

ULTRALIFE BATTERIES INC
 Form 3
 September 26, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â GRACE BROTHERS LTD		(Month/Day/Year)	ULTRALIFE BATTERIES INC [ULBI]	
(Last)	(First)	(Middle)	09/22/2005	
1560 SHERMAN AVE SUITE		4. Relationship of Reporting Person(s) to Issuer		5. If Amendment, Date Original Filed(Month/Day/Year)
900,Â		(Check all applicable)		
(Street)		<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other		6. Individual or Joint/Group Filing(Check Applicable Line)
EVANSTON,Â ILÂ 60201		(give title below) (specify below)		<input type="checkbox"/> Form filed by One Reporting Person
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Form filed by More than One Reporting Person	

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	1,442,725	D ⁽¹⁾	Â

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

SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) Title	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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Date Exercisable	Expiration Date	Amount or Number of Shares	or Indirect (I) (Instr. 5)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GRACE BROTHERS LTD 1560 SHERMAN AVE SUITE 900 EVANSTON, IL 60201	Â	Â X	Â	Â
SPURGEON CORP 290 S COUNTY FARM RD THIRD FL WHEATON, IL 60187	Â	Â X	Â	Â

Signatures

Bradford T. Whitmore, General Partner of Grace Brothers, Ltd. 09/26/2005

__Signature of Reporting Person Date

Jerald A. Trannel, Vice President of Spurgeon Corporation 09/26/2005

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) *Spurgeon Corporation is an indirect beneficial owner as General Partner of Grace Brothers, Ltd.

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.