DIGI INTERNATIONAL INC

Form 4

October 20, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB

3235-0287 Number:

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OMB APPROVAL

January 31, Expires: 2005

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Check this box

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person *

(First)

NAWAZ AHMED

2. Issuer Name and Ticker or Trading

Symbol

DIGI INTERNATIONAL INC

[DGII]

5. Relationship of Reporting Person(s) to

Issuer

below)

3. Date of Earliest Transaction

(Month/Day/Year)

X_ Director 10% Owner Officer (give title Other (specify

(Check all applicable)

10/18/2006

(Street)

(Middle)

4. If Amendment, Date Original

Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

MINNETONKA, MN 55343

11001 BREN ROAD EAST

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

2. Transaction Date 2A. Deemed 1.Title of Security (Month/Day/Year) (Instr. 3)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5) 5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4) (Instr. 4)

Reported (A) Transaction(s) (Instr. 3 and 4)

or Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number Transaction of Derivative Expiration Date Code Securities

6. Date Exercisable and (Month/Day/Year)

7. Title and Amount of 8. l Underlying Securities De (Instr. 3 and 4) Sec

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(In

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed (D) (Instr. 3, 4 and 5)					(.
				Code V	(A) ((D) Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (right to buy)	\$ 13.92	10/18/2006		A	7,500	<u>(1)</u>	10/18/2016	Common Stock	7,500	
Stock Option (right to buy)	\$ 13.92	10/18/2006		A	3,167	<u>(1)</u>	10/18/2016	Common Stock	3,167	
Stock Option (right to buy)	\$ 13.92	10/18/2006		A	1,167	<u>(1)</u>	10/18/2016	Common Stock	1,167	

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
NAWAZ AHMED 11001 BREN ROAD EAST MINNETONKA, MN 55343	X					

Signatures

/s/ Amy C. Seidel on behalf of Ahmed
Nawaz

**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 options vest in two 50% installments on each of October 18, 2007 and October 18, 2008.
- (2) 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. 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.

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