## Form **8937**

(December 2011) Department of the Treasury Internal Revenue Service

## Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

Part I	Reporting I	ssuer			<u> </u>
1 Issuer	's name				2 Issuer's employer identification number (EIN)
Digirad Co	orporation				33-0145723
		ditional information	4 Telephon	ne No. of contact	5 Email address of contact
Digirad Investor Relations				858-726-1600	ir@digirad.com
6 Numb	er and street (or P	P.O. box if mail is not	7 City, town, or post office, state, and Zip code of contact		
8 Date o	strial Court		Suwanee, GA, 30024		
O Date C	or action		J Olas	sification and description	
The second secon	5/27/2016, 8/29/2		Commor	10 10 10 10 10 10 10 10 10 10 10 10 10 1	P
10 CUSIF	number	11 Serial number	(s)	12 Ticker symbol	13 Account number(s)
	253827109 N/A			DRAD	N/A
Part II	Organization	onal Action Atta	ch additiona	I statements if needed. S	See back of form for additional questions.
14 Desc	cribe the organiza	tional action and, if a	applicable, the	e date of the action or the d	ate against which shareholders' ownership is measured for
the a	action ► On Feb	ruary 29, 2016, May	27, 2016, Au	igust 29, 2016, and Novem	ber 28, 2016, the issuer made cash distributions of \$0.05
per share	to common shar	eholders. The cas	h distributior	ns are estimated to be in e	xcess of the current and accumulated earnings and profits
of the issu	uer.				
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13 <u>15</u>					
					urity in the hands of a U.S. taxpayer as an adjustment per
shar	e or as a percenta	age of old basis $\triangleright \underline{T}$	he issuer is o	currently expected to have	positive earnings and profits, while they have a deficit
in accumu	ulated earnings a	and profits. The car	sh distributio	ons are expected to be in e	xcess of the current earnings and profits, based on
reasonab	le assumptions of	currently available.	Of the total of	ash distributions, 83.0 pe	rcent is expected to be treated as a dividend and the
remaining	17.0 percent is	expected to be a re	turn of capita	al. The return of capital w	II reduce shareholder basis to the extent thereof. Any
distribution	on in excess of s	hareholder basis w	ill be a capita	al gain to the shareholder.	
			basis and the	data that supports the calc	ulation, such as the market values of securities and the
valu	ation dates ► See	#15 above.			
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Form 893	7 (Rev.	12-2011)				Page 2
Part I	-	Organizational Action (continued)				r age =
17 Lis	st the a	applicable Internal Revenue Code section(s) and subsection(s) upon which the tax to	reatment	is based		
		to the shareholders to the extent the corporation's earnings and profit are repo				
		n an event a distribution to shareholders exceeds corporate current and accur				
		must apply the rules of section 301(c) to determine if the distributions are a no	on-taxab	le return o	of basis under section 301	(c)(2)
		bution is reported as a capital gain under section 301(c)(3).		and a sum lan		t
		currently expected to have positive earnings and profits and has a deficit in ac as computed in accordance with section 312.	cumulat	led earning	gs and profits, where earn	iings
and pro	III.S W	is computed in accordance with section 512.				
			To the second			
=						
18 Ca	an anv	resulting loss be recognized? ► N/A				
	arr carry	Todaling loss be recognized in				
-						
19 Pr	ovide	any other information necessary to implement the adjustment, such as the reportab	le tax ye	ar ► The r	eportable tax year is 2016	
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		penalties of perjury, I declare that I have examined this return, including accompanying scheduler				dge and
	belief,	it is true, correct, and complete. Declaration of preparer (other than officer) is based on all infor	rmation of	which prep	arer has any knowledge.	
Sign Here			04/42	/a ¬		
nere	Signa	lure VIX	Date ►	01/13,	/1/	
	D.	Jeffry Keyes	The same	Chief F	inancial Officer	
	Print	Print/Type preparer's name  Preparer's signature  Preparer's signature	Title ► Date	Cilici I	PTIN	
Paid			11-20/00		Check if self-employed	
Prepa Use C		Firm's name ▶			Firm's EIN ▶	
036 (	illy	Firm's address ▶			Phone no.	