

CRITICARE SYSTEMS INC /DE/
Form 4
December 18, 2007

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

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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 *
LESTER JOSEPH P

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)
12/14/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP and General Manager

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)	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)
			Code	V	Amount (A) or (D) Price		
Common Stock, par value \$.04 per share	12/14/2007		M		9,600 A \$ 2.88	9,600	D
Common Stock, par value \$.04 per share	12/14/2007		S		20 D \$ 3.5001	9,580	D
Common Stock, par	12/14/2007		S		9,580 D \$ 3.5	0	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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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	\$ 2.88	12/14/2007		M	9,600	01/30/2004 ⁽¹⁾	01/30/2008	Common Stock	9,600

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

LESTER JOSEPH P
CRITICARE SYSTEMS, INC.
20925 CROSSROADS CIRCLE, SUITE 100
WAUKESHA, WI 53186

VP and
General
Manager

Signatures

Joel D. Knudson,
Attorney-in-fact 12/18/2007

__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) The common stock option vested pro rata over a four-year period on each of January 30, 2004, January 30, 2005, January 30, 2006 and January 30, 2007.

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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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