

CRDENTIA CORP
Form 4
October 04, 2006

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 *
MEDCAP PARTNERS LP

2. Issuer Name and Ticker or Trading Symbol
CRDENTIA CORP [CRDT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
500 THIRD STREET #535
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/26/2006

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

SAN FRANCISCO, CA 94107

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 (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 | 09/26/2006 | | P | | 18,000 | A | \$ 1.0557 | 11,028,769 | I | See footnote (1) |
| Common Stock | 02/07/2006 | | P | | 21,000 | A | \$ 1.5487 | 11,049,769 | I | See Footnote (1) |
| Common Stock | 09/28/2006 | | P | | 55,000 | A | \$ 1.9055 | 11,104,769 | I | See Footnote (1) |
| Common Stock | 09/29/2006 | | P | | 67,500 | A | \$ 2.8634 | 11,172,269 | I | See Footnote (1) |

| | | | | | | | | |
|-----------------|------------|------------------|---------|---|------|------------|---|-----------------------------|
| Common Stock | 09/30/2006 | J ⁽²⁾ | 696,046 | D | \$ 0 | 11,172,269 | I | See footnotes (1) (2) |
|-----------------|------------|------------------|---------|---|------|------------|---|-----------------------------|

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

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 control number.

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Benef Own Follo Repor Trans (Instr |
|---|--|---|---|--------------------------------------|--|--|---|---|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MEDCAP PARTNERS LP 500 THIRD STREET #535 SAN FRANCISCO, CA 94107 | | X | | |
| TONY C FRED 500 THIRD STREET #535 SAN FRANCISCO, CA 94107 | | X | | |

Signatures

| | |
|---|------------|
| MedCap Partners L.P.; By; MedCap Management & Research LLC, its General Partner; By: C. Fred Toney, its Sole Member; /s/ C. Fred Toney | 10/04/2006 |
| **Signature of Reporting Person | Date |
| MedCap Partners L.P.; By; MedCap Management & Research LLC, its General Partner; By: C. Fred Toney, its Sole Member; /s/ C. Fred Toney | 10/04/2006 |
| **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).

10,999,519 shares of common stock reported on this Form are beneficially held by MedCap Partners, L.P. ("MedCap Partners"), and the balance is beneficially held by an offshore investment limited partnership (the "Offshore Fund"). MedCap Management & Research LLC

(1) ("MMR"), a registered investment advisor, is the general partner and investment manager of both MedCap Partners and the Offshore Fund. C. Fred Toney is the managing member of MMR, and Mr. Toney also holds, directly and indirectly, certain limited partnership interests in MedCap Partners.

MMR has segregated a portion of the issuer's shares (as indicated in Column 4) held by MedCap Partners into a separate account for the benefit of certain of its previous limited partners. MMR will retain voting and investment control over the segregated shares; however,

(2) following such segregation, Mr. Toney and MMR will cease to have the indirect pecuniary interest (if any) in such shares that they may have had prior thereto. Each of MMR, Mr. Toney, MedCap Partners and the Offshore Fund expressly disclaims beneficial ownership in these securities, except to the extent of their respective pecuniary interests therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.