

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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>LEE DAVID ASHLEY</u> _____ (Last) (First) (Middle) CRYOLIFE INC 1655 ROBERTS BLVD NW _____ (Street) KENNESAW GA 30144 _____ (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>CRYOLIFE INC [ CRY ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Exec. VP, COO and CFO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/24/2009</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/24/2009		M		16,610	A	\$4.25	128,826	D	
Common Stock	08/24/2009		S		26,800	D	\$7.9516 <sup>(1)</sup>	102,026	D	
Common Stock	08/25/2009		M		3,000	A	\$5.36	105,026	D	
Common Stock	08/25/2009		M		9,190	A	\$4.25	114,216	D	
Common Stock								1,500	I	By Children

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option	\$4.25	08/24/2009		M			16,610	02/21/2007 <sup>(2)</sup>	08/21/2011	Common Stock	16,610	\$0	26,390	D	
Stock Option	\$4.25	08/25/2009		M			9,190	02/21/2007 <sup>(2)</sup>	08/21/2011	Common Stock	9,190	\$0	17,200	D	
Stock Option	\$5.36	08/25/2009		M			3,000	06/29/2005 <sup>(3)</sup>	12/29/2009	Common Stock	3,000	\$0	6,000	D	

**Explanation of Responses:**

- \$7.9516 is the weighted average price for a range of sales between \$7.94 and \$7.97. Reporting person undertakes to provide upon request by the Securities and Exchange Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate price.
- Stock option vests in 20% increments beginning on first anniversary of the February 21, 2006 grant date.
- Stock option vested in 20% increments beginning on first anniversary of the June 29, 2004 grant date.

/s/ D.A. Lee 08/25/2009

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.