

DIGITAL ALLY INC
Form 4
August 06, 2008

FORM 4

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

OMB APPROVAL

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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 *
RICHIE LEROY C

(Last) (First) (Middle)

7311 W. 130TH, SUITE 170

(Street)

OVERLAND PARK, KS 66213

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DIGITAL ALLY INC [DGLY]

3. Date of Earliest Transaction
(Month/Day/Year)
08/04/2008

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)

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 or Disposed of (A) or (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) Price		
Common Stock	08/04/2008		M		4,567 (1) A \$ 1 14,567	D	
Common Stock	08/04/2008		S		3,700 (1) D \$ 8.01 10,867	D	
Common Stock	08/04/2008		S		867 (1) D \$ 7.71 10,000	D	
Common Stock	08/04/2008		M		18,102 A \$ 1 28,102	D	
Common Stock	08/04/2008		M		89,561 A \$ 1.6 117,663	D	
	08/04/2008		F		D 96,200	D	

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Common Stock					21,463	\$			
					<u>(2)</u>	7.52			
Common Stock	08/06/2008		G	V	6,200	D	\$ 0	90,000	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)	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 1	08/04/2008		M	4,567 <u>(1)</u>	09/01/2005 ⁽³⁾ 08/31/2015	Common Stock	4,567
Stock Option (Right to Buy)	\$ 1	08/04/2008		M	18,102	09/01/2005 ⁽³⁾ 08/31/2015	Common Stock	18,102
Stock Option (Right to Buy)	\$ 1.6	08/04/2008		M	66,666	10/01/2007 ⁽⁴⁾ 03/01/2017	Common Stock	66,666
Stock Option (Right to Buy)	\$ 1.6	08/04/2008		M	22,895	04/01/2008 ⁽⁵⁾ 03/01/2017	Common Stock	22,895

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

RICHIE LEROY C
7311 W. 130TH, SUITE 170 X
OVERLAND PARK, KS 66213

Signatures

/s/ Leroy Richie 08/06/2008

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).

The transactions reported above in Table I are made pursuant to a plan designed to comply with Rule 10b5-1 (c), which plan was previously adopted on June 2, 2008. The common stock sold was acquired on or before the actual date of sale upon the exercise of stock options evidenced by agreements dated September 1, 2005 and March 2, 2007. The exercise transactions are coded M in column 3 of

- (1) Table I and report in column 4 the number of shares issuable upon exercise of the option, together with the exercise price with Code A for acquired. The transaction is exempt from Section 16 (b) by reason of Rule 16b-3. The transaction reported in Table II above reflects the disposition of the same stock options whose exercise is disclosed in Table I above. The number of derivative securities owned after the transactions reported in column 9 of Table II above includes only stock options.
- (2) Reflects 21,463 shares withheld by the issuer at the market price of \$7.52 per share less an exercise price of \$1.60 per share to fund the cashless exercise of 107,663 options.
- (3) The stock options exercised by the reporting person reported on this Form 4 vested on 9/1/2005.
- (4) The stock options exercised by the reporting person reported on this Form 4 vested on 10/1/2007.
- (5) The stock options exercised by the reporting person reported on this Form 4 vested on 4/1/2008.

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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