

DIGICORP
Form 5
March 16, 2006

FORM 5

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

OMB APPROVAL
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).
Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
QUEEN KATHRYN M

(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
DIGICORP [DGCO.OB]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
President of Operations

1800 CENTURY PARK
EAST, SUITE 200

(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2005

LOS ANGELES, CA 90067

(City) (State) (Zip)

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

6. Individual or Joint/Group Reporting

(check applicable line)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|---|
| N/A | Â | Â | 3(1) | Â Â Â Â | Â | D | Â |

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

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SEC 2270 (9-02)

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount Underlying Security |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | | |
|------------------------------|--|----------------------|-----------------|---|------------------------|------------------|-----------------|------------|--------------|------------------------|
| | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount | Number of Shares |
| Stock Options (right to buy) | \$ 0.25 | 07/20/2005 | Â | A4 | 750,000 ₍₂₎ | Â | 07/20/2005 | 07/20/2015 | Common Stock | 750,000 ₍₂₎ |
| Stock Options (right to buy) | \$ 0.25 | 07/20/2005 | Â | A4 | 750,000 ₍₃₎ | Â | 12/31/2005 | 12/31/2015 | Common Stock | 750,000 ₍₃₎ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| QUEEN KATHRYN M 1800 CENTURY PARK EAST SUITE 200 LOS ANGELES, CA 90067 | Â | Â | Â President of Operations | Â |

Signatures

/s/ Kathryn M. Queen
03/14/2006
Date

**Signature of Reporting Person

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) Reporting person was appointed as President of Operations on April 26, 2005, and resigned as President of Operations on December 29, 2005.
- (2) 237,500 of the reported options have vested and the remaining 512,500 were cancelled on December 29, 2005.
- (3) Options subject to milestones being achieved prior to vesting on December 31, 2006. All 750,000 of the reported options were cancelled on December 29, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.