

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A
Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-21104

CRYOLIFE, INC.
(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

59-2417093
(I.R.S. Employer
Identification No.)

1655 Roberts Boulevard N.W., Kennesaw, GA 30144
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code (770) 419-3355

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
None	Not applicable

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$.01 par value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

The aggregate market value of voting stock held by nonaffiliates of the registrant was approximately \$77,208,000 at March 18, 1997 (7,720,772 shares). The number of common shares outstanding at March 18, 1997 was 9,585,808 (exclusive of treasury shares).

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The Registrant is hereby filing Amendment No. 1 to Form 10-K for the fiscal year ended December 31, 1996 for the purpose of filing Exhibit 10.9(g).

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

The following are filed as part of this report:

(a) 1. Financial Statements

The following consolidated financial statements are incorporated herein by reference to the 1996 Annual Report to Stockholders, portions of which are filed as an exhibit to this Form 10-K.

Consolidated Statements of Income for each of the three years in the period ended December 31, 1996, page 12.

Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 1996, page 14.

Consolidated Balance Sheets as of December 31, 1996 and 1995, pages 10 through 11.

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1996, page 13.

Notes to Consolidated Financial Statements, pages 15 through 21.

Independent Auditors' Report, page 22.

2. Financial Statement Schedule

Independent Auditors' Report on Schedule

Schedule II - Valuation and Qualifying Accounts

All other financial statement schedules not listed above are omitted, as the required information is not applicable or the information is presented in the consolidated financial statements or related notes.

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3. A. Exhibits

The following exhibits are filed herewith or incorporated herein by reference:

Exhibit Number	Description
2.1*	Sale Agreement dated August 16, 1996 between the Company and Donald Nixon Ross. (Incorporated by reference to Exhibit 2.1 to the Registrant's Quarterly report on form 10-Q for the quarter ended September 30, 1996.)
2.2*	Asset Purchase Agreement among the Company and United Cryopreservation Foundation, Inc., United Transplant Foundation, Inc. and QV, Inc. dated September 11, 1996. (Incorporated by reference to Exhibit 2.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.)
3.1*	Restated Certificate of Incorporation of the Company, as amended. (Incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
3.2*	Amendment to Articles of Incorporation of the Company dated November 29, 1995. (Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year

ended December 31, 1995.)

- 3.3* Amendment to the Company's Articles of Incorporation to increase the number of authorized shares of common stock from 20 million to 50 million shares and to delete the requirement that all preferred shares have one vote per share. (Incorporated by reference to Exhibit 3.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996.)
- 3.4* ByLaws of the Company, as amended. (Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 4.1* Form of Certificate for the Company's Common Stock. (Incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
- 10.1* Lease, by and between New Market Partners III, Laing Properties, Inc., General Partner, as Landlord, and the Company, as Tenant, dated February 13, 1986, as amended by that Amendment to Lease, by and between the parties, dated April 7, 1986, as amended by that Amendment to Lease, by and between the parties, dated May 15, 1987, as amended by that Second Amendment to Lease, by and between the parties, dated June 22, 1988, as amended by that Third Amendment to Lease, by and between the parties, dated April 4, 1989, as amended by that Fourth Amendment to Lease, by and between the parties, dated April 4, 1989 as amended by that Fifth Amendment to Lease, by and between the parties, dated October 15, 1990. (Incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

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- 10.1(a)* Seventh Amendment to Lease dated February 13, 1986, by and between New Market Partners III, Laing Properties, Inc., General Partner, as Landlord, and the Company as tenant, dated May 15, 1996.
- 10.2* Lease by and between Newmarket Partners I, Laing Properties, Inc. and Laing Management Company, General Partner, as Landlord, and the Company as Tenant, dated July 23, 1993. (Incorporated by reference to Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.)
- 10.3* 1993 Employee Stock Incentive Plan adopted on July 6, 1993. (Incorporated by reference to Exhibit 10.3 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.)
- 10.4* 1989 Incentive Stock Option Plan for the Company, adopted on March 23, 1989. (Incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
- 10.5* Incentive Stock Option Plan, dated as of April 5, 1984. (Incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
- 10.6* Form of Stock Option Agreement and Grant under the Incentive Stock Option and Employee Stock Incentive Plans. (Incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
- 10.7* CryoLife, Inc. Profit Sharing 401(k) Plan, as adopted on December 17, 1991. (Incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
- 10.8* Form of Supplemental Retirement Plan, by and between the Company

and its Officers -- Parties to Supplemental Retirement Plans: Steven G. Anderson, Robert T. McNally, Gerald B. Seery, James C. Vander Wyk, Albert E. Heacox, Kirby S. Black, and Edwin B. Cordell, Jr. (Incorporated by reference to Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

10.9(a)* Employment Agreement, by and between the Company and Steven G. Anderson. (Incorporated by reference to Exhibit 10.9(a) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)

