

ULTRALIFE BATTERIES INC

Form SC 13D

June 07, 2006

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

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

Ultralife Batteries, Inc.
(Name of Issuer)

COMMON STOCK, par value \$.10
(Title of Class of Securities)

903899102
(CUSIP Number)

Jerald A. Trannel
290 South County Farm Road, Third Floor
Wheaton, Illinois 60187-4526
Telephone: (630) 588-7200
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

June 7, 2006
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on
Schedule 13G to report the acquisition which is the subject
of this Schedule 13D, and is filing this schedule because
of Section 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g),
check the following box. [X]

NOTE: Schedules filed in paper format shall include a
signed original and five copies of the schedule, including
all exhibits. See Section 240.13d-7(b) for other parties
to whom copies are to be sent.

The remainder of this cover page shall be filled out for a
reporting person's initial filing on this form with respect
to the subject class of securities, and for any subsequent
amendment containing information which would alter
disclosures provided in a prior cover page.

The information required on the remainder of this cover
page shall not be deemed to be "filed" for the purpose of
Section 18 of the Securities Exchange Act of 1934 ("Act")
or otherwise subject to the liabilities of that section of
the Act but shall be subject to all other provisions of the
Act (however, see the Notes).

2
Schedule 13D

CUSIP No. 903899102 Page 2 of 9 Pages

1. Names of Reporting Person
S.S. OR I.R.S. Identification No. of Above Persons
Grace Brothers, Ltd.

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a)

(b)

3. SEC Use Only

4. Source of Funds (See instructions)

00

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Illinois Limited Partnership

	7 Sole Voting Power
Number of	0
Shares	8 Shared Voting Power
Beneficially	2,957,120 shares
Owned by	
Each	
Reporting	9 Sole Dispositive Power
Person	0
With	10 Shared Dispositive Power
	2,957,120 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,957,120 shares

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions)

13. Percent of Class Represented by Amount in Row (11)

19.8%

14. Type of Reporting Person (See instructions)

PN,

3

Schedule 13D

CUSIP No. 903899102 Page 3 of 9 Pages

1. Names of Reporting Person

S.S. OR I.R.S. Identification No. of Above Persons

Bradford T. Whitmore

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a)

(b)

3. SEC Use Only

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

4. Source of Funds (See instructions)

00

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) []

6. Citizenship or Place of Organization

United States

Number of Shares

7 Sole Voting Power
25,815

Beneficially Owned by Each

8 Shared Voting Power
2,957,120

Reporting Person With

9 Sole Dispositive Power
25,815

10 Shared Dispositive Power
2,957,120

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,982,935

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions) []

13. Percent of Class Represented by Amount in Row (11)

20.0%

14. Type of Reporting Person (See instructions)

IN

4

Schedule 13D

CUSIP No. 903899102 Page 4 of 10 Pages

1. Names of Reporting Person

S.S. OR I.R.S. Identification No. of Above Persons

Spurgeon Corporation

2. Check the Appropriate Box if a Member of a Group (See instructions)

(a) []

(b) []

3. SEC Use Only

4. Source of Funds (See instructions)

00

5. Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) []

6. Citizenship or Place of Organization

Illinois Corporation

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

Number of Shares	7	Sole Voting Power	0
Beneficially Owned by Each Reporting Person	8	Shared Voting Power	2,957,120 shares
With	9	Sole Dispositive Power	0
	10	Shared Dispositive Power	2,957,120 shares

11. Aggregate Amount Beneficially Owned by Each Reporting Person

2,957,120

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See instructions) []

13. Percent of Class Represented by Amount in Row (11)

19.8%

14. Type of Reporting Person (See instructions)

CO

5

Page 5 of 9 Pages

Item 1. Security and Issuer

This Schedule 13D relates to the Common Stock, par value \$.10 per share (the "Common Stock") issued by, a Delaware corporation (the "Company"), whose principal executive offices are located at 2000 Technology Parkway, Newark, New Jersey 14513.

Item 2. Identity and Background

(a) The statement is filed by Grace Brothers, Ltd., an Illinois limited partnership ("Grace"). Bradford T. Whitmore ("Whitmore") and Spurgeon Corporation ("Spurgeon") are the general partners of Grace.

