

DIGI INTERNATIONAL INC

Form 8-K/A

October 12, 2006

Table of Contents

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

FORM 8-K/A
AMENDMENT NO. 1 TO CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of Report (Date of earliest event reported) **July 27, 2006**
Digi International Inc.
(Exact name of Registrant as specified in its charter)

Delaware

0-17972

41-1532464

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

11001 Bren Road East
Minnetonka, Minnesota

55343

(Address of principal executive
offices)

(Zip Code)

Registrant's telephone number, including area code **(952) 912-3444**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

Item 9.01. Financial Statements and Exhibits

SIGNATURES

EXHIBIT INDEX

Consent of Independent Auditor

Financial Statements - December 31, 2005 and 2004

Unaudited Financial Statements - June 30, 2006 and 2005

Unaudited Pro Forma Financial Information

Table of Contents

Item 9.01. Financial Statements and Exhibits.

On July 27, 2006, Digi International Inc. (the Company) entered into an Agreement and Plan of Merger among the Company, Ocean Acquisition Sub Inc., a wholly owned subsidiary of the Company (Merger Sub), and MaxStream, Inc. (MaxStream) dated as of July 27, 2006 (the Merger Agreement). Pursuant to the terms of the Merger Agreement, MaxStream merged into Merger Sub (the Merger) and all outstanding shares of capital stock, and all options to purchase capital stock, of MaxStream were converted into the right to receive an aggregate of \$19.25 million in cash and an aggregate of 1,650,919 shares of Common Stock, par value \$.01 per share, of the Company (the Common Stock). Of the 1,650,919 shares of Common Stock issued pursuant to the Merger Agreement, 1,598,864 shares were issued to former shareholders of MaxStream, and an additional 52,055 shares were issued to former option holders of MaxStream on cancellation of their stock options. As a result of the Merger, MaxStream ceased to exist and the name of Merger Sub was changed to MaxStream, Inc.

This Amendment No. 1 to Current Report on Form 8-K/A includes certain financial information required by Item 9.01 that was not contained in the Current Report on Form 8-K dated July 27, 2006 (File No. 0-17972) relating to the Merger.

(a) **Financial Statements of MaxStream, Inc. December 31, 2005 and 2004**

The following information is attached hereto as Exhibit 99.1:

Independent Auditor s Report

Balance Sheets as of December 31, 2005 and 2004

Statements of Income for the years ended December 31, 2005 and 2004

Statements of Changes in Stockholders Equity for the years ended December 31, 2005 and 2004

Statements of Cash Flows for the years ended December 31, 2005 and 2004

Notes to Financial Statements

Financial Statements of MaxStream, Inc. June 30, 2006 and 2005 (unaudited)

The following information is attached hereto as Exhibit 99.2:

Balance Sheet as of June 30, 2006 (unaudited)

Statements of Income for the six months ended June 30, 2006 and 2005 (unaudited)

Statements of Cash Flows for the six months ended June 30, 2006 and 2005 (unaudited)

Notes to Financial Statements (unaudited)

Table of Contents

(b) Unaudited Pro Forma Combined Condensed Financial Statements

The following information is attached hereto as Exhibit 99.3:

Pro Forma Combined Condensed Balance Sheet as of June 30, 2006 (unaudited)

Pro Forma Combined Condensed Statement of Operations for the year ended September 30, 2005 (unaudited)

Pro Forma Combined Condensed Statement of Operations for the nine months ended June 30, 2006 (unaudited)

Notes to Unaudited Pro Forma Combined Condensed Financial Statements

(c) The following exhibits are filed or furnished herewith:

23 Consent of Independent Auditor

99.1 Financial Statements of MaxStream, Inc. December 31, 2005 and 2004

99.2 Financial Statements of MaxStream, Inc. June 30, 2006 and 2005 (unaudited)

99.3 Unaudited Pro Forma Financial Information

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DIGI INTERNATIONAL INC.

Date: October 12, 2006

By /s/ Subramanian Krishnan

Subramanian Krishnan
Senior Vice President, Chief Financial
Officer
and Treasurer
4

Table of Contents

EXHIBIT INDEX

| No. | Exhibit | Manner of Filing |
|------|--|-------------------------|
| 23 | Consent of Independent Auditor | Filed Electronically |
| 99.1 | Financial Statements of MaxStream, Inc. December 31, 2005 and 2004 | Filed Electronically |
| 99.2 | Financial Statements of MaxStream, Inc. June 30, 2006 and 2005 (unaudited) | Filed Electronically |
| 99.3 | Unaudited Pro Forma Financial Information | Filed Electronically |