

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Estimated average burden
hours per response: 0.5

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

1. Name and Address of Reporting Person* <u>Eberwein Jeffrey E.</u> (Last) (First) (Middle) <u>1048 INDUSTRIAL COURT</u> (Street) <u>SUWANEE GA 30024</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>09/12/2016</u> 4. If Amendment, Date of Original Filed (Month/Day/Year) <u>09/14/2016</u>	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) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person
--	---	--

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	09/12/2016		p ⁽¹⁾		523 ⁽⁶⁾	A	\$5.0065 ⁽²⁾	66,952 ⁽⁶⁾	I	By: Separately Managed Account I ⁽³⁾
Common Stock	09/12/2016		p ⁽¹⁾		622	A	\$5.0065 ⁽²⁾	997,513	I	By: Lone Star Value Investors, LP ⁽⁴⁾
Common Stock								112,500	I	By: Lone Star Value Co-Invest I, LP ⁽⁵⁾

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)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			

Explanation of Responses:

1. The purchase of the shares reported on this Form 4 was effected pursuant to a Rule 10b5-1 trading plan entered into by Lone Star Value Management, LLC ("Lone Star Value Management") on behalf of Lone Star Value Investors, LP ("Lone Star Value Investors") and a certain managed account on March 9, 2016.
2. The price reported in Column 4 is a weighted average price. These shares were purchased in multiple transactions at prices ranging from \$5.00 to \$5.01, inclusive. Mr. Eberwein undertakes to provide the Issuer and any security holder of the Issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares purchased at each separate price such shares were purchased.
3. Shares held in an account separately managed by Lone Star Value Management (the "Separately Managed Account I"). Lone Star Value Management, as the investment manager of the Separately Managed Account I, may be deemed to beneficially own the shares of Common Stock held in the Separately Managed Account I; and Mr. Eberwein, as the sole member of Lone Star Value Management may be deemed to beneficially own the shares of Common Stock held in the Separately Managed Account I for purposes of Section 16. Mr. Eberwein expressly disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
4. Shares owned directly by Lone Star Value Investors. Lone Star Value Investors GP, LLC ("Lone Star Value GP"), as the general partner of Lone Star Value Investors, may be deemed the beneficial owner of the securities owned by Lone Star Value Investors. Lone Star Value Management, as the investment manager of Lone Star Value Investors, may be deemed the beneficial owner of the securities owned by Lone Star Value Investors. Mr. Eberwein, as the manager of Lone Star Value GP and sole member of Lone Star Value Management, may be deemed the beneficial owner of the securities owned by Lone Star Value Investors. Mr. Eberwein expressly disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
5. Represents shares previously reported as directly beneficially owned by Mr. Eberwein but were transferred to Co-Invest I, an entity of which Mr. Eberwein is the sole investor and sole owner, including the 12,500 shares transferred on September 6, 2016. Lone Star Value GP, as the general partner of Co-Invest I, may be deemed the beneficial owner of the securities owned by Co-Invest I. Lone Star Value Management, as the investment manager of Co-Invest I, may be deemed the beneficial owner of the securities owned by Co-Invest I. Mr. Eberwein, as the sole investor and sole owner of Co-Invest I, the manager of Lone Star Value GP and sole member of Lone Star Value Management, may be deemed the beneficial owner of the securities owned by Co-Invest I. Mr. Eberwein expressly disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
6. The Form 4 filed on September 14, 2016 is amended by this Form 4/A in order to correctly reflect the number of shares acquired by Separately Managed Account I. The previously reported amount was incorrect due to an administrative error.

By: /s/ Jeffrey E. Eberwein 10/21/2016

** 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.