10.9(b)* Employment Agreement, by and between the Company and Robert T. McNally. (Incorporated by reference to Exhibit 10.7(b) to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

10.9(c)* Employment Agreement, by and between the Company and Albert E. Heacox. (Incorporated by reference to Exhibit 10.7(c) to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

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10.9(d)* Employment Agreement, by and between the Company and Edwin B. Cordell, Jr. (Incorporated by reference to Exhibit 10.9(f) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)

10.9(e)* Employment Agreement, by and between the Company and Gerald B. Seery. (Incorporated by reference to Exhibit 10.9(e) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)

10.9(f)* Employment Agreement, by and between the Company and James C. Vander Wyk, Ph.D. (Incorporated by reference to Exhibit 10.9(f) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)

10.9(g)** Employment Agreement, by and between the Company and Kirby S. Black, Ph.D.

10.10* Form of Secrecy and Noncompete Agreement, by and between the Company and its Officers. (Incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

10.11* Registration Rights Agreement, by and among the Company, Galen Partners, L.P., and Galen Partners International, L.P., both Delaware limited partnerships, dated August 22, 1991. (Incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

10.12* Technology Acquisition Agreement between the Company and Nicholas Kowanko, Ph.D., dated March 14, 1996. (Incorporated by reference to Exhibit 10.14 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)

10.13* Option Agreement, by and between the Company and Duke University, dated July 9, 1990, as amended by that Option Agreement Extension, by and between the parties, dated July 9, 1991. (Incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

10.14* Research and License Agreement by and between Medical University of South Carolina and CryoLife dated November 15, 1985, as amended by Amendment to the Research and License Agreement dated February 25, 1986 by and between the parties and an Addendum to Research and License Agreement by and between the parties, dated March 4, 1986. (Incorporated by reference to Exhibit 10.23 to the

- 10.15* Technical Services Agreement by and between the Company and Validation Systems, Inc., dated as of January 1, 1994. (Incorporated by reference to Exhibit 3.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993.)
- 10.16* CryoLife, Inc. Non-Employee Directors Stock Option Plan adopted on March 27, 1995. (Incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
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- 10.17* Settlement Agreement between the Company and Bravo Cardiovascular, Inc., dated February 14, 1995. (Incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
- 10.18* Sale Agreement between the Company and Bravo Cardiovascular, Inc. dated February 14, 1995. (Incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
- 10.19* Private Label Agreement between the Company and Bravo Cardiovascular, Inc. dated February 14, 1995. (Incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
- 10.20* Consignment Agreement between the Company and Bravo Cardiovascular, Inc. dated February 14, 1995. (Incorporated by reference to Exhibit 10.30 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
- 10.21* Sale and Assignment Agreement between the Company and Osteotech, Inc. dated July 17, 1995. (Incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.22* Lease Agreement between the Company and Amlis Land Development - I Limited Partnership, dated April 18, 1995. (Incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.23* Preoccupancy and Construction Agreement between the Company and Amlis Land Development - I Limited Partnership dated April 18, 1995. (Incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.24* Funding Agreement between the Company and Amlis Land Development - I Limited Partnership dated April 18, 1995. (Incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.25* Employee Stock Purchase Plan dated May 22, 1995. (Incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
- 10.26* Noncompetition Agreement between the Company and United Cryopreservation Foundation, Inc. dated September 11, 1996. (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.)
- 10.27* Noncompetition Agreement between the Company and QV, Inc. dated

September 11, 1996. (Incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.)

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- 10.28* Revolving\Term Loan Facility between the Company and NationsBank N.A., dated August 30, 1996. (Incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.)
- 10.29* Research and Option Agreement between the Company and Biocompatibles Limited dated July 29, 1996. (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1996.)
- 10.30* Technology License Agreement between the Company and Colorado State University Research Foundation dated March 28, 1996. (Incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.)
- 10.31* Noncompetition Agreement between the Company and United Transplant Foundation, Inc. dated September 11, 1996. (Incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 1996.)
- 11.1* Statement re: Computation of Per Share Earnings.
- 13.* 1996 Annual Report to Stockholders. The portions of the Annual Report which are not specifically incorporated herein by reference are provided for informational purposes only.
- 21.1* Subsidiaries of CryoLife, Inc.
- 23.1* Consent of Independent Auditors.
- 23.2* Consent of Independent Auditors.
- 27.1* Financial Data Schedule

* Previously filed.

