Digital Music Group, Inc.
Form 3
December 05, 2007

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 *
Â Pifer Daniel Alan

(Last) (First) (Middle)

C/O THE ORCHARD, INC.,Â 100 PARK AVENUE, 17TH FLOOR

(Street)

NEW YORK,Â NYÂ 10017

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
11/26/2007

3. Issuer Name **and** Ticker or Trading Symbol
Digital Music Group, Inc. [ORCD]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer _____ Other
(give title below) (specify below)
VP Sales Operations

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ 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)

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

SEC 1473 (7-02)

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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)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of			

				Shares		or Indirect (I) (Instr. 5)	
Stock Option (right to buy)	11/13/2007(1)	11/13/2014	Common Stock	5,000 (2)	$ 7.44 (2)	D	Â
Restricted Stock Award	11/13/2007(1)	Â (1)	Common Stock	11,666 (2)	$ 0	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pifer Daniel Alan C/O THE ORCHARD, INC. 100 PARK AVENUE, 17TH FLOOR NEW YORK,Â NYÂ 10017	Â	Â	Â VP Sales Operations	Â

Signatures

/s/ Marianne Sarrazin for Daniel A. Pifer	12/05/2007
**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) These options and restricted stock awards were granted on November 13, 2007. They vest over a three-year period and become exercisable or receivable as to 1/3 of the shares on November 13, 2008, with quarterly vesting thereafter for a period of 24 months subject to acceleration or termination in certain circumstances. The restricted stock awards have no expiration date.

(2) Amount and exercise price reflect the one for three reverse stock split of the issuer's common stock that took effect November 14, 2007. Without giving effect to the reverse stock split, the stock options have an exercise price of $2.48 and represent the right to acquire 15,000 shares of common stock, and the restricted stock awards represent the right to receive 35,000 shares of common stock.

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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