

DIGI INTERNATIONAL INC

Form 8-K

May 26, 2005

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 26, 2005

Digi International Inc.

(Exact name of Registrant as specified in its charter)

Delaware

0-17972

41-1532464

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

**11001 Bren Road East
Minnetonka, Minnesota**

55343

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code **(952) 912-3444**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry into a Material Definitive Agreement.

The information set forth under Item 2.01 of this Current Report on Form 8-K is also responsive to this Item 1.01 and is hereby incorporated in this Item 1.01 by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On May 26, 2005, Digi International Inc. (the Company) entered into an Agreement and Plan of Merger among the Company, Karat Sub Inc., a wholly owned subsidiary of the Company (Merger Sub), and Z-World, Inc. (Z-World) dated as of May 26, 2005 (the Merger Agreement). Pursuant to the terms of the Merger Agreement, Merger Sub merged into Z-World and all outstanding shares of capital stock, and all options to purchase capital stock, of Z-World were converted into the right to receive an aggregate of \$49 million in cash (the Merger). As a result of the Merger, Z-World became a wholly owned subsidiary of the Company and its name was changed to Rabbit Semiconductor Inc. Z-World is a leading provider of single-board computers, operator interfaces and core modules for Internet/Ethernet connectivity.

The foregoing summary of the terms of the Merger and the Merger Agreement is qualified in its entirety by reference to the full text of the Merger Agreement, which is attached as Exhibit 2 to this Current Report on Form 8-K.

On May 26, 2005, the Company issued a press release announcing the Merger. A copy of the press release is attached as Exhibit 99 to this Current Report on Form 8-K and is incorporated by referenced herein (except for the fourth, fifth, seventh, tenth and eleventh paragraphs, which are furnished pursuant to Item 7.01 below).

Item 7.01. Regulation FD Disclosure.

Additional information about the Merger included in the fourth, fifth, seventh, tenth and eleventh paragraphs of the press release attached as Exhibit 99 to this Current Report on Form 8-K is furnished herewith.

Item 9.01. Financial Statements and Exhibits.

(a) The financial statements required by this item are not included with this initial report. The required financial statements will be filed by amendment as soon as practicable, but not later than 71 days after the date this Current Report on Form 8-K was required to be filed.

(b) The pro forma financial statements required by this item are not included with this initial report. The required pro forma financial statements will be filed by amendment as soon as practicable, but not later than 71 days after the date this Current Report on Form 8-K was required to be filed.

(c) The following exhibits are filed or furnished herewith:

2 Agreement and Plan of Merger among Digi International Inc., Karat Sub Inc. and Z-World, Inc. dated as of May 26, 2005 (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Securities and Exchange Commission upon request).

99 Press Release dated May 26, 2005 regarding the acquisition of Z-World, Inc.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIGI INTERNATIONAL INC.

Date: May 26, 2005

By: /s/ Subramanian Krishnan
Subramanian Krishnan
Senior Vice President, Chief Financial
Officer and Treasurer

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EXHIBIT INDEX

| No. | Exhibit | Manner of Filing |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 2 | Agreement and Plan of Merger among Digi International Inc., Karat Sub Inc. and Z-World, Inc. dated as of May 26, 2005 (excluding schedules and exhibits, which the Registrant agrees to furnish supplementally to the Securities and Exchange Commission upon request). | Filed Electronically |
| 99 | Press Release dated May 26, 2005 regarding the acquisition of Z-World, Inc. | Filed Electronically |