

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 \*  
**BREECE LORRAINE M**

(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)  
 Acting Chief Financial Officer

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)	\$ 0.672	12/28/2007	D		6,446		(1)	01/01/2012	Common Stock	6,446
Stock Options (Right to Buy)	\$ 4.35	12/28/2007	D		10,000		(2)	05/03/2015	Common Stock	10,000
Stock Options (Right to Buy)	\$ 1.55	12/28/2007	D		100,000		(3)	08/15/2017	Common Stock	100,000

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

Director    10% Owner    Officer    Other

BREECE LORRAINE M  
C/O DIGITAL ANGEL CORPORATION  
490 VILLAUME AVENUE  
SOUTH ST. PAUL, MN 55075

Acting Chief Financial Officer

## Signatures

/s/ Lorraine M. Breece                      12/28/2007

\*\*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 9,025 shares of Applied Digital Solutions, Inc. common stock for \$0.48 per share.

(2) 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 14,000 shares of Applied Digital Solutions, Inc. common stock for \$3.11 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 \$1.11 per share.

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