

Koulouris Mitch  
 Form 4  
 February 09, 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 \*  
 Koulouris Mitch

(Last) (First) (Middle)

8801 SAN BADGER WAY

(Street)

ELK GROVE, CA 95624

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 Digital Music Group, Inc. [DMGI]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 08/26/2005

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 President and CEO

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  |                                | Code V  | Amount  | (A) or (D)   | Price                                      |
| Common Stock                    | 08/26/2005                           |  |                                | P   | 160   | A  | \$ 0.01                                    |
| Common Stock                    | 09/08/2005                           |  |                                | J <sup>(1)</sup>  | 199,840   | A  | \$ 0                                       |
| Common Stock                    | 02/07/2006                           |  |                                | A   | 367,752   | A  | \$ 0 <sup>(2)</sup>                        |

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

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number.

**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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address                                | Relationships |           |                   |       |
|---|---------------|-----------|-------------------|-------|
|   | Director      | 10% Owner | Officer           | Other |
| Koulouris Mitch<br>8801 SAN BADGER WAY<br>ELK GROVE, CA 95624 |               |           | President and CEO |       |

## Signatures

/s/ Clifford Haigler,  
attorney-in-fact

02/09/2006

\*\*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) On September 8, 2005, Digital Music Group, Inc. effected a stock dividend, payable to all holders of Common Stock on September 8, 2005, of 1,249 shares of Common Stock for each share of Common Stock outstanding.
- Received in exchange for 5,046,000 shares of Digital Musicworks International, Inc. ("DMI") in connection with the merger (the
- (2) "Merger") of DMI into Digital Music Group, Inc. (the "Company"). On the effective date of the Merger, the Company completed its initial public offering with a price to public of \$9.75 per share of common stock.
- 25,614 of these shares are held by the Reporting Person as custodian for his minor children. The Reporting Person disclaims beneficial
- (3) ownership of the shares held by his minor children, and the filing of this report is not an admission that the Reporting Person is the beneficial owner of these shares for purposes of Section 16 or for any other purpose.

### Remarks:

Exhibit List:

Exhibit 24-Power of Attorney

## Edgar Filing: Koulouris Mitch - Form 4

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.