

DIGITAL RIVER INC /DE  
 Form 4  
 February 17, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
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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 \*  
**MADISON THOMAS F**

(Last) (First) (Middle)

**C/O DIGITAL RIVER INC., 9625  
 W. 76TH STREET, SUITE 150**

(Street)

**EDEN PRAIRIE, MN 55344**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

**DIGITAL RIVER INC /DE [DRIV]**

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

**02/15/2006**

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 (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 Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock	02/15/2006		M	17,500 A \$ 10.5	26,500	D	
Common Stock	02/15/2006		M	6,800 A \$ 10.5	33,300	D	
Common Stock					3,332	I	Shares beneficially owned by the Thomas F. Madison Profit Sharing Plan.

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Common Stock	02/15/2006	S	300	D	\$ 36.68	33,000	D
Common Stock	02/15/2006	S	2,102	D	\$ 36.67	30,898	D
Common Stock	02/15/2006	S	2,600	D	\$ 36.66	28,298	D
Common Stock	02/15/2006	S	3,520	D	\$ 36.65	24,778	D
Common Stock	02/15/2006	S	2,500	D	\$ 36.65	22,278	D
Common Stock	02/15/2006	S	1,600	D	\$ 36.62	20,678	D
Common Stock	02/15/2006	S	5,598	D	\$ 36.61	15,080	D
Common Stock	02/15/2006	S	1,978	D	\$ 36.6	13,102	D
Common Stock	02/15/2006	S	2,002	D	\$ 36.58	11,100	D
Common Stock	02/15/2006	S	2,100	D	\$ 36.56	9,000	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)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 10.5	02/15/2006		M	17,500	<u>(1)</u> 02/13/2013	Common Stock	17,500

Stock Option (Right to Buy)	\$ 10.5	02/15/2006	M	6,800	<u>(2)</u>	02/13/2013	Common Stock	6,800
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MADISON THOMAS F C/O DIGITAL RIVER INC. 9625 W. 76TH STREET, SUITE 150 EDEN PRAIRIE, MN 55344		X		

## Signatures

/s/ Michael J. Sullivan, as attorney-in-fact for Thomas F. Madison	02/17/2006
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\*\*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) Shares vested quarterly over a three-year period.
- (2) Shares vested 100% on the 3rd anniversary of the date of grant.

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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