

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 \*

^ Smith Edward

(Last)

(First)

(Middle)

2. Date of Event Requiring  
Statement

(Month/Day/Year)

03/30/2009

3. Issuer Name **and** Ticker or Trading Symbol  
DIGITAL ALLY INC [DGLY]

4. Relationship of Reporting  
Person(s) to Issuer

5. If Amendment, Date Original  
Filed(Month/Day/Year)

7311 W 130TH STREET, SUITE  
170

(Street)

(Check all applicable)

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_X\_ Officer \_\_\_\_ Other  
(give title below) (specify below)  
Vice President of Operations

OVERLAND  
PARK, ^ KS ^ 66213

(City)

(State)

(Zip)

6. Individual or Joint/Group  
Filing(Check Applicable Line)  
\_X\_ Form filed by One Reporting  
Person  
\_\_\_\_ 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)

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

SEC 1473 (7-02)

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information contained in this form are not  
required to respond unless the form displays a  
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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)

Date  
Exercisable

Expiration  
Date

3. Title and Amount of  
Securities Underlying  
Derivative Security  
(Instr. 4)

Title

Amount or  
Number of  
Shares

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)

(Instr. 5)

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