

DIGI INTERNATIONAL INC
 Form 4
 November 09, 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 *
 MILLARD KENNETH E

2. Issuer Name and Ticker or Trading Symbol
 DIGI INTERNATIONAL INC
 [DGII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 11/07/2007

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

5059 LAKEVIEW COURT

(Street)

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

OCONOMOWOC, WI 53066

(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 (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--------|---|--|-----------------------------------|--|
| | | | | Code | V | Amount | | | | (A) or (D) |
| Common Stock | 11/07/2007 | | M | | | 2,500 | \$ 10.93 | 2,500 | D | Indirect Beneficial Ownership (Instr. 4) |
| Common Stock | 11/07/2007 | | M | | | 2,500 | \$ 15.91 | 5,000 | D | Indirect Beneficial Ownership (Instr. 4) |
| Common Stock | 11/07/2007 | | M | | | 2,500 | \$ 10.55 | 7,500 | D | Indirect Beneficial Ownership (Instr. 4) |
| Common Stock | 11/07/2007 | | M | | | 4,750 | \$ 10.93 | 12,250 | D | Indirect Beneficial Ownership (Instr. 4) |
| Common Stock | 11/07/2007 | | M | | | 1,750 | \$ 10.93 | 14,000 | D | Indirect Beneficial Ownership (Instr. 4) |

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| | | | | | | | |
|--------------|------------|---|--------|---|-----------|--------|---|
| Common Stock | 11/07/2007 | M | 7,500 | A | \$ 13.125 | 21,500 | D |
| Common Stock | 11/07/2007 | M | 5,000 | A | \$ 10.94 | 26,500 | D |
| Common Stock | 11/07/2007 | M | 500 | A | \$ 10.94 | 27,000 | D |
| Common Stock | 11/07/2007 | M | 2,000 | A | \$ 10.94 | 29,000 | D |
| Common Stock | 11/07/2007 | M | 2,500 | A | \$ 15.91 | 31,500 | D |
| Common Stock | 11/07/2007 | M | 9,500 | A | \$ 15.91 | 41,000 | D |
| Common Stock | 11/07/2007 | M | 9,500 | A | \$ 10.55 | 50,500 | D |
| Common Stock | 11/07/2007 | M | 2,500 | A | \$ 10.55 | 53,000 | D |
| Common Stock | 11/07/2007 | S | 11,747 | D | \$ 16.5 | 41,253 | D |
| Common Stock | 11/07/2007 | S | 2,500 | D | \$ 16.51 | 38,753 | D |
| Common Stock | 11/07/2007 | S | 200 | D | \$ 16.53 | 38,553 | D |
| Common Stock | 11/07/2007 | S | 2,100 | D | \$ 16.54 | 36,453 | D |
| Common Stock | 11/07/2007 | S | 800 | D | \$ 16.55 | 35,653 | D |
| Common Stock | 11/07/2007 | S | 688 | D | \$ 16.57 | 34,965 | D |
| Common Stock | 11/07/2007 | S | 200 | D | \$ 16.58 | 34,765 | D |
| Common Stock | 11/07/2007 | S | 753 | D | \$ 16.59 | 34,012 | D |
| Common Stock | 11/07/2007 | S | 2,630 | D | \$ 16.6 | 31,382 | D |
| Common Stock | 11/07/2007 | S | 100 | D | \$ 16.61 | 31,282 | D |
| Common Stock | 11/07/2007 | S | 4,800 | D | \$ 16.63 | 26,482 | D |
| Common Stock | 11/07/2007 | S | 100 | D | \$ 16.64 | 26,382 | D |
| | 11/07/2007 | S | 1,382 | D | \$ 16.65 | 25,000 | D |

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| | | | | | | | |
|--------------|------------|--|---|-------|---|----------|----------|
| Common Stock | | | | | | | |
| Common Stock | 11/07/2007 | | S | 625 | D | \$ 16.66 | 24,375 D |
| Common Stock | 11/07/2007 | | S | 800 | D | \$ 16.68 | 23,575 D |
| Common Stock | 11/07/2007 | | S | 100 | D | \$ 16.69 | 23,475 D |
| Common Stock | 11/07/2007 | | S | 3,325 | D | \$ 16.7 | 20,150 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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (right to buy) | \$ 10.93 | 11/07/2007 | | M | 2,500 | <u>(1)</u> 01/18/2016 | Common Stock | 2,500 |
| Stock Option (right to buy) | \$ 15.91 | 11/07/2007 | | M | 2,500 | <u>(1)</u> 01/19/2015 | Common Stock | 2,500 |
| Stock Option (right to buy) | \$ 10.55 | 11/07/2007 | | M | 2,500 | <u>(3)</u> 01/22/2014 | Common Stock | 2,500 |
| Stock Option | \$ 10.93 | 11/07/2007 | | M | 4,750 | <u>(4)</u> 01/18/2016 | Common Stock | 4,750 |

| | | | | | | | | | |
|-----------------------------|-----------|------------|---|-------|------------|------------|--------------|-------|--|
| (right to buy) | | | | | | | | | |
| Stock Option (right to buy) | \$ 10.93 | 11/07/2007 | M | 1,750 | <u>(4)</u> | 01/18/2016 | Common Stock | 1,750 | |
| Stock Option (right to buy) | \$ 13.125 | 11/07/2007 | M | 7,500 | <u>(5)</u> | 01/26/2010 | Common Stock | 7,500 | |
| Stock Option (right to buy) | \$ 10.938 | 11/07/2007 | M | 5,000 | <u>(6)</u> | 09/30/2009 | Common Stock | 5,000 | |
| Stock Option (right to buy) | \$ 10.938 | 11/07/2007 | M | 500 | <u>(6)</u> | 09/30/2009 | Common Stock | 500 | |
| Stock Option (right to buy) | \$ 10.938 | 11/07/2007 | M | 2,000 | <u>(6)</u> | 09/30/2009 | Common Stock | 2,000 | |
| Stock Option (right to buy) | \$ 15.91 | 11/07/2007 | M | 2,500 | <u>(3)</u> | 01/19/2015 | Common Stock | 2,500 | |
| Stock Option (right to buy) | \$ 15.91 | 11/07/2007 | M | 9,500 | <u>(1)</u> | 01/19/2015 | Common Stock | 9,500 | |
| Stock Option (right to buy) | \$ 10.55 | 11/07/2007 | M | 9,500 | <u>(3)</u> | 01/22/2014 | Common Stock | 9,500 | |
| Stock Option (right to buy) | \$ 10.55 | 11/07/2007 | M | 2,500 | <u>(7)</u> | 01/22/2014 | Common Stock | 2,500 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| | X | | | |

MILLARD KENNETH E
5059 LAKEVIEW COURT
OCONOMOWOC, WI 53066

Signatures

/s/ Kenneth E.
Millard

11/09/2007

**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) The option vested in full on the date of the 2007 Annual Meeting of Stockholders.
- (2) Not applicable.
- (3) The option vested in full on the date of the 2006 Annual Meeting of Stockholders.
- (4) The option vests in 50% increments on the dates of the 2007 and 2008 Annual Meetings of Stockholders.
- (5) The option vested in full on the date of the 2002 Annual Meeting of Stockholders.
- (6) The option vested in full on October 1, 2001.
- (7) The option vested in full on the date of the 2005 Annual Meeting of Stockholders.

Remarks:

This is part one of two of Form 4 report dated 11/07/2007.

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.