

McDonald William Martin
 Form 4
 February 18, 2010

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 *
 McDonald William Martin

(Last) (First) (Middle)

266 EAST 7TH STREET, FLOOR 4

(Street)

ST. PAUL, MN 55101

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 Digitiliti Inc [DIGI.PK]

3. Date of Earliest Transaction (Month/Day/Year)
 02/15/2010

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)
 CFO

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)
				(A) or (D) Code V Amount (D) Price			
Common Stock	02/15/2010		J ⁽¹⁾	63,265 A \$ 0.2	63,265	D	

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 displays a currently valid OMB control number.

SEC 1474 (9-02)

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

Edgar Filing: McDonald William Martin - Form 4

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. P Der Sec (Ins	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
<u>Options</u> <u>(2)</u>	\$ 0.385					04/17/2008	04/17/2018	Common Stock	150,000
<u>Options</u> <u>(3)</u>	\$ 0.35					07/23/2007	07/23/2017	Common Stock	150,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McDonald William Martin 266 EAST 7TH STREET, FLOOR 4 ST. PAUL, MN 55101			CFO	

Signatures

William Martin
McDonald 02/18/2010
**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) These shares were acquired by the forgiveness of debt owed to Mr. McDonald by the Company in the amount of \$12,879.
- On April 17, 2008, Mr. McDonald was granted an option to purchase 150,000 shares of common stock of the Company at a purchase price per share of \$0.385, 4,166.67 of which vested on May 17, 2008 and an additional 4,177.67 shares of which will vest per month for the next 35 consecutive months.
- (2) On July 23, 2007, Mr. McDonald was granted an option to purchase 150,000 shares of common stock of the Company at a purchase price per share of \$0.35, 50,000 of which vested on June 28, 2008, and an additional 4,177.67 shares of which will vest per month for the next 24 consecutive months.
- (3)

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.