

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
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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>OLSON KENNETH E</u>  (Last) (First) (Middle) <u>C/O DIGIRAD CORPORATION</u> <u>13950 STOWE DRIVE</u>  (Street) <u>SAN DIEGO CA 92064</u>  (City) (State) (Zip)	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)  <input checked="" type="checkbox"/> Director 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	

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)
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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	17	145	D	
Stock Option (Right to Buy)	(3)	03/19/2006	Common Stock	143	525	D	
Stock Option (Right to Buy)	(3)	04/30/2008	Common Stock	4	175	D	
Stock Option (Right to Buy)	(3)	04/30/2008	Common Stock	4	147	D	
Stock Option (Right to Buy)	(3)	12/17/2008	Common Stock	7	245	D	
Stock Option (Right to Buy)	(3)	05/13/2009	Common Stock	4	245	D	
Stock Option (Right to Buy)	(3)	03/09/2010	Common Stock	7	245	D	
Stock Option (Right to Buy)	(3)	05/18/2010	Common Stock	43	350	D	
Stock Option (Right to Buy)	(3)	03/28/2011	Common Stock	7	700	D	
Stock Option (Right to Buy)	10/01/2002 <sup>(4)</sup>	09/30/2012	Common Stock	49,085	0.49	D	
Stock Option (Right to Buy)	02/25/2005 <sup>(5)</sup>	02/25/2014	Common Stock	11,429	5.5	D	
Warrant (Right to Purchase_	01/25/2002	01/25/2007	Common Stock	12	1,050	I	By Kenneth E. Olson Trust dated 3/16/1989 <sup>(2)</sup>
Series G Preferred Stock	(1)	(1)	Common Stock	18,607	(1)	I	By Kenneth E. Olson Trust dated 3/16/1989 <sup>(2)</sup>
Series H Preferred Stock	(1)	(1)	Common Stock	24,076	(1)	I	By Kenneth E. Olson Trust dated 3/16/1989 <sup>(2)</sup>
Series G Preferred Stock	(1)	(1)	Common Stock	8,572	(1)	I	By Spouse
Series H Preferred Stock	(1)	(1)	Common Stock	1,284	(1)	I	By Spouse

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 a trustee of the Kenneth E. Olson Trust dated 3/16/1989.
3. The option is immediately exercisable.
4. The option is immediately exercisable, but shares purchased under such option are subject to repurchase by the Issuer at the option exercise price, upon the Reporting Person's termination of service to the Issuer prior to vesting in these shares. 50% of the option shares vest on such date with the remaining option shares vesting in equal daily installments over a period of 2 years thereafter.
5. The option is immediately exercisable, but shares purchased under such option are subject to repurchase by the Issuer at the option exercise price, upon the Reporting Person's termination of service to the

Issuer prior to vesting in these shares. 50% of the option shares vest on such date with the remaining option shares vesting in equal daily installments over a 1 year period thereafter.

Remarks:

Kenneth E. Olson

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.

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