

McDonald William Martin  
 Form 3  
 July 23, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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 * |         |          | 2. Date of Event Requiring Statement |  | 3. Issuer Name and Ticker or Trading Symbol  |  |
| McDonald William Martin                   |         |          | (Month/Day/Year)                     |  | Digitiliti Inc [DIGI.PK]   |  |
| (Last)                                    | (First) | (Middle) | 07/14/2008                           |  | 4. Relationship of Reporting Person(s) to Issuer   |  |
| 266 EAST 7TH STREET,<br>FLOOR 4           |         |          |                                      |  | (Check all applicable)   |  |
| (Street)                                  |         |          |                                      |  | <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner<br><input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other<br>(give title below)    (specify below)<br>Chief Financial Officer |  |
| ST. PAUL, MN 55101                        |         |          |                                      |  | 5. If Amendment, Date Original Filed(Month/Day/Year)   |  |
| (City)                                    | (State) | (Zip)    |                                      |  | 6. Individual or Joint/Group Filing(Check Applicable Line)   |  |
|   |         |          |                                      |  | <input checked="" type="checkbox"/> Form filed by One Reporting Person<br><input type="checkbox"/> Form filed by More than One Reporting Person  |  |

**Table I - Non-Derivative Securities Beneficially Owned**

|                                    |  |   |  |
|------------------------------------|--|---|--|
| 1. Title of Security<br>(Instr. 4) | 2. Amount of Securities Beneficially Owned<br>(Instr. 4) | 3. Ownership Form:<br>Direct (D)<br>or Indirect (I)<br>(Instr. 5) | 4. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|------------------------------------|--|---|--|

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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

|   |   |  |  |  |  |
|---|---|--|--|--|--|
| 1. Title of Derivative Security<br>(Instr. 4) | 2. Date Exercisable and Expiration Date<br>(Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security<br>(Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security:<br>Direct (D)<br>or Indirect (I) | 6. Nature of Indirect Beneficial Ownership<br>(Instr. 5) |
|   | Date Exercisable    Expiration Date                         | Title    Amount or Number of Shares  |  |  |  |

(Instr. 5)

|                        |            |            |              |         |          |   |   |
|------------------------|------------|------------|--------------|---------|----------|---|---|
| Options <sup>(1)</sup> | 04/17/2008 | 04/17/2018 | Common Stock | 150,000 | \$ 0.385 | D | Â |
| Options <sup>(2)</sup> | 07/23/2007 | 07/23/2017 | Common Stock | 150,000 | \$ 0.35  | D | Â |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                           |       |
|---|---------------|-----------|---------------------------|-------|
|   | Director      | 10% Owner | Officer                   | Other |
| McDonald William Martin<br>266 EAST 7TH STREET, FLOOR 4<br>ST. PAUL, MN 55101 | Â             | Â         | Â Chief Financial Officer | Â     |

## Signatures

/s/ William M  
McDonald

07/23/2008

\*\*Signature of Reporting Person                      Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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 April 17, 2008, Mr. McDonald was granted an option to purchase 150,000 shares of common stock of the Company at a purchase price per share of \$0.385, 4,166.67 of which vested on May 17, 2008 and an additional 4,166.67 shares of which will vest per month for the next 35 consecutive months.
- (2) On July 23, 2007, Mr. McDonald was granted an option to purchase 150,000 shares of common stock of the Company at a purchase price per share of \$0.35, 50,000 of which vested on June 28, 2008 and an additional 4,166.67 shares of which will vest per month for the next 24 consecutive months.

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