

| OMB APPROVAL | |
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| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

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

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| 1. Name and Address of Reporting Person* <u>LACY VIRGINIA C</u> <hr/> (Last) (First) (Middle) CRYOLIFE, INC. 1655 ROBERTS BOULEVARD, N.W. <hr/> (Street) KENNESAW GA 30144 <hr/> (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) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 11/28/2006 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|----------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 200 | D | \$6.4505 | 319,080 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 100 | D | \$6.4515 | 318,980 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 400 | D | \$6.46 | 318,580 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 800 | D | \$6.4605 | 317,780 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 200 | D | \$6.461 | 317,580 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 500 | D | \$6.47 | 317,080 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 200 | D | \$6.48 | 316,880 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 200 | D | \$6.481 | 316,680 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | 11/28/2006 | | s ⁽¹⁾ | | 1,400 | D | \$6.4905 | 315,280 | I | Beneficiary of Trusts ⁽²⁾ |
| Common Stock | | | | | | | | 2,500 | D | |
| Common Stock | | | | | | | | 165,879 | I | Beneficiary of IRA ⁽²⁾ |
| Common Stock | | | | | | | | 22,500 | I | Administrator of Pension Plan |

**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 | Amount or Number of Shares | | | | |

Explanation of Responses:

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.

Remarks:

/s/ Virginia C. Lacy 11/28/2006
 ** 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.