

DIGI INTERNATIONAL INC
 Form 4
 September 05, 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 *
DUNSMORE JOSEPH T

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)
11001 BREN ROAD EAST
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/31/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman, President and CEO

MINNETONKA, MN 55343
 (City) (State) (Zip)

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

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 Beneficial Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	10/03/2005		J(1)		222.2	A	\$ 8.951	5,592.511	D
Common Stock	01/03/2006		J(1)		1,019.341	A	\$ 8.976	6,611.852	D
Common Stock	04/03/2006		J(1)		341.576	A	\$ 9.053	6,953.428	D
Common Stock	07/03/2006		J(1)		383.502	A	\$ 9.788	7,336.93	D
Common Stock	08/31/2006		M		20,000	A	\$ 5.2	27,336.93	D

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Common Stock 08/31/2006 S 20,000 D \$ 13.4305 7,336.93 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)	\$ 5.2	08/31/2006		M	20,000	⁽²⁾ 09/28/2011	Common Stock	20,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DUNSMORE JOSEPH T 11001 BREN ROAD EAST MINNETONKA, MN 55343	X		Chairman, President and CEO	

Signatures

/s/ Amy C. Seidel on behalf of Joseph T. Dunmore

09/05/2006

**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) Employee Stock Purchase Plan acquisition.

(2) The stock option became exercisable as to 50% of the shares on each September 28, 2002 and September 28, 2003.

(3) Not applicable.

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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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