

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

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

November 15, 2010

Date of report (date of earliest event reported)

DIGI INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware

(State of Incorporation)

1-34033

(Commission file number)

41-1532464

(I.R.S. Employer Identification No.)

11001 Bren Road East, Minnetonka, Minnesota

(Address of principal executive offices)

55343

(Zip Code)

Telephone Number: (952) 912-3444

(Registrant's telephone number, including area code)

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))

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On November 15, 2010, our Board of Directors elected Steven E. Snyder to serve as the company's Senior Vice President, Chief Financial Officer and Treasurer, effective upon his commencement of employment, which is expected to be November 30, 2010.

Mr. Snyder, age 54, most recently served as chief financial officer at Gearworks, Inc. from November 2008 to September 2009. In August 2009, Gearworks, Inc. merged with Xora, Inc. From October 2007 to June 2008, he was a general manager of the storage solutions group at Xiotech Corporation, a privately held data storage company. From January 2003 to October 2007, he served as chief financial officer and vice president manufacturing and administration at Xiotech Corporation. Prior to that, Mr. Snyder served as chief financial officer at several companies, including Ancor Communications, Inc., then a publicly traded developer and manufacturer of fibre channel switching products for data center networks. Mr. Snyder also spent ten years at Cray Research, Inc. in progressively responsible financial roles. Earlier roles include seven years in various financial positions at Control Data Corporation and two years with KPMG Peat Marwick.

As Chief Financial Officer of our company, Mr. Snyder will succeed Brenda L. Mueller who has been serving as Acting Principal Financial Officer and Acting Principal Accounting Officer since May 2010. Ms. Mueller will retain her existing role as Corporate Controller.

A press release announcing Mr. Snyder's election is attached hereto as Exhibit 99.1.

Also on November 15, 2010, our Board of Directors approved a compensatory arrangement for Mr. Snyder to be effective upon his joining Digi. Mr. Snyder will receive an annual base salary equal to \$275,000 with an annual incentive target of \$150,000. Payment of the incentive target will be pro-rated based on length of his service in the applicable quarter or fiscal year. Forty percent (40%) of the annual incentive target will be based on achievement of quarterly revenue and profitability targets and sixty percent (60%) of the annual incentive target will be based on achievement of annual revenue and profitability targets.

We have agreed to recommend to our Board for approval an initial grant of options to purchase up to 150,000 shares of Digi common stock at an exercise price equal to the market price of our common stock as of the day of grant. The options, if approved, will expire after ten years and will vest 25% after one year, and will vest in equal proportions each month thereafter for three years, resulting in a total vesting period of four years.

If the company terminates Mr. Snyder's employment for reasons other than cause (as defined in the Offer Letter) and he agrees to execute a release of claims, he will be entitled to receive (i) twelve months of base salary in effect at the time of termination, payable in a lump sum, and (ii) a pro-rata bonus based on the number of months worked in the fiscal year prior to termination and the company's actual performance.

Mr. Snyder will also be eligible to participate in other compensation and benefit programs generally available to our executive officers.

A copy of the Offer Letter is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

The following Exhibits are furnished herewith:

10.1 Offer Letter between Digi International and Steven E. Snyder dated October 28, 2010.

99.1 Press Release dated November 16, 2010, announcing senior management change.

SIGNATURES

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

Date: November 19, 2010

DIGI INTERNATIONAL INC.

By: /s/ Brenda L. Mueller

Brenda L. Mueller

Corporate Controller, Acting Principal Financial
Officer and Acting Principal Accounting Officer

EXHIBIT INDEX

<u>No.</u>	<u>Exhibit</u>	<u>Manner of Filing</u>
10.1	Offer Letter between Digi International and Steven E. Snyder dated October 28, 2010.	Filed Electronically
99.1	Press Release dated November 16, 2010, announcing senior management change.	Furnished Electronically

[Company Letterhead]

October 28, 2010

Mr. Steven Snyder
[Address]

Dear Steve,

On behalf of Digi International Inc., I am pleased to offer you employment as Sr. Vice President, Chief Financial Officer reporting to Joe Dunsmore. (Please see Contingent Offer section below.)

Compensation

Your annualized total compensation target for this position is \$425,000. The annualized base salary is \$275,000 with an annualized incentive target of \$150,000.

You will participate in Digi International's Executive Incentive Plan. For the current fiscal year, your plan will contain the following components:

Quarterly Performance: 40% of your incentive target will be based on achievement of quarterly revenue and profitability targets.

Annual Performance: 60% of your incentive target will be based on achievement of the annual revenue and profitability targets.

All payments are pro-rated based on length of service in the quarter/fiscal year.

Stock Options

We will recommend to the Board of Directors an initial grant of 150,000 stock options. Your options will be at the market price at the time the board approves your grant and will vest over four years at a rate of 25% (37,500 shares) upon completion of one year, then proportionate monthly vesting thereafter. This option request will be brought to the Board of Directors on the first day that the Digi International trading window is open on or after your start date. The stock option agreement will contain a change in control provision.

Benefits

Digi offers a comprehensive benefit program which includes Medical, Dental, Vision, Life and Disability Insurance, Medical and Dependent Care Reimbursement Plans, 401(k) Savings Plan, Employee Stock Purchase Plan, and a Tuition Reimbursement Program. You will be eligible for participation in Digi's health insurance programs on the first day active employment with the company and will be eligible for participation in the 401(k) Savings Plan on the first day of the month following date of hire. Stock Purchase Plan participation eligibility begins on the first of January, April, July and October following date of hire.

