

MILLARD KENNETH E
 Form 4
 February 01, 2006

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)
 01/30/2006

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	01/30/2006		M			8,500	\$ 6.688	8,500	D	
Common Stock	01/30/2006		M			8,500	\$ 6.13	17,000	D	
Common Stock	01/30/2006		M			22,000	\$ 3.35	39,000	D	
Common Stock	01/30/2006		S			39,000	\$ 11.1069	0	D	

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

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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)	\$ 6.688	01/30/2006		M	8,500	<u>(1)</u> 01/24/2011	Common Stock	8,500
Stock Option (right to buy)	\$ 6.13	01/30/2006		M	8,500	<u>(2)</u> 01/23/2012	Common Stock	8,500
Stock Option (right to buy)	\$ 3.35	01/30/2006		M	22,000	<u>(3)</u> 01/22/2013	Common Stock	22,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MILLARD KENNETH E 5059 LAKEVIEW COURT OCONOMOWOC, WI 53066		X		

Signatures

/s/ Amy C. Seidel on behalf of Kenneth E. Millard 02/01/2006

__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 50% increments on the dates of the 2002 and 2003 Annual Meetings of Stockholders.
- (2) The option vested in 50% increments on the dates of the 2003 and 2004 Annual Meetings of Stockholders.
- (3) The option vested in 50% increments on the dates of the 2004 and 2005 Annual Meetings of Stockholders.
- (4) Not applicable.

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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