

CRDENTIA CORP  
Form 4  
December 20, 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

3. Date of Earliest Transaction (Month/Day/Year)  
12/18/2006

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

See footnote 1

(Street)  
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 Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	12/18/2006		J(2)	252,892 D \$ 0	10,923,877	I	See footnotes (1) (2)

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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MEDCAP PARTNERS LP 500 THIRD STREET #535 SAN FRANCISCO, CA 94107		X		See footnote 1
TONY C FRED 500 THIRD STREET #535 SAN FRANCISCO, CA 94107	X			See footnote 1

## Signatures

MedCap Partners L.P.; By: MedCap Management & Research LLC, its General Partner; By: C. Fred Toney, its Managing Member; /s/ C. Fred Toney 12/20/2006

\_\_Signature of Reporting Person Date

C. Fred Toney; /s/ C. Fred Toney 12/20/2006

\_\_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) 10,746,627 shares of common stock reported on this Form 4 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, a director on the issuer's board, is the managing member of MMR, and Mr. Toney also holds, directly and indirectly, limited partnership interests in MedCap Partners. Each of MMR and Mr. Toney expressly disclaims beneficial ownership in the securities reported on this Form 4, except to the extent of their respective pecuniary interests therein.
- (2) On September 30, 2006, MMR segregated a portion of the issuer's securities held by MedCap Partners into a separate account for the benefit of some of its former limited partners. Although MMR retained voting and investment control over the segregated securities, following such segregation, MMR and Mr. Toney ceased to have the indirect pecuniary interest (if any) that they may have had prior thereto. The dispositions of the issuer's securities reported on this Form 4 were made by MedCap Partners as in-kind distributions from the separate account to some of those former limited partners.

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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