

CHEMBIO DIAGNOSTICS, INC.

Form 4

February 25, 2010

**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 \*  
CRESTVIEW CAPITAL MASTER LLC

2. Issuer Name and Ticker or Trading Symbol  
CHEMBIO DIAGNOSTICS, INC.  
[CEMI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

95 REVERE DRIVE, SUITE A

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ Form filed by More than One Reporting Person

(Street)

NORTHBROOK, IL 60062

(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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock, \$0.01 par value per share	02/24/2010		J		18,907,431	D	\$ 0 0

D (1) (2) (3)  
(4) (5) (6)

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)	8. Price of Derivative Security (Instr. 5)	9. Nu
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CRESTVIEW CAPITAL MASTER LLC 95 REVERE DRIVE SUITE A NORTHBROOK, IL 60062		X		
Crestview Capital Partners, LLC 95 REVERE DRIVE, SUITE A NORTHBROOK, IL 60062		X		

## Signatures

Crestview Capital Master, L.L.C. By: Crestview Capital Partners, L.L.C., its sole Manager  
By: /s/ Daniel I. Warsh 02/25/2010

\_\_Signature of Reporting Person Date

Crestview Capital Partners, L.L.C. By: /s/ Daniel I. Warsh Name Daniel I. Warsh 02/25/2010

\_\_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) These shares of the Issuer's common stock, \$0.01 par value per shares ("Common Stock" or the "Shares") are held for the account of Crestview Capital Master, L.L.C. ("Crestview Master"), which is a Reporting Person.  
Crestview Capital Partners, L.L.C. ("Crestview Partners") serves as the sole manager of Crestview Master, and as such has the power to vote and to direct the Shares owned by Crestview Master, and therefore may be deemed an indirect beneficial owner of the Shares held in the account of Crestview Master.
  - (2) Crestview Capital Fund III, L.P. ("Crestview Fund III") and Crestview Capital Offshore Fund, Inc. ("Crestview Offshore") are "feeder funds" which invest substantially all of their capital into Crestview Master. As of February 24, 2010, Crestview Master is distributing all of the Shares that are currently held by Crestview Master to its equity holders (including Crestview Fund III and Crestview Offshore) on

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a pro rata basis based upon their respective interests in Crestview Master's net assets (the "First Distribution"). As a result of the First Distribution, Crestview Fund III will receive 12,990,569 Shares (or 20.97% of the 61,944,901 total number of Shares outstanding) and Crestview Offshore will receive 3,356,040 (or 5.42% of the 61,944,901 total number of Shares outstanding) (in each case, the total Shares outstanding is based upon information provided by the Issuer in its recently filed quarterly report on Form 10-Q).

- Immediately upon receipt of its pro rata portion of the Shares currently held by Crestview Master, Crestview Fund III will be distributing its Shares to the Crestview Fund III partners, pro rata based upon each partner's equity interest in Crestview Fund III (the "Second Distribution," and together with the First Distribution, the "Transaction"). As a result of the Transaction, Crestview Master and Crestview Fund III may be deemed to be the beneficial owner of 0 Shares. The First and Second Distributions are two parts of the same overall Transaction with the same overall purpose.
- (5) No consideration was paid by the equity holders for the Shares.
  - (6) Crestview Partners disclaims beneficial ownership within the meaning of Rule 16a-1(a)(2) under the Securities Exchange Act of 1934 (the "Exchange Act") in the securities owned by Crestview Master except to the extent, if any, of their pecuniary interest therein.

### Remarks:

This Form 4 is also being filed to check the box indicating that the Reporting Person is no longer subject to Section 16.

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.