

=====

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)

May 1, 2007

DIGIRAD CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	000-50789	33-0145723
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(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))
- =====

Item 1.01. Entry into a Material Definitive Agreement

Effective May 1, 2007, Digirad Corporation acquired substantially all of the
assets of Ultrascan, Inc. ("Ultrascan") in exchange for cash consideration of
\$7.25 million and the assumption of debt obligations of Ultrascan totaling \$1.5
million pursuant to an Asset Purchase Agreement by and among Digirad
Corporation, Digirad Imaging Solutions, Inc, Digirad Ultrascan Solutions, Inc.,
Ultrascan and William "Mickey" King, Jr., the principal stockholder of
Ultrascan. The purchase price is subject to a working capital adjustment after
the closing of the transaction. Additional consideration, payable in cash and
common stock, of up to \$3.85 million may be payable to Ultrascan or its
designees in the event that Ultrascan achieves certain EBITDA milestones over
the next four years.

A copy of a press release dated May 1, 2007, announcing this transaction is
attached hereto as Exhibit 99.1 to this current report.

This information and the exhibits hereto are being furnished and shall not be

deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

The following exhibits are attached:

Exhibit No.	Description
- - - - -	- - - - -
99.1	Press Release dated May 1, 2007.

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 Clyde

Todd Clyde
Chief Financial Officer

Date: May 1, 2007

Digirad Acquires Ultrascan

POWAY, Calif.--(BUSINESS WIRE)--May 1, 2007--Digirad Corporation (NASDAQ:DRAD), a leading provider of cardiovascular imaging services and solid-state nuclear medicine imaging products to physician offices, hospitals and imaging centers, announced today that it has completed the acquisition of privately held Ultrascan, Inc., a leading provider of mobile ultrasound and nuclear medicine services primarily in Georgia, for \$7.25 million in cash and the assumption of \$1.5 million of debt, plus up to \$3.85 million in cash and stock if Ultrascan achieves certain EBITDA milestones over a four year period. Ultrascan currently provides mobile ultrasound services to more than 100 clients through a 32-unit mobile fleet as well as fixed-site nuclear imaging services at physician offices, clinics and hospitals primarily in Georgia.

"We are pleased to welcome the Ultrascan team to the Digirad family," said Mark Casner, Chief Executive Officer of Digirad. "This transaction diversifies Digirad's services and expands our client base. It is a first step in our strategy to create long-term growth by leveraging and complementing Digirad's nuclear cardiology service capabilities with other mobile imaging services. Ultrascan has differentiated its services and added value to its well-established operating platform by building a close working relationship with one of the leading medical institutions in the Southeast. We believe this is an important strategic asset that will enhance our competitiveness in the Southeast market, and provides a model for our approach as we expand in other areas."

Mickey King, President and CEO of Ultrascan, said, "We believe that the combination of Ultrascan and Digirad creates growth opportunities in both ultrasound and nuclear imaging, and will provide added value to our combined customer base. Our experience in working with Digirad during the past year has shown us that Ultrascan's mobile imaging delivery capability and client base align well with Digirad's nuclear cardiology services. We look forward to continuing to build our business in combination with Digirad's strength and support."

About Digirad

Digirad Corporation develops, manufactures and markets solid-state, digital gamma cameras to hospitals, imaging centers and physician offices. Digirad offers a comprehensive line of solid-state nuclear gamma cameras that produce high-quality images for use in the detection of many medical conditions, including cardiovascular disease. Digirad's cameras are unique as their lightweight and compact design allows them to fit easily into small office spaces. Digirad's wholly owned subsidiary, Digirad Imaging Solutions (DIS), offers a comprehensive mobile imaging leasing and services program for physicians who wish to perform in-office nuclear cardiology and ultrasound procedures without purchasing the equipment. For more information, please visit www.digirad.com. Digirad(R), Digirad Imaging Solutions(R), and Cardius(R) are registered trademarks of Digirad Corporation.

Forward-Looking Statements

Digirad cautions that statements included in this press release that are not a description of historical facts are forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts and use words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and other words and terms of similar meaning in connection with a discussion of future operating or financial performance or events. Examples of such statements include the statements regarding our expectations that Ultrascan acquisition will be complementary to our DIS business and provides opportunities for the diversification of our services, the expansion of our client base and the creation of future growth; and our belief that a relationship with a leading medical institution will enhance our competitiveness and provide an expansion model. The inclusion of these and other forward-looking statements should not be regarded as a representation by Digirad that any of its plans will be achieved. Actual results may differ materially from those set forth in this press release due to the risks and uncertainties inherent in Digirad's business including, without

limitation: the degree to which personnel changes and related disruptions in our business activities may affect Digirad's products, customers, work force, suppliers, and our overall business prospects and operations; the degree to which Digirad's camera systems and related services will be accepted by physicians and hospitals some of whom may experience reliability issues or technical problems; the ability of Digirad effectively to market, sell and distribute its medical devices, and related services given its limited capabilities in these areas; Digirad's ability to manage risks relating to product liability, warranty claims, recalls, property damage and personal injury with respect to its imaging systems; and other risks detailed in Digirad's Securities and Exchange Commission filings, including its Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement and Digirad undertakes no obligation to revise or update this press release including the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

CONTACT: Company Contact:
Digirad Corporation
Todd Clyde, CFO, 858-726-1600
ir@digirad.com
or
Investor Contact:
Neil Berkman Associates
310-826-5051
info@BerkmanAssociates.com