

DIGITAL ANGEL CORP

Form 4

March 23, 2005

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB
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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Naro James G

(Last) (First) (Middle)

490 VILLAUME AVENUE

(Street)

SOUTH ST. PAUL, MN 55075

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
DIGITAL ANGEL CORP [DOC]

3. Date of Earliest Transaction
(Month/Day/Year)
03/21/2005

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 below) ____ Other (specify below)

VP, General Counsel and Sec

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)
			Code	V	Amount	(D)	Price

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

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SEC 1474
(9-02)

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nun Sha
Stock Option-Right to Buy ⁽¹⁾	\$ 4.64	03/21/2005			A		200,000		03/21/2006	03/20/2016	Shares of Common Stock	20

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Naro James G 490 VILLAUME AVENUE SOUTH ST. PAUL, MN 55075	VP, General Counsel and Sec

Signatures

/s/ James G.
Naro 03/23/2005

 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).

The option was granted by the Board of Directors on March 21, 2005 pursuant to the Digital Angel Corporation transition stock option plan. Up to 1/3 of the option shares may be purchased at anytime after the first anniversary of the grant date, up to 2/3 of the option shares

- (1) (less any option shares previously purchased) may be purchased at any time after the second anniversary of the grant date and up to 100% of the option shares (less any option shares previously purchased) may be purchased at any time after the third anniversary of the grant date and prior to the termination of the option.

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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