964
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Reporting Person	9 Sole Dispositive Power	25,815
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With

10 Shared Dispositive Power	3,793,964
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11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,819,779

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions) []

13. Percent of Class Represented by Amount in Row (11)

25.6%

14. Type of Reporting Person (See instructions)

IN

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Schedule 13D/A

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1. Names of Reporting Person

S.S. OR I.R.S. Identification No. of Above Persons

Spurgeon Corporation

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a) []

(b) []

3. SEC Use Only

4. Source of Funds (See instructions)

OO

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) []

6. Citizenship or Place of Organization

Illinois Corporation

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	7 Sole Voting Power
Number of Shares	0
Beneficially Owned by Each Reporting Person	8 Shared Voting Power 3,793,964 shares
With	9 Sole Dispositive Power 0
	10 Shared Dispositive Power 3,793,964 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person

3,793,964

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions) []

13. Percent of Class Represented by Amount in Row (11)

25.4%

14. Type of Reporting Person (See instructions)

CO

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The undersigned, Grace Brothers, Ltd. ("Grace") hereby amends its Schedule 13D as filed on June 7, 2006 relating to the Common Stock of Ultralife Batteries, Inc. Unless otherwise indicated, all capitalized terms used herein but not defined herein shall have the same meaning as set forth in the Schedule 13D. Except as set forth herein, the Schedule 13D, as previously amended, remains unchanged.

Item 5. Interest in Securities of the Issuer

(a) As of the date of this filing, Grace beneficially owns 3,793,964 shares of Common Stock, representing approximately 25.4% of the outstanding shares of Common Stock. As general partner of Grace, Spurgeon may be deemed beneficial owner of 3,793,964 shares of Common Stock, or 25.4% of the outstanding shares of Common Stock, although they otherwise disclaim beneficial ownership. As general partner of Grace, Whitmore may be deemed beneficial owner of 3,793,964 shares of Common Stock, and 25,815 shares of Common Stock as direct beneficial owner, or 25.6% of the outstanding shares of Common Stock.

(b) Grace: shared voting power (with Whitmore and Spurgeon)
3,793,964 Shares

Whitmore: shared voting power (with Grace and Spurgeon)
3,793,964 Shares
sole voting power 25,815 Shares

Spurgeon: shared voting power (with Grace and Whitmore)

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3,793,964 Shares

(c) The transactions effected by the Filers since the most recent filing on September 28, 2006 of Schedule 13D set forth in Schedule A.

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SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this Statement with respect to it is true, complete and correct.

Dated: October 10, 2006

Grace Brothers, Ltd.

By: /s/ Bradford T. Whitmore
Name: Bradford T. Whitmore
Its: General Partner

Bradford T. Whitmore

By: /s/ Bradford T. Whitmore
Name: Bradford T. Whitmore

Spurgeon Corporation

By: /s/ Jerald A. Trannel
Name: Jerald A. Trannel
Its: Vice President

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SCHEDULE A

TRADE ACTIVITY FOR ULTRALIFE BATTERIES, INC.
EFFECTED BY GRACE BROTHERS, LTD. FROM SEPTEMBER 29, 2006
THROUGH OCTOBER 10, 2006.

Date	Security	Amount of Shares Purchased	Price per Share
9/29/2006	COMMON STOCK	200	9.22500
9/29/2006	COMMON STOCK	100	9.28000
9/29/2006	COMMON STOCK	2,000	9.29950
9/29/2006	COMMON STOCK	100	9.34000
9/29/2006	COMMON STOCK	1,600	9.35000
9/29/2006	COMMON STOCK	100	9.37000
9/29/2006	COMMON STOCK	400	9.39000
9/29/2006	COMMON STOCK	2,920	9.39897
9/29/2006	COMMON STOCK	4,900	9.40000
9/29/2006	COMMON STOCK	231	9.40866
9/29/2006	COMMON STOCK	100	9.41000

