Digital Music Group, Inc.

Form 3

September 18, 2006

# FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL

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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

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF

**SECURITIES** 

30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting 2. Date of Event Requiring 3. Issuer Name and Ticker or Trading Symbol Person \* Statement Digital Music Group, Inc. [DMGI] Roy Tuhin (Month/Day/Year) 09/08/2006 (Last) (First) (Middle) 4. Relationship of Reporting 5. If Amendment, Date Original Person(s) to Issuer Filed(Month/Day/Year) 85 ORA WAY # 202 (Check all applicable) (Street) 6. Individual or Joint/Group Filing(Check Applicable Line) 10% Owner \_X\_ Director \_X\_ Form filed by One Reporting \_X\_ Officer Other Person (give title below) (specify below) SAN Form filed by More than One Chief Strategy Officer FRANCISCO, Â CAÂ 94131 Reporting Person (City) (State) (Zip) **Table I - Non-Derivative Securities Beneficially Owned** 2. Amount of Securities 4. Nature of Indirect Beneficial 1. Title of Security Beneficially Owned Ownership Ownership (Instr. 4) (Instr. 4) Form: (Instr. 5) Direct (D) or Indirect (I) (Instr. 5) D Â Common Stock 307,650 (1)

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	Derivative Security 2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of	5. Ownership Form of Derivative	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of	Derivative Security	Security: Direct (D) or Indirect	

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Shares (I) (Instr. 5)

Common Stock Warrant Common  $\hat{A}$  (2) 09/08/2013 Â 150,000 \$ 5.57 D (right to buy) Stock

## **Reporting Owners**

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

85 ORA WAY # 202 SAN FRANCISCO, Â CAÂ 94131

ÂX Chief Strategy Officer Â

# **Signatures**

Roy Tuhin

/s/ Karen Davis, 09/18/2006 attorney-in-fact

\*\*Signature of Reporting Person Date

## **Explanation of Responses:**

- If the form is filed by more than one reporting person, see Instruction 5(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).

The reporting person acquired these securities on September 8, 2006, as consideration for the reporting person's units of membership interest in Digital Rights Agency LLC ("DRA"), which Digital Music Group, Inc. ("DMGI") acquired on September 8, 2006. The

- (1) acquisition agreement provides that the former members of DRA will receive additional shares of DMGI Common Stock if certain revenue goals are met. The reporting person's right to receive additional shares pursuant to this earn-out right became fixed and irrevocable on September 8, 2006, the effective date of the acquisition.
- The warrant is exercisable as to 75,000 shares of common stock on September 8, 2007, and as to an additional 3,125 shares month **(2)** thereafter.

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### **Remarks:**

Exhibit List : Exhibit 24 - Power Of Attorney

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.

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