

VITAL IMAGES INC
Form 4
February 28, 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 *
ARGIRO VINCENT J

(Last) (First) (Middle)

5850 OPUS PARKWAY, SUITE 300

(Street)

MINNETONKA, MN 55343

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
02/24/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 02/24/2006 | | M | | 3,114 A \$ 12.599 | 299,777 (1) | D |
| Common stock | 02/24/2006 | | S | | 3,114 D \$ 33.8 | 296,663 (1) | D |
| Common stock | 02/27/2006 | | M | | 7,519 A \$ 7.25 | 304,182 (1) | D |
| Common stock | 02/27/2006 | | S | | 7,519 D \$ 33.792 | 296,663 (1) | D |
| Common stock | 02/27/2006 | | M | | 14,833 A \$ 9.6 | 311,496 (1) | D |

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| | | | | | | | |
|--------------|------------|---|--------|---|-----------|------------------------|---|
| Common stock | 02/27/2006 | S | 14,833 | D | \$ 33.792 | 296,663 ⁽¹⁾ | D |
| Common Stock | 02/27/2006 | G | 8,000 | A | \$ 0 | 288,663 ⁽¹⁾ | D |

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

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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) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Employee stock option (right to buy) | \$ 12.599 | 02/24/2006 | | M | 3,114 | ⁽²⁾ 02/05/2012 | Common stock | 3,114 | |
| Employee stock option (right to buy) | \$ 7.25 | 02/27/2006 | | M | 7,519 | ⁽³⁾ 03/12/2010 | Common stock | 7,519 | |
| Employee stock option (right to buy) | \$ 9.6 | 02/27/2006 | | M | 14,833 | ⁽⁵⁾ 02/06/2011 | Common stock | 14,833 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| ARGIRO VINCENT J 5850 OPUS PARKWAY | X | | CTO | |

SUITE 300
MINNETONKA, MN 55343

Signatures

/s/ Vincent
Argiro

02/28/2006

 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) Mr. Argiro disclaims beneficial ownership of an additional 109,550 Vital Images, Inc. shares owned by his spouse.
 - (2) Vested as to 28% on February 5, 2005 and as to 2% monthly thereafter, until fully vested on February 5, 2008.
 - (3) Vested as to 28% on March 12, 2003 and as to 2% monthly thereafter, until fully vested on March 12, 2006.
 - (4) In addition, Mr. Argiro has other outstanding options of 2,000 at various prices and expiration dates.
 - (5) Vested as to 28% on February 6, 2004 and as to 2% monthly thereafter, until fully vested on February 6, 2007.

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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