(b) The business address of Grace and Whitmore is 1560 Sherman Avenue, Suite 900, Evanston, Illinois 60201. The business of Spurgeon is 290 South County Farm Road, Third Floor, Wheaton, Illinois 60187.

(c) The principal business of Grace is to purchase, sell, invest, and trade in securities. Whitmore's principal occupation is that of being a general partner of Grace. The principal business of Spurgeon is that of being a general partner of Grace. The names, business addresses, and present principal occupation or employment of each director and executive officer of Spurgeon are set forth in Exhibit A hereto.

(d) None of the persons referred to in this Item 2 has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

(e) None of the persons referred to in this Item 2 has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Grace is an Illinois limited partnership and Spurgeon is an Illinois corporation. Whitmore is a citizen of the United States.

6

Page 6 of 9 Pages

Item 3. Source and Amount of Funds

The shares of Common Stock to which this Schedule 13D relates (the "Shares") was purchased with working capital and partnership funds.

Item 4. Purpose of Transaction.

The Filers previously reported their holdings on Schedule 13G and are voluntarily filing this 13D, which would otherwise be required at such point in time, if any, as the Filers' holdings represent 20% or more of the outstanding shares of Common Stock. The Filers may, depending on market conditions and other factors they deem material, purchase additional shares of Common Stock or dispose of all or a portion of the Shares that they now own or any shares of Common Stock they may hereafter acquire. Future changes in the Filers' holdings will be reported on amendments to this Schedule 13D.

Except as set forth herein, the Filers have no plans or proposals which relate to or would result in any of the actions set forth in subparagraphs (a) through (j) of this Item 4.

Item 5. Interest in Securities of the Issuer

(a) As of the date of this filing, Grace beneficially owns 2,957,120 shares of Common Stock, representing approximately 19.8% of the outstanding shares of Common Stock. As general partner of Grace, Spurgeon may be deemed beneficial owner of 2,957,120 shares of Common Stock, or 19.8% of the outstanding shares of Common Stock, although they otherwise disclaim beneficial ownership. As general partner of Grace, Whitmore may be deemed beneficial owner of 2,957,120 shares of Common Stock, and 25,815 shares of Common Stock as direct beneficial owner, or 20.0% of the outstanding shares of Common Stock.

(b) Grace: shared voting power (with Whitmore and Spurgeon)
2,957,120 Shares

Whitmore: shared voting power (with Grace and Spurgeon)
2,957,120 Shares

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

sole voting power 25,815 Shares

Spurgeon: shared voting power (with Grace and Whitmore)
2,957,120 Shares

(c) The transactions effected by the Filers during the past 60 days are set forth in Schedule A.

(d) No person other than the Filers is known to have the right to receive, or the power to direct the receipt of, dividends from or the proceeds from the sale of the Shares.

(e) N/A

7

Page 7 of 9 Pages

Item 7. Items to be Filed as Exhibits

Exhibit A - Directors and Executive Officers of Spurgeon Corporation

Item 6. Contracts, Arrangements, Understandings or Relationships with respect to Securities of the Issuer

There are no contracts, arrangements, understandings or other relationships with respect to any securities of the Company.

Item 7. Items to be Filed as Exhibits

Exhibit A - Directors and Executive Officers of Spurgeon Corporation

SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this Statement with respect to it is true, complete and correct.

Dated: June 7, 2006

Grace Brothers, Ltd.

By: /s/ Bradford T. Whitmore
Name: Bradford T. Whitmore
Its: General Partner

Bradford T. Whitmore

By: /s/ Bradford T. Whitmore
Name: Bradford T. Whitmore

Spurgeon Corporation

By: /s/ Jerald A. Trannel
Name: Jerald A. Trannel
Its: Vice President

8

Page 8 of 9 Pages

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

SCHEDULE A

TRADE ACTIVITY FOR ULTRALIFE BATTERIES, INC.
EFFECTED BY GRACE BROTHERS, LTD. FOR THE PREVIOUS 60 DAYS.

