

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>LACY VIRGINIA C</u> (Last) (First) (Middle) CRYOLIFE, INC. 1655 ROBERTS BOULEVARD, N.W. (Street) KENNESAW GA 30144 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol CRYOLIFE INC [CRY]	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) 12/11/2006	
	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	12/11/2006		s ⁽¹⁾		20,000	D	\$7	295,280	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.031	295,180	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.0415	295,080	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.0505	294,980	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.071	294,880	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		300	D	\$7.0905	294,580	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.1	294,480	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		600	D	\$7.1005	293,880	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		900	D	\$7.101	292,980	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		700	D	\$7.1105	292,280	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		200	D	\$7.1205	292,080	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.121	291,980	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		200	D	\$7.1215	291,780	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.13	291,680	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.2005	291,580	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		s ⁽¹⁾		100	D	\$7.202	291,480	I	Beneficiary of Trusts ⁽²⁾

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	12/12/2006		S ⁽¹⁾		100	D	\$7.2135	291,380	I	Beneficiary of Trusts ⁽²⁾
Common Stock	12/12/2006		S ⁽¹⁾		100	D	\$7.25	291,280	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					

Explanation of Responses:

- 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.
- Ms. Lacy is the beneficiary of three trusts and an IRA in the name of her deceased spouse.

Remarks:

/s/ Virginia C. Lacy 12/12/2006

** 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.