
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

October 12, 2007

DIGIRAD CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-50789
(Commission File Number)

33-0145723
(IRS Employer
Identification No.)

**13950 Stowe Drive
Poway, California 92064**
(Address of principal executive offices, including zip code)

(858) 726-1600
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Effective as of September 13, 2007, Vera P. Pardee resigned from her positions of General Counsel, Secretary and Senior Vice President, Legal of Digirad Corporation and entered into an agreement with the company pursuant to which she will receive cash severance payments of approximately \$140,000 plus the applicable pro-rata portion of her scheduled annual bonus. The company will reimburse up to seven months of premiums Ms. Pardee may elect to pay to continue her medical benefits under COBRA. Ms. Pardee has released the company and related persons from any claims arising out of her employment and she has agreed not to solicit company employees for a twelve month period.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DIGIRAD CORPORATION

By: /s/ Todd P. Clyde

Todd P. Clyde
Chief Financial Officer

Date: October 12, 2007