

CRDENTIA CORP
Form 4
October 30, 2007

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.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
500 3RD STREET, SUITE 535

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/26/2007

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

SAN FRANCISCO, CA 94017

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 10/26/2007 | | P(1) | V | Amount: 2,383,333 Price: \$ 0.3 | A | D |
| Common Stock | 10/26/2007 | | P(3) | V | Amount: 2,116,667 Price: \$ 0.3 | A | I |

See Footnotes (2) (3)

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

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SEC 1474 (9-02)

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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 Security (Instr. 3 and 4) | Amount of Underlying Shares |
|--|--|--------------------------------------|--|--------------------------------|---|-----|--|-----------------|---|-----------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | | |
| Warrant to Purchase Common Stock | \$ 0.35 | 10/26/2007 | | P ⁽¹⁾ | 1,191,667 | | 10/26/2007 | 10/25/2012 | Common Stock | 1,191,667 |
| Warrant to Purchase Common Stock | \$ 0.35 | 10/26/2007 | | P ⁽³⁾ | 1,058,333 | | 10/26/2007 | 10/25/2012 | Common Stock | 1,058,333 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| MEDCAP PARTNERS LP 500 3RD STREET, SUITE 535 SAN FRANCISCO, CA 94017 | | | X | |

Signatures

/s/ C. Fred Toney, Managing Member of MedCap Management & Research, LLC, General Partner of MedCap Partners, LP 10/30/2007

__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) These purchases were made by the reporting person in a private (PIPE) transaction with the issuer.
2,420,163 shares reported on this Form 4 are beneficially held by an offshore investment limited partnership (the "Offshore Fund"). MedCap Management & Research LLC ("MMR"), a registered investment advisor, is the general partner and investment manager of both MedCap Partners and the Offshore Fund. MMR expressly disclaims beneficial ownership in the securities reported on this Form 4, except to the extent of its respective pecuniary interests therein.
 - (3) These purchases were made by the Offshore Fund (See footnote 2) which is not itself the beneficial owner of more than 10% of the issuer's common stock for Section 16 purposes, in a private (PIPE) transaction with the issuer.
 - (4) The warrants were issued in connection with the private (PIPE) transaction with the issuer in which the issuer sold common stock and warrants. The warrants are immediately exercisable, have an exercise price of \$0.35 per share and have a five (5) year term.

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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