

CRITICARE SYSTEMS INC /DE/
Form 4
September 19, 2005

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 *
LARSEN MICHAEL T

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)

3. Date of Earliest Transaction (Month/Day/Year)
09/16/2005

____ Director
 Officer (give title below) _____ 10% Owner
_____ Other (specify below)
VP-Quality & Regulatory Affair

CRITICARE SYSTEMS, INC., 20925 CROSSROADS CIRCLE, SUITE 100
(Street)

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

WAUKESHA, WI 53186
(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 (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | (A) or (D) | 5. Amount or Price | 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 Ownership (Instr. 4) |
|---|--------------------------------------|--|--------------------------------|---|------------|--------------------|---|--|--|
| Common Stock, par value \$.04 per share | 09/16/2005 | | M | 10,000 | A | \$ 1.875 | 15,000 | D | |
| Common Stock, par value \$.04 per share | 09/16/2005 | | M | 10,000 | A | \$ 3.42 | 25,000 | D | |
| Common Stock, par | 09/16/2005 | | S | 20,000 | D | \$ 5 | 5,000 | D | |

value \$.04
per share

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

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(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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title | |
| Common Stock Option | \$ 1.875 | 09/16/2005 | | M | 10,000 | 12/20/2001 ⁽¹⁾ 12/20/2005 | Common Stock | 10,000 |
| Common Stock Option | \$ 3.42 | 09/16/2005 | | M | 10,000 | 11/29/2003 11/29/2005 | Common Stock | 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LARSEN MICHAEL T CRITICARE SYSTEMS, INC. 20925 CROSSROADS CIRCLE, SUITE 100 WAUKESHA, WI 53186 | | | VP-Quality & Regulatory Affair | |

Signatures

Michael T. Larsen 09/19/2005

**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 December 20, 2001, December 20, 2002, December 20, 2003 and December 20, 2004.

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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