

CRDENTIA CORP  
Form 4  
October 27, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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

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

SAN FRANCISCO, CA 94107

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/03/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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 Ownership (Instr. 4)
Common Stock	10/03/2006		P	V Amount (A) or (D) Price \$ 3.21	11,176,769	I	See footnote <sup>(1)</sup>

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.**

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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
						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 Managing Member; /s/ C. Fred Toney	10/27/2006
__Signature of Reporting Person	Date
C. Fred Toney; /s/ C. Fred Toney	10/27/2006
__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).
- (1) 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 ("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, limited partnership interests in MedCap Partners. 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.