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9/29/2006	COMMON STOCK	200	9.41500
9/29/2006	COMMON STOCK	1,649	9.42000
9/29/2006	COMMON STOCK	600	9.42500
9/29/2006	COMMON STOCK	2,999	9.43000
9/29/2006	COMMON STOCK	600	9.43167
9/29/2006	COMMON STOCK	4,300	9.44000
9/29/2006	COMMON STOCK	200	9.44500
9/29/2006	COMMON STOCK	3,700	9.45000
9/29/2006	COMMON STOCK	300	9.45667
9/29/2006	COMMON STOCK	903	9.45889
9/29/2006	COMMON STOCK	4,700	9.46000
9/29/2006	COMMON STOCK	3,500	9.46914
9/29/2006	COMMON STOCK	1,000	9.47000
9/29/2006	COMMON STOCK	1,300	9.50000
9/29/2006	COMMON STOCK	1,200	9.51000
9/29/2006	COMMON STOCK	200	9.52000
9/29/2006	COMMON STOCK	200	9.53000
9/29/2006	COMMON STOCK	200	9.54500
9/29/2006	COMMON STOCK	1,540	9.60000
9/29/2006	COMMON STOCK	1,200	9.60333
9/29/2006	COMMON STOCK	500	9.62000
9/29/2006	COMMON STOCK	1,400	9.63000
9/29/2006	COMMON STOCK	500	9.64000
9/29/2006	COMMON STOCK	400	9.64750
9/29/2006	COMMON STOCK	1,600	9.65000
9/29/2006	COMMON STOCK	308	9.66000
9/29/2006	COMMON STOCK	1,000	9.67000
9/29/2006	COMMON STOCK	600	9.67833
9/29/2006	COMMON STOCK	1,600	9.68000
9/29/2006	COMMON STOCK	1,400	9.68429
9/29/2006	COMMON STOCK	1,850	9.68973
9/29/2006	COMMON STOCK	1,200	9.69000
9/29/2006	COMMON STOCK	3,900	9.70000
9/29/2006	COMMON STOCK	6,737	9.71000
9/29/2006	COMMON STOCK	400	9.72000
9/29/2006	COMMON STOCK	100	9.73000
9/29/2006	COMMON STOCK	200	9.75000
9/29/2006	COMMON STOCK	100	9.78000
9/29/2006	COMMON STOCK	300	9.79000
9/29/2006	COMMON STOCK	261	9.81000
9/29/2006	COMMON STOCK	100	9.82000
9/29/2006	COMMON STOCK	600	9.83000
9/29/2006	COMMON STOCK	300	9.84000
9/29/2006	COMMON STOCK	100	9.85000
9/29/2006	COMMON STOCK	400	9.86000
9/29/2006	COMMON STOCK	689	9.86694
9/29/2006	COMMON STOCK	459	9.87782
9/29/2006	COMMON STOCK	200	9.89000
9/29/2006	COMMON STOCK	400	9.90000
9/29/2006	COMMON STOCK	100	9.91000
9/29/2006	COMMON STOCK	1,200	9.92000
9/29/2006	COMMON STOCK	799	9.93000
9/29/2006	COMMON STOCK	3,300	9.93182
9/29/2006	COMMON STOCK	300	9.94000
9/29/2006	COMMON STOCK	2,350	9.95000
9/29/2006	COMMON STOCK	3,319	9.98584
9/29/2006	COMMON STOCK	400	10.00000
9/29/2006	COMMON STOCK	500	10.03000
9/29/2006	COMMON STOCK	100	10.04000
9/29/2006	COMMON STOCK	1,000	10.05900
9/29/2006	COMMON STOCK	500	10.06000
9/29/2006	COMMON STOCK	600	10.07000