Date	Security	Amount of Shares Purchased	Price per Share
05/15/2006	COMMON STOCK	300	\$10.23000
05/15/2006	COMMON STOCK	100	\$10.25000
05/15/2006	COMMON STOCK	1,987	\$10.32000
05/15/2006	COMMON STOCK	1,001	\$10.35000
05/15/2006	COMMON STOCK	100	\$10.43000
05/15/2006	COMMON STOCK	200	\$10.44000
05/15/2006	COMMON STOCK	997	\$10.46000
05/15/2006	COMMON STOCK	1,000	\$10.47000
05/15/2006	COMMON STOCK	1,561	\$10.50000
05/15/2006	COMMON STOCK	100	\$10.54000
05/15/2006	COMMON STOCK	1,200	\$10.56917
05/15/2006	COMMON STOCK	200	\$10.58000
05/15/2006	COMMON STOCK	1,000	\$10.59000
05/15/2006	COMMON STOCK	4,643	\$10.60000
05/15/2006	COMMON STOCK	1,000	\$10.60900
05/15/2006	COMMON STOCK	1,300	\$10.62000
05/15/2006	COMMON STOCK	1,278	\$10.62706
05/15/2006	COMMON STOCK	900	\$10.63000
05/15/2006	COMMON STOCK	9,071	\$10.65000
05/15/2006	COMMON STOCK	2,916	\$10.66000
05/15/2006	COMMON STOCK	1,366	\$10.66808
05/15/2006	COMMON STOCK	2,100	\$10.67000
05/15/2006	COMMON STOCK	1,145	\$10.67834
05/15/2006	COMMON STOCK	4,666	\$10.68000
05/15/2006	COMMON STOCK	1,700	\$10.69000
05/15/2006	COMMON STOCK	2,300	\$10.69261
05/15/2006	COMMON STOCK	400	\$10.69750
05/15/2006	COMMON STOCK	3,400	\$10.70000
05/15/2006	COMMON STOCK	141	\$10.72000
05/15/2006	COMMON STOCK	500	\$10.72800
05/15/2006	COMMON STOCK	2,900	\$10.73000
05/15/2006	COMMON STOCK	843	\$10.74000
05/15/2006	COMMON STOCK	1,841	\$10.75000
05/15/2006	COMMON STOCK	1,200	\$10.76000
05/15/2006	COMMON STOCK	408	\$10.79510
05/15/2006	COMMON STOCK	6,700	\$10.80000
05/15/2006	COMMON STOCK	1,700	\$10.81000
05/15/2006	COMMON STOCK	1,846	\$10.81783
05/15/2006	COMMON STOCK	496	\$10.81806
05/15/2006	COMMON STOCK	5,900	\$10.81983
05/15/2006	COMMON STOCK	1,592	\$10.82000
05/15/2006	COMMON STOCK	400	\$10.82750
05/15/2006	COMMON STOCK	4,621	\$10.83000
05/15/2006	COMMON STOCK	600	\$10.83833
05/15/2006	COMMON STOCK	1,987	\$10.84000
05/15/2006	COMMON STOCK	846	\$10.84946
05/15/2006	COMMON STOCK	1,230	\$10.85000
05/15/2006	COMMON STOCK	1,000	\$10.85800
05/15/2006	COMMON STOCK	100	\$10.86000
05/15/2006	COMMON STOCK	1,441	\$10.87000
05/15/2006	COMMON STOCK	973	\$10.87897

