

Digital Music Group, Inc.
Form 4
November 15, 2007

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Stein Daniel C.

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1091 BOSTON POST ROAD
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
11/13/2007

Director 10% Owner
 Officer (give title below) Other (specify below)

RYE, NY 10580
(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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
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 Preferred Stock	11/13/2007		A		446,918 (2)	A	\$ 0 (2) 446,918 (2)	I	Through Dimensional Associates, LLC (3) (4)

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

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

SEC 1474
(9-02)

Edgar Filing: Digital Music Group, Inc. - Form 4

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.