You will be eligible to participate in Digi's \$500,000 Executive Life Insurance program. If accepted by the carrier, Digi International will pay the full annual premium. This is in addition to the basic and optional life insurance programs offered to all employees.

Vacation eligibility begins on the date of hire. Upon hire, you will receive four weeks of vacation. You will not accrue above or below this amount regardless of time taken. Should you leave the company at any point in the future, you will be paid for four weeks of accrued vacation.

Severance Agreement

If Digi International should terminate your employment at any time in the future for reasons other than Cause, you will be provided with the following severance package in exchange for a full release of claims against the Company:

- 1) Twelve months of base salary in effect at the time of termination. This shall be paid in a lump sum as soon as administratively feasible after the later of the date of termination or the date the release of claims has become irrevocable.
- 2) A pro-rata bonus based on number of months worked in the fiscal year prior to a qualifying termination and the Company's actual performance against annual objections. This pro-rata bonus shall be paid no later than 2.5 months after the close of the fiscal year in which the qualifying termination occurs.

For purposes of this agreement, "Cause" shall mean only the following: (i) indictment or conviction of, or a plea of nolo contendere to, (A) any felony (other than any felony arising out of negligence), or any misdemeanor involving moral turpitude with respect to the Company, or (B) any crime or offense involving dishonesty with respect to the Company; (ii) theft or embezzlement of Company property or commission of similar acts involving dishonesty or moral turpitude; (iii) material negligence in the performance of your job duties after notice; (iv) failure to devote substantially all of his working time and efforts during normal business hours to the Company's business; or (v) knowing engagement in conduct which is materially injurious to the Company.

Digi International Employment Agreement

This offer of employment is contingent upon your signature on the enclosed Digi International Employment, Confidential Information, and Arbitration Agreement. Your signature constitutes acceptance of the terms and conditions contained in the Agreement, so please read it thoroughly prior to signing. This offer is also conditioned upon Digi's determination that you are not subject to any agreement with any former employer or any other party that would prohibit you from working in the position of Sr. Vice President, Chief Financial Officer. If at any time in the future the Company determines that you are subject to an agreement that, in Digi's sole discretion, would prohibit your employment by Digi, Digi may withdraw this offer of employment or terminate your employment with the Company. ***This Employment Agreement must be signed prior to your first day of employment.***

Employment with Digi International Inc. is "at will," which means that it is for no definite period and may be terminated by either you or Digi at any time for any reason without prior notice. I understand, agree, and acknowledge that any reliance on any statements by any representative of the company contrary to this "at will" arrangement is unreasonable and may not form any basis for my reliance thereon.

Digi International has partnered with Verified Credentials, a background screening organization, to administer confidential background checks. Within 48 hours, we ask that you visit Verified Credential website at <http://myvci.com/digiinternationalinc> to complete a personal questionnaire using your **full legal name including middle initial**. If you are unable to access the internet within this timeframe, please contact me to further assist you in the process. This offer is contingent upon a finding of "no issue" with your background check. If information is revealed after your start date, Digi has the right to terminate employment without prior notice.

Commencement Date

We would like you to start on November 30, 2010.

Contingent Offer

This offer of employment is contingent upon approval by the Board of Directors and your election as an officer of Digi International.

Please inform me of your acceptance of this offer by November 2, 2010 and acknowledge your acceptance by signing one of the enclosed copies.

Sincerely,

Digi International Inc.

/s/ Tracy Roberts

Tracy Roberts
VP, Human Resources & Information Technology

Offer accepted:

/s/ Steven E. Snyder

Steven E. Snyder

November 5, 2010

Date

November 30, 2010

Start Date



Digi International Elects Chief Financial Officer

(Minneapolis, MN, November 16, 2010) — Digi International® Inc. (NASDAQ: DGII, www.digi.com)

Digi International announces the election of Steven E. Snyder as Senior Vice President and Chief Financial Officer. Mr. Snyder will join Digi on Tuesday, November 30, 2010.

Mr. Snyder has served in various financial and operational roles in technology companies over the past 25 years, and will bring significant financial, operational and international expertise to Digi. He most recently served as Chief Financial Officer for Gearworks, Inc. (now Xora, Inc.) Prior to that, he held General Manager, CFO and operational roles at Xiotech Corporation, where he led significant improvements in many facets of the business. Mr. Snyder was CFO at Ancor Communications and was integral to a successful turnaround of the company prior to its acquisition by QLogic. Mr. Snyder spent ten years at Cray Research Inc. (now Silicon Graphics) in progressively responsible financial roles. Earlier roles included seven years with Control Data Corporation (now Ceridian) in various financial positions and two years with KPMG.

Mr. Snyder holds a masters degree in Finance and a B.A. degree in accounting and business administration. He is a certified public accountant (CPA) and served as a member of the Board of Directors of Pemstar Corporation, prior to its acquisition by Benchmark Electronics, Inc. in 2007.

About Digi International

Digi International is making wireless M2M easy by developing reliable products and solutions to connect and securely manage local or remote electronic devices over the network or via the Web. Digi offers the highest levels of performance, flexibility and quality, and markets its products through a global network of distributors and resellers, systems integrators and original equipment manufacturers (OEMs). For more information, visit Digi's website at www.digi.com, or call 877-912-3444.

Joe Dunsmore
Digi International Inc.
952-912-3444
Email: Joseph.Dunsmore@digi.com

Erika Moran
The Investor Relations Group
212-825-3210
Email: mail@investorrelationsgroup.com

For more information, visit Digi's Web site at www.digi.com, or call 877-912-3444 (U.S.) or 952-912-3444 (International).