

Kaplan Elliot M
Form 4
June 16, 2009

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Kaplan Elliot M

(Last) (First) (Middle)

7311 WEST 130TH STREET,
SUITE 170

(Street)

OVERLAND PARK, KS 66213

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

DIGITAL ALLY INC [k9vrch\$]

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

06/12/2009

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 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	06/12/2009		J ⁽¹⁾	43,532	A	2.35 \$ (1)	178,532 D
Common Stock	06/12/2009		J ⁽²⁾	43,532	D	2.35 \$ (2)	135,000 D

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

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SEC 1474
(9-02)

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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)	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 1.6	06/12/2009		M	43,532 (2)	10/01/2007 ⁽³⁾ 03/01/2017	Common Stock	43,502
Stock Option (Right to Buy)	\$ 1.6	06/12/2009		F	92,869 (2)	10/01/2007 ⁽³⁾ 03/01/2017	Common Stock	92,869

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Kaplan Elliot M 7311 WEST 130TH STREET, SUITE 170 OVERLAND PARK, KS 66213	X

Signatures

Elliot Kaplan 06/16/2009

__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) Transaction represents common stock acquired by the Reporting Person, upon the cashless exercise of stock options reflected in Table II of this Form 4.

The Reporting Person pledged certain stock options to secure the Reporting Person's promissory note with a private lender. The note was due and the lender foreclosed on the collateral. The lender exercised a total of 136,401 stock options, on a cashless basis, at the market price of \$2.35 per share, less an exercise price of \$1.60 per share, and received 43,532 shares of common stock in payment of the amount owing under the note. This transaction was initiated by the lender and not by the Reporting Person. The lender deemed the price of the common stock to be \$2.35 per share, which was the closing market price on June 12, 2009, the date of the foreclosure and transfer.

(3) The stock options were granted to the Reporting Person on March 1, 2007; 66,667 options vested on October 1, 2007, 66,666 options vested on March 1, 2008 and 3,068 options vested on October 1, 2008 pursuant to the 2007 Stock Option and Restricted Stock Plan.

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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