

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0104
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1. Name and Address of Reporting Person* <u>Kingsbury Associates LP</u>	2. Date of Event Requiring Statement (Month/Day/Year) <u>06/09/2004</u>	3. Issuer Name and Ticker or Trading Symbol <u>DIGIRAD CORP [ DRAD ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	
		5. If Amendment, Date of Original Filed (Month/Day/Year)	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person	
(Last) (First) (Middle) <u>4401 EASTGATE MALL</u>			
(Street) <u>SAN DIEGO CA 92121</u>			
(City) (State) (Zip)			

Table I - Non-Derivative Securities Beneficially Owned			
1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	614	I	By Kingsbury Capital Partners, L.P. <sup>(2)</sup>
Common Stock	611	I	By Kingsbury Capital Partners, L.P. II <sup>(2)</sup>
Common Stock	259	I	By Kingsbury Capital Partners, L.P. III <sup>(2)</sup>
Common Stock	196	I	By Kingsbury Capital Partners, L.P. IV <sup>(2)</sup>

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)							
1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series G Preferred Stock	(1)	(1)	Common Stock	499,871	(1)	I	By Kingsbury Capital Partners, L.P. <sup>(2)</sup>
Series G Preferred Stock	(1)	(1)	Common Stock	497,274	(1)	I	By Kingsbury Capital Partners, L.P. II <sup>(2)</sup>
Series G Preferred Stock	(1)	(1)	Common Stock	211,168	(1)	I	By Kingsbury Capital Partners, L.P. III <sup>(2)</sup>
Series G Preferred Stock	(1)	(1)	Common Stock	159,803	(1)	I	By Kingsbury Capital Partners, L.P. IV <sup>(2)</sup>
Series H Preferred Stock	(1)	(1)	Common Stock	5,322	(1)	I	By Kingsbury Capital Partners, L.P. <sup>(2)</sup>
Series H Preferred Stock	(1)	(1)	Common Stock	95,009	(1)	I	By Kingsbury Capital Partners, L.P. III <sup>(2)</sup>
Series H Preferred Stock	(1)	(1)	Common Stock	179,767	(1)	I	By Kingsbury Capital Partners, L.P. IV <sup>(2)</sup>
Stock Option (Right to Buy)	(3)	03/19/2006	Common Stock	71	525	I	By Kingsbury Capital Partners, L.P. <sup>(2)</sup>

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)							
1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock Option (Right to Buy)	(3)	03/19/2006	Common Stock	71	525	I	By Kingsbury Capital Partners, L.P. II <sup>(2)</sup>
Warrant (Right to Purchase)	01/25/2002	01/25/2007	Common Stock	3	1,050	I	By Kingsbury Capital Partners, L.P. <sup>(2)</sup>
Warrant (Right to Purchase)0	01/25/2002	01/25/2007	Common Stock	35	1,050	I	By Kingsbury Capital Partners, L.P. III <sup>(2)</sup>
Warrant (Right to Purchase)	01/25/2002	01/25/2007	Common Stock	82	1,050	I	By Kingsbury Capital Partners, L.P. IV <sup>(2)</sup>
Series E Preferred Stock Warrant (Right to Purchase)	09/29/2002	(4)	Common Stock	14	2,125.2	I	By Kingsbury Capital Partners, L.P. III <sup>(2)</sup>
Series E Preferred Stock Warrant (Right to Purchase)	09/29/2002	(4)	Common Stock	33	2,125.2	I	By Kingsbury Capital Partners, L.P. IV <sup>(2)</sup>

**Explanation of Responses:**

1. Immediately following the closing of the initial public offering of the Issuer's Common Stock, all outstanding shares of Preferred Stock will be automatically converted into shares of the Issuer's Common Stock for no additional consideration.
2. Reporting Person is the general partner of each of Kingsbury Capital Partners, L.P., Kingsbury Capital Partners, L.P., II, Kingsbury Capital Partners, L.P., III and Kingsbury Capital Partners, L.P., IV. Reporting Person disclaims beneficial ownership of the shares and warrants held by Kingsbury Capital Partners, L.P., Kingsbury Capital Partners, L.P., II, Kingsbury Capital Partners, L.P., III and Kingsbury Capital Partners, L.P., IV, except to the extent of any indirect pecuniary interest in its distributive share therein. As general partner, Reporting Person has voting and investment power with respect to the shares and warrants held by Kingsbury Capital Partners, L.P., Kingsbury Capital Partners, L.P., II, Kingsbury Capital Partners, L.P., III and Kingsbury Capital Partners, L.P., IV.
3. The option is immediately exercisable.
4. The right to purchase under this warrant will terminate unless exercised prior to the closing of the initial public offering of the Issuer's Common Stock.

## Remarks:

Timothy J. Wollaeger, General  
Partner 06/09/2004

\*\* Signature of Reporting Person      Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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 Number.