

Smith Edward
Form 3
April 01, 2009

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

OMB APPROVAL

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INITIAL STATEMENT OF 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 *		2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Smith Edward		(Month/Day/Year)	DIGITAL ALLY INC [DGLY]	
(Last)	(First)	(Middle)	03/30/2009	
7311 W 130TH STREET, SUITE 170			4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)	
OVERLAND PARK, KS 66213			<input type="checkbox"/> Director	<input type="checkbox"/> 10% Owner
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Officer	<input type="checkbox"/> Other
			(give title below)	(specify below)
			Vice President of Operations	6. Individual or Joint/Group Filing(Check Applicable Line)
				<input checked="" type="checkbox"/> Form filed by One Reporting Person
				<input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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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)	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 Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable Expiration Date	Title Amount or Number of Shares			

(Instr. 5)

Stock Option (Right to Buy)	Â (1)	04/30/2018	Common Stock	20,000	\$ 8.92	D	Â
Employee Stock Option (Right to Buy)	Â (2)	11/08/2013	Common Stock	5,000	\$ 3.15	D	Â
Employee Stock Option (Right to Buy)	Â (3)	03/30/2019	Common Stock	20,000	\$ 1.59	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smith Edward 7311 W 130TH STREET, SUITE 170 OVERLAND PARK, KS 66213	Â	Â	Â Vice President of Operations	Â

Signatures

Edward Smith 04/01/2009

__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).

(1) These options to purchase shares of Common Stock were granted to the Reporting Person under the Digital Ally, Inc. 2007 Stock Option and Restricted Stock Plan on May 1, 2008. The options will vest 6,667 on November 1, 2008; 6,666 May 1, 2009; and 6,667 November 1, 2009.

(2) These options to purchase shares of Common Stock were granted to the Reporting Person under the Digital Ally, Inc. 2008 Stock Option and Restricted Stock Plan on November 9, 2008. The options will vest 1,667 on November 9, 2008; 1,667 on May 8, 2009; and 1,666 on November 8, 2009.

(3) These options to purchase shares of Common Stock were granted to the Reporting Person under the Digital Ally, Inc. 2008 Stock Option and Restricted Stock Plan on March 30, 2009. The options will vest 2,000 on March 30, 2010; 4,000 on March 30, 2011; 6,000 on March 30, 2012; and 8,000 on March 30, 2013.

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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