

DONAHUE MICHAEL J  
Form 4  
August 02, 2010

**FORM 4**

**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).

**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 \*  
DONAHUE MICHAEL J

(Last) (First) (Middle)

C/O THE ORCHARD ENTERPRISES, INC., 23 E. 4TH ST., 3RD FLOOR

(Street)

NEW YORK, NY 10003

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Orchard Enterprises, Inc. [ORCD]

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/29/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	07/29/2010		J		40,671	D	0

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)**

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (right to buy)	\$ 7.44	07/29/2010		J	4,000	Date Exercisable: 07/29/2010 Expiration Date: 07/29/2010	Common Stock	4,000
Stock Option (right to buy)	\$ 5.21	07/29/2010		J	28,790	Date Exercisable: 07/29/2010 Expiration Date: 07/29/2010	Common Stock	28,790

### Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DONAHUE MICHAEL J C/O THE ORCHARD ENTERPRISES, INC. 23 E. 4TH ST., 3RD FLOOR NEW YORK, NY 10003	X			

### Signatures

/s/ Alexis Shapiro for Michael Donahue 08/02/2010

\_\_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 shares were disposed of pursuant to the Agreement and Plan of Merger dated as of March 15, 2010, as amended (the "Merger Agreement"), among The Orchard Enterprises, Inc. (the "Company"), Dimensional Associates, LLC ("Dimensional") and Orchard Merger Sub, Inc. ("Merger Sub"), whereby in connection with the merger of Merger Sub with and into the Company, each share of the
- (1) Company's common stock (other than shares held by Dimensional and its associates and dissenting shares) was canceled and converted into the right to receive from Dimensional (i) \$2.05 per share in cash and (ii) a contingent right to receive additional cash consideration, under certain circumstances if Dimensional or the Company or any of their affiliates enters into a commitment to sell at least 80% of the Company's voting securities or assets within six months of the consummation of the Merger (collectively, the "Merger Consideration").
  - (2) The options were disposed of pursuant to the Merger Agreement, whereby in connection with the Merger, each option to purchase the Company's common stock was canceled and converted into the right to receive from the Company the difference, if positive, between the Merger Consideration and the exercise price 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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