

DIGITAL ALLY INC

Form 3

October 11, 2007

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

OMB APPROVAL

OMB
Number: 3235-0104Expires: January 31,
2005Estimated average
burden hours per
response... 0.5**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 *

Â Bakalar Jeffrey A

(Last) (First) (Middle)

7304 WEST 130TH,Â SUITE
290

(Street)

OVERLAND
PARK,Â KSÂ 66213

(City) (State) (Zip)

2. Date of Event Requiring
Statement

(Month/Day/Year)

05/03/2007

3. Issuer Name **and** Ticker or Trading Symbol
DIGITAL ALLY INC [DGLY]4. Relationship of Reporting
Person(s) to Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)

(Check all applicable)

____ Director ____ 10% Owner
☒ Officer ____ Other
 (give title below) (specify below)
 CFO Treasurer and Secretary

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 Beneficially Owned1. 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
 currently valid OMB control number.**

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 Expiration
 Exercisable 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 (Option to Buy)	Â <u>(1)</u>	09/21/2015	Common Stock	100,000	\$ 1	D	Â
Stock Option (Option to Buy)	Â <u>(2)</u>	09/25/2011	Common Stock	145,000	\$ 2.15	D	Â
Stock Option (Option to Buy)	Â <u>(3)</u>	03/01/2017	Common Stock	100,000	\$ 1.6	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bakalar Jeffrey A 7304 WEST 130TH SUITE 290 OVERLAND PARK, KS 66213	Â	Â	Â CFO Treasurer and Secretary	Â

Signatures

/s/ Jeffrey A.
Bakalar

10/04/2007

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) Represents 100,000 options to purchase shares of Common Stock of the Company granted pursuant to the Digital Ally, Inc. 2005 Stock Option and Restricted Stock Plan.

(2) Represents 145,000 options to purchase shares of Common Stock of the Company granted pursuant to the Digital Ally, Inc. 2006 Stock Option and Restricted Stock Plan. Of the 145,000 options, 72,500 vested on the grant date of September 25, 2006 and 72,500 vested on September 25, 2007.

(3) Represents 100,000 options to purchase shares of Common Stock of the Company granted pursuant to the Digital Ally, Inc. 2007 Stock Option and Restricted Stock Plan. These options vests in equal parts on October 1, 2007, April 1, 2008, and October 1, 2008, provided that Mr. Bakalar is still employed with the Company.

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.