** Filed herewith.

3. B. Executive Compensation Plans and Arrangements

1. 1993 Employee Stock Incentive Plan adopted on July 6, 1993. (Exhibit 10.2 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
2. 1989 Incentive Stock Option Plan for the Company, adopted on March 23, 1989 (Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)

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3. Incentive Stock Option Plan, dated as of April 5, 1984 (Exhibit 10.3 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
4. Form of Stock Option Agreement and Grant under the Incentive Stock Option and Employee Stock Incentive Plans (Exhibit 10.4 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
5. CryoLife, Inc. Profit Sharing 401(k) Plan, as adopted on December 17, 1991 (Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
6. Form of Supplemental Retirement Plan, by and between the Company and its Officers -- Parties to Supplemental Retirement Plans: Steven G. Anderson, Robert T. McNally, Gerald B. Seery, James C. Vander Wyk, Albert E. Heacox, Kirby S. Black and Edwin B. Cordell, Jr. (Exhibit 10.6 to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
7. Employment Agreement, by and between the Company and Steven G. Anderson. (Exhibit 10.7(a) to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
8. Employment Agreement, by and between the Company and Robert T. McNally. (Exhibit 10.7(b) to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
9. Employment Agreement, by and between the Company and Albert E. Heacox. (Exhibit 10.7(c) to the Registrant's Registration Statement on Form S-1 (No. 33-56388).)
10. Employment Agreement, by and between the Company and Gerald B. Seery. (Incorporated by reference to Exhibit 10.9(e) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995.)
11. Employment Agreement, by and between the Company and James C. Vander Wyk, Ph.D. (Incorporated by reference to Exhibit 10.9(f) to the Registrant's Annual Report on Form 10-K for the year ended December 31, 1995.)
12. Employment Agreement, by and between the Company and Edwin B. Cordell, Jr. (Incorporated by reference to Exhibit 10.9(f) to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
13. CryoLife, Inc. Non-Employee Directors Stock Option Plan adopted on March 27, 1995. (Incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1994.)
14. Employee Stock Purchase Plan. (Incorporated by reference to Exhibit 10.29 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995.)
15. Employment Agreement by and between the Company and Kirby S. Black (Exhibit 10.9(g) to this Form 10-K.)

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(b) Reports on Form 8-K

The Registrant did not file a report on Form 8-K during the fourth quarter of the recently completed fiscal year.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CRYOLIFE, INC.

February 13, 1998

By: /s/ Edwin B. Cordell, Jr.

Edwin B. Cordell, Jr.
Vice President and Chief Financial Officer

EXHIBIT 10.9(g)

EMPLOYMENT AGREEMENT

In consideration of the promises hereinafter contained, CryoLife, Inc., a Florida corporation ("we", "our" and "us") and Kirby S. Black ("you") hereby agree as of the 26th day of June, 1995 to the following:

1. Employment. We hereby employ you and you hereby accept employment on the terms and conditions set forth below. Your duties and compensation are set forth on the Exhibit attached hereto.

2. Extent of Services. During your employment, you agree to devote your full and exclusive time and attention to your employment duties and not to engage in any other business activity which conflicts or competes with our business or which reduces your effectiveness in performing your duties under this Agreement unless you have first obtained our prior written consent.

3. Benefits and Absences. You are entitled to all benefits offered by us for which you meet the eligibility requirements. You are subject to the obligations concerning absences due to disability, sick leave, and other absences, described in the current benefit summary schedule, and as revised hereafter.

4. Term and Termination. Your employment shall commence on the date of this Agreement. Both you and we shall have the right upon giving 30 days written notice to the other to terminate with or without cause the employment under this Agreement. However, if one party to this Agreement terminates the employment, the other party may at his option effect the separation immediately. This Agreement shall automatically terminate in the event of your death. Such automatic termination shall discharge both parties hereto from any and all further liability or responsibility to the other under this Agreement.

5. Right to Change Duties. We reserve the right to change the nature and scope of your duties. In the event of any transfer to another corporate facility, we shall defray the reasonable cost of transporting you and your family with household furnishing to your new location.

6. Secrecy and Noncompetition. Your employment and continued employment with us is conditioned upon your signing our standard Secrecy and Noncompete Agreement whose terms and agreements you agree to be bound by. You agree that under no condition will any breach or infraction of this Agreement be assertable as a defense to any action or responsibility incurred by you under the Secrecy and Noncompete Agreement.

7. Your Warranties. You present and warrant that you will not utilize or disclose any trade secrets or proprietary information of others to us and that the only secrecy and/or noncompetition agreements you have with others are identified on the attached exhibit.

8. Miscellaneous. This Agreement may not be changed or terminated orally and no change, termination or attempted waiver of the provisions hereof shall be binding unless in writing and signed by the parties against whom the same is sought to be enforced; provided, however, that the compensation paid to you hereunder may be increased at any time by us without in any way affecting any other term or condition of this Agreement which in all other respects shall remain in force and effect. This Agreement

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shall be governed by the laws of the State of Georgia.

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

CRYOLIFE, INC.

By: _____
Its: _____

EMPLOYEE

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Exhibit to Employment Agreement

Duties: Vice President, Research & Development

Compensation: \$8,333.33/Month Plus Company
Fringe Benefits

Secrecy and
Noncompetition
Agreements
With Others*: University of California

(*Copies of these must be promptly provided to CryoLife)

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