

Koulouris Peter
Form 4
February 09, 2006

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Koulouris Peter

(Last) (First) (Middle)

3860 WINDY COVE CIRCLE

(Street)

STOCKTON, CA 95219

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
Digital Music Group, Inc. [DMGI]

3. Date of Earliest Transaction
(Month/Day/Year)
08/26/2005

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title ____ Other (specify
below) below)

VP, Business Development

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 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/26/2005		P	160	A \$ 0.01	160	D
Common Stock	09/08/2005		J ⁽¹⁾	199,840	A \$ 0	200,000	D
Common Stock	02/07/2006		A	245,168	A <u>2</u>	445,168	D ⁽³⁾

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

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information contained in this form are not
required to respond unless the form
displays a currently valid OMB control**

SEC 1474
(9-02)

number.

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Koulouris Peter 3860 WINDY COVE CIRCLE STOCKTON, CA 95219	VP, Business Development

Signatures

/s/ Peter
Koulouris 02/09/2006

**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) On September 8, 2005, Digital Music Group, Inc. effected a stock dividend, payable to all holders of Common Stock on September 8, 2005, of 1,249 shares of Common Stock for each share of Common Stock outstanding.

(2) Received in exchange for 3,364,000 shares of Digital Musicworks International, Inc. ("DMI") in connection with the merger (the "Merger") of DMI into Digital Music Group, Inc. (the "Company"). On the effective date of the Merger, the Company completed its initial public offering with a price to public of \$9.75 per share of common stock.

(3) 30,540 of these shares are held by the Reporting Person as custodian for his minor children. The Reporting Person disclaims beneficial ownership of the shares held by his minor children, and the filing of this report is not an admission that the Reporting Person is the beneficial owner of these shares for purposes of Section 16 or for any other purpose.

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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