

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name Digirad Corporation		2 Issuer's employer identification number (EIN) 33-0145723	
3 Name of contact for additional information Digirad Investor Relations	4 Telephone No. of contact 858-726-1600	5 Email address of contact ir@digirad.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 1048 Industrial Court		7 City, town, or post office, state, and Zip code of contact Suwanee, GA, 30024	
8 Date of action 2/28/2017, 5/30/2017, 8/30/2017, 11/30/2017		9 Classification and description Common Stock	
10 CUSIP number 253827109	11 Serial number(s) N/A	12 Ticker symbol DRAD	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► On February 28, 2017 and May 30, 2017, the issuer made cash distributions of \$0.05 per share to common shareholders. On August 30, 2017 and November 30, 2017, the issuer made cash distributions of \$0.055 per share to common shareholders. The cash distributions are estimated to be in excess of the current and accumulated earnings and profits of the issuer. Digirad Corporation has an estimated deficit in both current and accumulated earnings and profits.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► The issuer is currently expected to have an estimated deficit in both current and accumulated earnings and profits. Since the cash distributions are expected to be in excess of earnings and profits, 100% of the distribution is treated as a return of capital. The return of capital will first reduce shareholder basis to the extent thereof and any portion of the distribution in excess of shareholder basis will be a capital gain to the shareholder.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See #15 above.

Part II Organizational Action (continued)

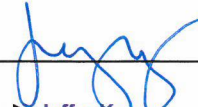
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Pursuant to IRC Sec. 301(c)(2), a distribution which is not a dividend shall be applied against and reduce the adjusted tax basis of the stock.

18 Can any resulting loss be recognized? ► N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The reportable tax year is 2017.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► 
 Print your name ► Jeffrey Reyes

Date ► 1/12/18

Title ► Chief Financial Officer

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.