

CRITICARE SYSTEMS INC /DE/

Form 4

March 28, 2007

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
DIAZ DREW M

(Last) (First) (Middle)

**CRITICARE SYSTEMS,
INC., 20925 CROSSROADS
CIRCLE, SUITE 100**

(Street)

WAUKESHA, WI 53186

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
03/26/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
☒ Officer (give title below) ____ Other (specify below)
Vice President-Worldwide Sales

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ 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	(D)	Price

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)**

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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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Common Stock Option	\$ 3.08	03/26/2007		D ⁽¹⁾		4,000		04/06/2005	04/06/2007	Common Stock	4,000
Common Stock Option	\$ 3.71	03/26/2007		A ⁽¹⁾		4,000		03/26/2007	03/26/2009	Common Stock	4,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
DIAZ DREW M CRITICARE SYSTEMS, INC. 20925 CROSSROADS CIRCLE, SUITE 100 WAUKESHA, WI 53186	Vice President-Worldwide Sales

Signatures

Drew M. Diaz 03/27/2007

__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) Amendment of the outstanding option resulted in the deemed cancellation of the option and the grant of a replacement option. The option was originally granted on April 6, 2005 and was immediately exercisable on the date of grant.

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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