

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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:	3235-0287
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1. Name and Address of Reporting Person* <u>WOLLAEGER TIMOTHY J</u> (Last) (First) (Middle) <u>C/O KINGSBURY ASSOCIATES, L.P.</u> <u>4401 EASTGATE MALL</u> (Street) <u>SAN DIEGO,</u> <u>92121</u> <u>CA</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>DIGIRAD CORP [DRAD]</u> 3. Date of Earliest Transaction (Month/Day/Year) <u>12/07/2004</u> 4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below) 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
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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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/07/2004		G ⁽¹⁾	V	685	A	(2)	685	D	
Common Stock	12/07/2004		G ⁽¹⁾	V	685	D	(2)	685	I	By Kingsbury Capital Partners, L.P. ⁽³⁾
Common Stock								497,885	I	By Kingsbury Capital Partners, L.P. II ⁽³⁾
Common Stock								306,436	I	By Kingsbury Capital Partners, L.P. III ⁽³⁾
Common Stock								339,766	I	By Kingsbury Capital Partners, L.P. IV ⁽³⁾
Common Stock								104,428	I	By Sanderling V Biomedical, L.P. ⁽⁴⁾⁽⁵⁾
Common Stock								42,250	I	By Sanderling V Limited Partnership ⁽⁴⁾⁽⁵⁾
Common Stock								426,330	I	By Sanderling V Venture Partners V, L.P. ⁽⁴⁾⁽⁵⁾
Common Stock								68,912 ⁽⁶⁾	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
						Date Exercisable	Expiration Date					
				Code	V	(A)	(D)	Title	Amount or Number of Shares			

Explanation of Responses:

1. Includes 685 shares received by reporting person in a distribution from Sanderling V Ventures Management and gifted by the reporting person to Kingsbury Associates LP. In prior reports, the reporting person reported beneficial ownership of 6,167 shares held by Sanderling V Ventures Management.
2. Not applicable.
3. The reporting person is the general partner of Kingsbury Associates, L.P., which is a 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. The reporting person disclaims beneficial ownership of the shares 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 his pecuniary interests in the named fund. As general partner, the reporting person has voting and investment power with respect to the shares 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.
4. The reporting person is the managing director of Middleton, McNeil & Mills Associates V, LLC, the general partner of Sanderling Venture Partners V, L.P., Sanderling V Biomedical, L.P., Sanderling V Limited Partnership and Sanderling V Beteiligungs GMBH & Co. KG, and is an owner of Sanderling V Ventures Management. The reporting person disclaims beneficial ownership of the shares held by Sanderling Venture Partners V, L.P., Sanderling V Biomedical, L.P., Sanderling V Limited Partnership, Sanderling V Beteiligungs GMBH & Co. KG and Sanderling V Ventures Management, except to the extent of his pecuniary interests in the named fund. The reporting person shares voting and investment power with respect to the shares held by Sanderling Venture Partners V, L.P., Sanderling V Biomedical, L.P., Sanderling V Limited Partnership and Sanderling V Beteiligungs GMBH & Co. KG with the other managing directors of Middleton, McNeil & Mills Associates V, LLC.
5. The reporting person may be deemed to share voting and investment power with respect to the shares held by Sanderling V Ventures Management with the other owners.
6. Includes 67,332 shares received as a liquidating distribution from Kingsbury Capital Partners, L.P. In prior reports, the reporting person reported beneficial ownership of 505,807 shares held by Kingsbury Capital Partners, L.P.

Remarks:

Timothy J. Wollaeger

12/07/2004

** 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 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).

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.