

VITAL IMAGES INC  
Form 4  
March 14, 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 \*  
**SMITH PHILIP IRVING**

2. Issuer Name and Ticker or Trading Symbol  
**VITAL IMAGES INC [VTAL]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**5850 OPUS PARKWAY, SUITE 300**  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**03/12/2007**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Exec VP - Corp Dev**

**MINNETONKA, MN 55343**

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 <u>(1)</u>	03/12/2007		M		2,000 A \$ 9.95	22,837	D
Common Stock <u>(1)</u>	03/12/2007		S		2,000 D \$ 32.7585	20,837	D
Common Stock <u>(1)</u>	03/12/2007		M		2,267 A \$ 18.55	23,104	D
Common Stock <u>(1)</u>	03/12/2007		S		2,267 D \$ 32.7585	20,837	D
Common Stock <u>(1)</u>	03/12/2007		M		2,243 A \$ 18.55	23,080	D

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Common Stock <u>(1)</u>	03/12/2007	S	2,243	D	\$ 32.7585	20,837	D
Common Stock <u>(1)</u>	03/12/2007	M	208	A	\$ 12.599	21,045	D
Common Stock <u>(1)</u>	03/12/2007	S	208	D	\$ 32.7585	20,837	D
Common Stock <u>(1)</u>	03/12/2007	M	1,792	A	\$ 12.599	22,629	D
Common Stock <u>(1)</u>	03/12/2007	S	1,792	D	\$ 32.7585	20,837	D
Common Stock <u>(1)</u>	03/12/2007	M	2,200	A	\$ 15.4	23,037	D
Common Stock <u>(1)</u>	03/12/2007	S	2,200	D	\$ 32.7585	20,837	D
Common Stock <u>(1)</u>	03/12/2007	S	8,662	D	\$ 32.7585	12,175	D

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. Amount or Number of Shares
Employee stock option (right to buy)	\$ 9.95	03/12/2007		M	2,000	<u>(2)</u> 02/28/2011	Common Stock	2,000
Employee stock option	\$ 12.599	03/12/2007		M	2,000	<u>(3)</u> 02/05/2012	Common Stock	2,000

(right to buy)

Employee

stock

option

\$ 18.55

03/12/2007

M

4,510

(4)

08/07/2011

Common Stock

4,510

(right to buy)

Employee

stock

option

\$ 15.4

03/12/2007

M

2,200

(5)

02/15/2013

Common Stock

2,200

(right to buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH PHILIP IRVING 5850 OPUS PARKWAY SUITE 300 MINNETONKA, MN 55343			Exec VP - Corp Dev	

## Signatures

/s/ Philip I.  
Smith

03/14/2007

    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) Transaction made pursuant to plan adopted under Rule 10b5-1.

(2) Original grant of 25,000 vested as to 28% on February 28, 2004, and 2% per month until fully vested.

(3) Original grant of 20,000 vested as to 28% on February 5, 2005, and 2% per month until fully vested.

(4) Original grant of 25,000 vested as to 28% on August 7, 2004, and 2% per month until fully vested.

(5) Original grant of 20,000 vested as to 28% on February 15, 2006, and 2% per month until fully vested.

(6) In addition, Mr. Smith has other options outstanding of 68,000 at various prices and expiration dates.

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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