

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* <b>LEE DAVID ASHLEY</b> _____ (Last) (First) (Middle) <b>CRYOLIFE, INC.</b> <b>1655 ROBERTS BLVD., N.W.</b> _____ (Street) <b>KENNESAW GA 30144</b> _____ (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>CRYOLIFE INC [ CRY ]</b>	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) <b>Exec. VP, COO and CFO</b>
	3. Date of Earliest Transaction (Month/Day/Year) <b>07/02/2007</b>	
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	07/02/2007		M <sup>(1)</sup>		12,500	A	\$2.2	88,776	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		300	D	\$12.98	88,476	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		400	D	\$13	88,076	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		100	D	\$13.01	87,976	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		800	D	\$13.02	87,176	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		300	D	\$13.05	86,876	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		900	D	\$13.06	85,976	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		100	D	\$13.07	85,876	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		300	D	\$13.09	85,576	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		200	D	\$13.1	85,376	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		800	D	\$13.15	84,576	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		600	D	\$13.16	83,976	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		500	D	\$13.17	83,476	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		400	D	\$13.18	83,076	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		2,400	D	\$13.19	80,676	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		100	D	\$13.2	80,576	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		400	D	\$13.21	80,176	D	
Common Stock	07/02/2007		S <sup>(1)</sup>		400	D	\$13.22	79,776	D	
Common Stock								1,700	I	By Parents <sup>(2)</sup>
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	Amount or Number of Shares				
Stock Option	\$2.2	07/02/2007		M <sup>(1)</sup>			12,500	08/31/2003 <sup>(3)</sup>	02/29/2008	Common Stock	12,500	\$0	12,500	D	

**Explanation of Responses:**

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 May 10, 2007.
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. Stock option vests in 20% increments beginning on first anniversary of grant date.

**Remarks:**

/s/ D.A. Lee 07/03/2007

\*\* 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.

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