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9/29/2006	COMMON STOCK	2,003	10.10950
9/29/2006	COMMON STOCK	1,635	10.11000
9/29/2006	COMMON STOCK	300	10.12000
9/29/2006	COMMON STOCK	500	10.13000
9/29/2006	COMMON STOCK	500	10.15000
9/29/2006	COMMON STOCK	700	10.17857
9/29/2006	COMMON STOCK	1,000	10.18000
9/29/2006	COMMON STOCK	900	10.19000
9/29/2006	COMMON STOCK	700	10.20000
9/29/2006	COMMON STOCK	300	10.21333
9/29/2006	COMMON STOCK	300	10.23000
9/29/2006	COMMON STOCK	100	10.24000
9/29/2006	COMMON STOCK	1,600	10.25000
9/29/2006	COMMON STOCK	1,500	10.26000
9/29/2006	COMMON STOCK	100	10.27000
9/29/2006	COMMON STOCK	200	10.28000
9/29/2006	COMMON STOCK	1,039	10.29000
9/29/2006	COMMON STOCK	3,202	10.30000
9/29/2006	COMMON STOCK	1,200	10.31000
9/29/2006	COMMON STOCK	1,000	10.32000
9/29/2006	COMMON STOCK	100	10.34000
9/29/2006	COMMON STOCK	4,300	10.34977
9/29/2006	COMMON STOCK	100	10.35000
9/29/2006	COMMON STOCK	4,302	10.36000
9/29/2006	COMMON STOCK	400	10.37000
9/29/2006	COMMON STOCK	3,800	10.38921
9/29/2006	COMMON STOCK	700	10.39000
9/29/2006	COMMON STOCK	1,400	10.39286
9/29/2006	COMMON STOCK	9,602	10.40000
9/29/2006	COMMON STOCK	200	10.41000
9/29/2006	COMMON STOCK	1,600	10.42000
9/29/2006	COMMON STOCK	1,100	10.43000
9/29/2006	COMMON STOCK	6,375	10.45000
9/29/2006	COMMON STOCK	1,100	10.45818
9/29/2006	COMMON STOCK	6,000	10.46000
9/29/2006	COMMON STOCK	1,000	10.46500
9/29/2006	COMMON STOCK	1,000	10.46900
9/29/2006	COMMON STOCK	500	10.47000
9/29/2006	COMMON STOCK	1,000	10.48000
9/29/2006	COMMON STOCK	4,000	10.50000
10/3/2006	COMMON STOCK	200	10.34000
10/3/2006	COMMON STOCK	1,100	10.35000
10/3/2006	COMMON STOCK	1,100	10.37000
10/3/2006	COMMON STOCK	1,328	10.39000
10/3/2006	COMMON STOCK	1,000	10.39800
10/3/2006	COMMON STOCK	7,715	10.40000
10/3/2006	COMMON STOCK	700	10.41000
10/3/2006	COMMON STOCK	3,900	10.42000
10/3/2006	COMMON STOCK	100	10.43000
10/3/2006	COMMON STOCK	100	10.44000
10/3/2006	COMMON STOCK	900	10.45000
10/3/2006	COMMON STOCK	1,000	10.46900
10/3/2006	COMMON STOCK	300	10.47000
10/3/2006	COMMON STOCK	3,164	10.48000
10/3/2006	COMMON STOCK	3,600	10.49000
10/3/2006	COMMON STOCK	4,600	10.50000
10/3/2006	COMMON STOCK	12,600	10.51000
10/3/2006	COMMON STOCK	925	10.55000
10/4/2006	COMMON STOCK	1,534	10.51000
10/4/2006	COMMON STOCK	103	10.52000
10/4/2006	COMMON STOCK	1,395	10.53000
10/4/2006	COMMON STOCK	4,376	10.54000

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10/4/2006	COMMON STOCK	1,400	10.55000
10/4/2006	COMMON STOCK	1,000	10.56000
10/4/2006	COMMON STOCK	200	10.61000
10/4/2006	COMMON STOCK	300	10.62000
10/4/2006	COMMON STOCK	300	10.63000
10/4/2006	COMMON STOCK	100	10.64000
10/4/2006	COMMON STOCK	1,204	10.65000
10/4/2006	COMMON STOCK	500	10.66000
10/4/2006	COMMON STOCK	200	10.67000
10/4/2006	COMMON STOCK	500	10.68000