

DIGITAL ANGEL CORP
 Form 4
 January 02, 2008

FORM 4

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

OMB APPROVAL

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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 *
ZARRIELLO MICHAEL S

(Last) (First) (Middle)

C/O DIGITAL ANGEL CORPORATION, 490 VILLAUME AVENUE

(Street)

SOUTH ST. PAUL, MN 55075

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DIGITAL ANGEL CORP [DOC]

3. Date of Earliest Transaction
 (Month/Day/Year)
12/28/2007

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 (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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SEC 1474 (9-02)

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

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)			
			Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Options (Right to Buy)	\$ 1.99	12/28/2007	D		250,000	<u>(1)</u>	09/14/2013	Common Stock	250,000
Stock Options (Right to Buy)	\$ 3.79	12/28/2007	D		175,000	<u>(2)</u>	03/15/2014	Common Stock	175,000
Stock Options (Right to Buy)	\$ 5.07	12/28/2007	D		100,000	<u>(3)</u>	02/25/2015	Common Stock	100,000
Stock Options (Right to Buy)	\$ 3.26	12/28/2007	D		200,000	<u>(4)</u>	06/13/2016	Common Stock	200,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZARRIELLO MICHAEL S C/O DIGITAL ANGEL CORPORATION 490 VILLAUME AVENUE SOUTH ST. PAUL, MN 55075	X			

Signatures

/s/ Michael S. Zarriello
12/20/2007

**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) This option is immediately exercisable. This option was assumed by Applied Digital Solutions, Inc., pursuant to the Agreement and Plan of Reorganization between issuer, Applied Digital Solutions, Inc. and Digital Angel Acquisition Corp., and replaced with an option to purchase 350,000 shares of Applied Digital Solutions, Inc. common stock for \$1.42 per share.

(2)

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This option is immediately exercisable. This option was assumed by Applied Digital Solutions, Inc., pursuant to the Agreement and Plan of Reorganization between issuer, Applied Digital Solutions, Inc. and Digital Angel Acquisition Corp., and replaced with an option to purchase 245,000 shares of Applied Digital Solutions, Inc. common stock for \$2.71 per share.

- (3) This option is immediately exercisable. This option was assumed by Applied Digital Solutions, Inc., pursuant to the Agreement and Plan of Reorganization between issuer, Applied Digital Solutions, Inc. and Digital Angel Acquisition Corp., and replaced with an option to purchase 140,000 shares of Applied Digital Solutions, Inc. common stock for \$3.62 per share.

- (4) This option is immediately exercisable. This option was assumed by Applied Digital Solutions, Inc., pursuant to the Agreement and Plan of Reorganization between issuer, Applied Digital Solutions, Inc. and Digital Angel Acquisition Corp., and replaced with an option to purchase 280,000 shares of Applied Digital Solutions, Inc. common stock for \$2.33 per share.

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.