

WOLLAEGER TIMOTHY J

Form 4

March 01, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,  
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section  
30(h) of the Investment Company Act of 1940

## OMB APPROVAL

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**WOLLAEGER TIMOTHY J**

(Last) (First) (Middle)

**C/O KINGSBURY  
ASSOCIATES, 4401 EASTGATE  
MALL**

(Street)

**SAN DIEGO, CA 92121**

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading  
Symbol  
**DIGIRAD CORP [DRAD]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**02/24/2006**

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner  
☐ Officer (give title below) ☐ Other (specify below)

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
☒ 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	02/24/2006		J <sup>(1)</sup>		306,436	D	<u>(2)</u> 0
						I	By Kingsbury Capital Partners, L.P. III <sup>(3)</sup>
Common Stock	02/24/2006		J <sup>(1)</sup>		40,786	A	<u>(2)</u> 112,905 <sup>(4)</sup>
						I	By Timothy J. Wollaeger and Cynthia K. Wollaeger, trustees, U/A

								DTD 4/25/1985
Common Stock				685	I			By Kingsbury Associates, L.P. <sup>(3)</sup>
Common Stock				339,766	I			By Kingsbury Capital Partners, L.P. IV <sup>(3)</sup>
Common Stock				104,428	I			By Sanderling V Biomedical, L.P. <sup>(5)</sup>
Common Stock				42,250	I			By Sanderling V Limited Partnership <sup>(5)</sup>
Common Stock				426,330	I			By Sanderling Venture Partners V, L.P. <sup>(5)</sup>
Common Stock				37,594	I			By Sanderling V Beteiligungs GmbH & Co. KG <sup>(5)</sup>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
(9-02)

**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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reportable Transaction (Instr. 6)
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(Instr. 3,  
4, and 5)

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

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

WOLLAEGER TIMOTHY J  
C/O KINGSBURY ASSOCIATES  
4401 EASTGATE MALL  
SAN DIEGO, CA 92121

X

## Signatures

Vera P. Pardee, by Power of Attorney  
02/28/2006

\_\_Signature of Reporting Person Date

## Explanation of Responses:

\* 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).

On 2/24/06, Kingsbury Capital Partners, L.P. III commenced a liquidating distribution to its partners of an aggregate of 306,436 shares of common stock of the issuer, 63,739 shares of which were received by the general partner of Kingsbury Capital Partners, L.P. III,

(1) Kingsbury Associates, L.P. In turn, Kingsbury Associates, L.P. distributed the 63,739 shares of common stock of the issuer to its partners, 40,786 of which were received by the reporting person. In prior reports, the reporting person reported beneficial ownership of 306,436 shares held by Kingsbury Capital Partners, L.P. III.

(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. III and Kingsbury Capital Partners, L.P., IV. The reporting person disclaims beneficial ownership of the shares held by 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., IV.

(4) Includes 72,119 shares previously transferred by the reporting person to By Timothy J. Wollaeger and Cynthia K. Wollaeger, trustees, U/A DTD 4/25/1985.

(5) 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. 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 and Sanderling V Beteiligungs GmbH & Co. KG, 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.

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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