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

05/15/2006	COMMON STOCK	900	\$10.88000
05/15/2006	COMMON STOCK	1,500	\$10.88733
05/15/2006	COMMON STOCK	200	\$10.89000
05/15/2006	COMMON STOCK	2,100	\$10.89762
05/15/2006	COMMON STOCK	730	\$10.90000
05/15/2006	COMMON STOCK	894	\$10.90888
05/15/2006	COMMON STOCK	100	\$10.91000
05/15/2006	COMMON STOCK	300	\$10.92000
05/15/2006	COMMON STOCK	6,000	\$10.93000
05/15/2006	COMMON STOCK	300	\$10.94000
05/15/2006	COMMON STOCK	800	\$10.95000
05/15/2006	COMMON STOCK	5,400	\$10.95963
05/15/2006	COMMON STOCK	3,400	\$10.96000
05/15/2006	COMMON STOCK	800	\$10.99000
05/15/2006	COMMON STOCK	500	\$11.00000
05/15/2006	COMMON STOCK	284	\$11.01000
05/15/2006	COMMON STOCK	100	\$11.02000
05/15/2006	COMMON STOCK	100	\$11.05000
05/15/2006	COMMON STOCK	100	\$11.06000
05/15/2006	COMMON STOCK	700	\$11.07000
05/15/2006	COMMON STOCK	500	\$11.08000
05/15/2006	COMMON STOCK	100	\$11.09000
05/15/2006	COMMON STOCK	900	\$11.10000
05/15/2006	COMMON STOCK	700	\$11.12857
05/15/2006	COMMON STOCK	1,800	\$11.14778
05/15/2006	COMMON STOCK	100	\$11.15000
05/15/2006	COMMON STOCK	400	\$11.17000
05/15/2006	COMMON STOCK	1,900	\$11.18684
05/15/2006	COMMON STOCK	3,065	\$11.24674
05/15/2006	COMMON STOCK	300	\$11.30333
05/15/2006	COMMON STOCK	15,100	\$11.30967
05/15/2006	COMMON STOCK	1,300	\$11.31000
05/15/2006	COMMON STOCK	894	\$11.34658
05/15/2006	COMMON STOCK	18,029	\$11.36000
05/15/2006	COMMON STOCK	1,310	\$11.39924
05/15/2006	COMMON STOCK	3,800	\$11.39974
05/15/2006	COMMON STOCK	500	\$11.40000
05/15/2006	COMMON STOCK	4,100	\$11.41000
05/15/2006	COMMON STOCK	3,500	\$11.47000
05/15/2006	COMMON STOCK	2,600	\$11.49199
05/15/2006	COMMON STOCK	4,100	\$11.54899
05/15/2006	COMMON STOCK	4,100	\$11.54902
05/15/2006	COMMON STOCK	200	\$11.56000
05/15/2006	COMMON STOCK	2,400	\$11.57000
05/15/2006	COMMON STOCK	500	\$11.58000
05/15/2006	COMMON STOCK	200	\$11.59000
05/15/2006	COMMON STOCK	7,800	\$11.60000
05/15/2006	COMMON STOCK	1,100	\$11.60727
05/15/2006	COMMON STOCK	600	\$11.61000
05/17/2006	COMMON STOCK	463	\$10.45000
05/17/2006	COMMON STOCK	100	\$10.46000
05/17/2006	COMMON STOCK	3,300	\$10.49000
05/17/2006	COMMON STOCK	67	\$10.52000
05/17/2006	COMMON STOCK	570	\$10.53000
05/17/2006	COMMON STOCK	3,249	\$10.54000
05/17/2006	COMMON STOCK	8,305	\$10.55000
05/17/2006	COMMON STOCK	1,710	\$10.57000
05/17/2006	COMMON STOCK	6,501	\$10.58000
05/17/2006	COMMON STOCK	4,055	\$10.59000
05/17/2006	COMMON STOCK	43,295	\$10.60000
05/17/2006	COMMON STOCK	3,067	\$10.61000
05/17/2006	COMMON STOCK	1,400	\$10.62000

