

CRITICARE SYSTEMS INC /DE/
Form 4
March 13, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
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 OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BAILEY HIGGINS D

2. Issuer Name and Ticker or Trading Symbol
CRITICARE SYSTEMS INC /DE/ [CMD]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
102 CELANO CIRCLE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/09/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

PALM DESERT, CA 92211

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

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 | | 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 Ownership (Instr. 4) |
|---|--------------------------------------|--|---------------------|---|---|------------|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | | | |
| Common Stock, par value \$.04 per share | 03/09/2006 | | M | | 20,000 | A | \$ 2.97 20,000 | D | |
| Common Stock, par value \$.04 per share | 03/09/2006 | | S | | 2,500 | D | \$ 4.81 17,500 | D | |
| Common Stock, par value \$.04 per share | 03/09/2006 | | S | | 2,500 | D | \$ 4.83 15,000 | D | |

| | | | | | | | |
|---|------------|---|-------|---|----------|--------|---|
| Common Stock, par value \$.04 per share | 03/10/2006 | S | 1,600 | D | \$ 4.7 | 13,400 | D |
| Common Stock, par value \$.04 per share | 03/10/2006 | S | 2,500 | D | \$ 4.722 | 10,900 | D |
| Common Stock, par value \$.04 per share | 03/10/2006 | S | 2,500 | D | \$ 4.758 | 8,400 | D |
| Common Stock, par value \$.04 per share | 03/10/2006 | S | 900 | D | \$ 4.8 | 7,500 | D |

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

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SEC 1474
(9-02)

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 Underlying Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | | | Code | V (A) (D) | | |
| Common Stock Option | \$ 2.97 | 03/09/2006 | | M | 20,000 | 04/06/2002 ⁽¹⁾ 04/06/2006 | Common Stock | 20,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BAILEY HIGGINS D 102 CELANO CIRCLE | X | | | |

PALM DESERT, CA 92211

Signatures

Joel D. Knudson,
Attorney-in-fact

03/13/2006

 **Signature of Reporting Person

 Date

Explanation of Responses:

- * 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).
- (1) The common stock option vested pro rata over a four-year period on each of April 6, 2002, April 6, 2003, April 6, 2004 and April 6, 2005.

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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