Digital Music Group, Inc. Form 4

November 15, 2007

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

OMB 3235-0287 Number:

OMB APPROVAL

Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005 Estimated average burden hours per

0.5

response...

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Form 5 obligations may continue.

See Instruction

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

1(b).

Preferred

Stock

11/13/2007

(Print or Type Responses)

1 Name and Address of Departing De

1. Name and Address of Reporting Person * Stein Daniel C.			Syml	2. Issuer Name and Ticker or Trading Symbol Digital Music Group, Inc. [OPCD]				5. Relationship of Reporting Person(s) to Issuer			
	<i>a</i>	(F' a)	ŭ	Digital Music Group, Inc. [ORCD]				(Check all applicable)			
(Last) (First) (Middle) 1091 BOSTON POST ROAD			(Mor	3. Date of Earliest Transaction (Month/Day/Year) 11/13/2007				_X_ Director Officer (gives below)		0% Owner Other (specify	
				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			
RYE, NY 10580								Form filed by More than One Reporting Person			
	(City)	(State)	(Zip)	Гable I - Nor	n-Derivative Se	ecuriti	es Acq	uired, Disposed	of, or Benefic	cially Owned	
	1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, i any (Month/Day/Year	Code	owr Disposed of (Instr. 3, 4 an	of (D)	red (A)	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)	
	Common Stock	11/13/2007		A	8,127,829 (1) (2)	A	\$ 0 (2)	8,127,829 (1) (2)	I	Through Dimensional Associates, LLC (3) (4)	
	Series A				446 918		\$ 0			Through	

446,918

(2)

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

Α

Persons who respond to the collection of SEC 1474 information contained in this form are not required to respond unless the form

446,918 (2)

\$0

Dimensional

Associates,

LLC (3) (4)

(9-02)

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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 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. 5. Number of TransactionDerivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount o Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Share
Stock option (right to buy)	\$ 2.48 (5)	11/13/2007		A	12,000 (5)	11/13/2007(6)	11/13/2014	Common Stock	12,000 (5)

Reporting Owners

Reporting Owner Name / Address	Relationships
reporting o when runner runners	

Director 10% Owner Officer Other

Stein Daniel C. 1091 BOSTON POST ROAD X RYE, NY 10580

Signatures

/s/ Marianne Sarrazin for Daniel C. Stein

11/15/2007

**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) Amount of common stock does not reflect the one for three reverse stock split of the issuer's common stock effective November 14, 2007.
- Represents securities issued to Dimensional Associates, LLC in connection with the merger of The Orchard Enterprises, Inc. into a subsidiary of the issuer as described in the definitive proxy statement of the issuer as filed with the Securities and Exchange Commission on October 5, 2007 and first mailed to the issuer's stockholders on October 10, 2007.
- (3) Daniel Stein is the Chief Executive Officer of Dimensional Associates LLC, which directly holds the common stock and Series A preferred stock reported herein.
 - Daniel Stein is deemed to be the beneficial owner of the common stock and Series A preferred stock held by Dimensional Associates, LLC only to the extent of the greater of his direct or indirect interest in the profits or capital accounts of Dimensional Associates, LLC.
- (4) Pursuant to Rule 16a-1(a)(4) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), this filing shall not be deemed an admission that Daniel Stein is, for purposes of Section 16 of the Exchange Act or otherwise, the beneficial owner of any securities beneficially owned by Dimensional Associates, LLC in excess of such amount.

Reporting Owners 2

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- Amount and exercise price do not reflect the one for three reverse stock split of the issuer's common stock effective November 14, 2007.
- (5) Giving effect to the reverse stock split, the stock options have an exercise price of \$7.44 and represent the right to acquire 4,000 shares of common stock.
- (6) These options were granted on November 13, 2007. They vest over a one-year period in twelve equal monthly installments subject to acceleration or termination in certain circumstances.

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.