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

05/17/2006	COMMON STOCK	1,293	\$10.63000
05/17/2006	COMMON STOCK	1,200	\$10.64000
05/17/2006	COMMON STOCK	600	\$10.65000
05/17/2006	COMMON STOCK	500	\$10.66000
05/17/2006	COMMON STOCK	4,015	\$10.68000
05/17/2006	COMMON STOCK	400	\$10.69000
05/17/2006	COMMON STOCK	6,136	\$10.70000
05/17/2006	COMMON STOCK	4,785	\$10.71000
05/17/2006	COMMON STOCK	872	\$10.74000
05/17/2006	COMMON STOCK	200	\$10.77000
05/17/2006	COMMON STOCK	1,392	\$10.79000
05/17/2006	COMMON STOCK	2,042	\$10.80000
05/17/2006	COMMON STOCK	2,454	\$10.81000
05/19/2006	COMMON STOCK	241	\$10.29000
05/19/2006	COMMON STOCK	2,763	\$10.30000
05/19/2006	COMMON STOCK	541	\$10.31000
05/19/2006	COMMON STOCK	2,024	\$10.32000
05/19/2006	COMMON STOCK	41	\$10.33000
05/19/2006	COMMON STOCK	41	\$10.34000
05/19/2006	COMMON STOCK	1,407	\$10.35000
05/19/2006	COMMON STOCK	574	\$10.36000
05/19/2006	COMMON STOCK	17	\$10.37000
05/19/2006	COMMON STOCK	1,551	\$10.38000
05/19/2006	COMMON STOCK	8,477	\$10.39000
05/19/2006	COMMON STOCK	40,929	\$10.40000
05/19/2006	COMMON STOCK	6,867	\$10.41000
05/19/2006	COMMON STOCK	364	\$10.42000
05/19/2006	COMMON STOCK	5,458	\$10.43000
05/19/2006	COMMON STOCK	3,998	\$10.44000
05/19/2006	COMMON STOCK	35,245	\$10.45000
05/19/2006	COMMON STOCK	30,597	\$10.46000
05/19/2006	COMMON STOCK	7,900	\$10.47000
05/19/2006	COMMON STOCK	4,930	\$10.48000
05/19/2006	COMMON STOCK	839	\$10.49000
05/19/2006	COMMON STOCK	1,000	\$10.50000
05/22/2006	COMMON STOCK	9,279	\$10.27000
05/23/2006	COMMON STOCK	188	\$10.25000
05/23/2006	COMMON STOCK	4,200	\$10.27000
05/23/2006	COMMON STOCK	1,594	\$10.28000
05/23/2006	COMMON STOCK	1,259	\$10.29000
05/23/2006	COMMON STOCK	38,459	\$10.30000
05/23/2006	COMMON STOCK	34,683	\$10.31000
05/23/2006	COMMON STOCK	7,600	\$10.32000
06/06/2006	COMMON STOCK	800	\$9.95000
06/06/2006	COMMON STOCK	21,589	\$9.96000
06/06/2006	COMMON STOCK	6,239	\$9.97000
06/06/2006	COMMON STOCK	3,080	\$9.98000
06/06/2006	COMMON STOCK	200	\$9.99000
06/06/2006	COMMON STOCK	22,682	\$10.00000
06/07/2006	COMMON STOCK	500	\$9.84000
06/07/2006	COMMON STOCK	3,202	\$9.85000
06/07/2006	COMMON STOCK	200	\$9.87000
06/07/2006	COMMON STOCK	1,000	\$9.90000
06/07/2006	COMMON STOCK	200	\$9.93000
06/07/2006	COMMON STOCK	400	\$9.94000
06/07/2006	COMMON STOCK	200	\$9.95000
06/07/2006	COMMON STOCK	300	\$9.97000
06/07/2006	COMMON STOCK	100	\$9.98000
06/07/2006	COMMON STOCK	2,734	\$9.99000
06/07/2006	COMMON STOCK	366	\$10.00000

Edgar Filing: ULTRALIFE BATTERIES INC - Form SC 13D

9

Page 9 of 9 Pages

Exhibit A

Directors and Officers of Spurgeon Corporation

Judith M. Van Kampen
290 South County Farm Road
3rd Floor
Wheaton, IL 60187
Director of Spurgeon. Trustee of Judith M. Van Kampen
Trust which is Manager of Van Kampen Asset Management
Company, LLC.

Karla M. Van Kampen-Pierre
290 South County Farm Road
3rd Floor
Wheaton, IL 60187
Director of Spurgeon. Trustee of Judith M. Van Kampen
Trust which is Manager of Van Kampen Asset Management
Company, LLC.

David Wisen
120 Washington St.
Grand Haven, MI 49417-0070
Director and President of Spurgeon. President of Van
Kampen Asset Management Company, LLC.

Jerald A. Trannel
290 South County Farm Road
Third Floor
Wheaton, IL 60187
Director, Vice President and Treasurer of Spurgeon.
Controller of Grace Brothers, Ltd. and Senior Vice
President and Treasurer of Van Kampen Asset Management
Company, LLC.

Gregory M. White
290 South County Farm Road
Third Floor
Wheaton, IL 60187
Secretary of Spurgeon. Secretary of Van Kampen Asset
Management Company, LLC.

All are United States Citizens.

The Business address of Van Kampen Asset Management
Company, LLC is 290 South County Farm Road, Third Floor,
Wheaton, IL 60187. The principal business of Van Kampen
Asset Management Company, LLC is investment and asset
management.