

WOLLAEGER TIMOTHY J

Form 4

December 28, 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

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(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)
12/26/2006

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	12/26/2006		J ⁽¹⁾		339,766	D	<u>(2)</u> 0
						I	By Kingsbury Capital Partners, L.P. IV ⁽³⁾
Common Stock	12/26/2006		J ⁽¹⁾		19,887	A	<u>(2)</u> 132,792 ⁽⁴⁾
						I	By Timothy J. Wollaeger and Cynthia K. Wollaeger, trustees, U/A

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								DTD 4/25/1985
Common Stock				104,428	I			By Sanderling V Biomedical L.P. ⁽⁵⁾
Common Stock				42,250	I			By Sanderling V Limited Partnership ⁽⁵⁾
Common Stock				426,330	I			By Sanderling Venture Partners V, L.P. ⁽⁵⁾
Common Stock				37,594	I			By Sanderling V Beteiligungs GmbH & Co. KG ⁽⁵⁾

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

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(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) (Instr. 3, 4, and 5)	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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

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

/s/ Timothy J. Wollaeger 12/28/2006

__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 12/26/06, Kingsbury Capital Partners, L.P. IV commenced a liquidating distribution to its partners of an aggregate of 339,766 shares of common stock of the issuer, 17,725 shares of which were received by the reporting person and 3,398 shares of which were received by the general partner of Kingsbury Capital Partners, L.P. IV, Kingsbury Associates, L.P. In turn, Kingsbury Associates, L.P. distributed the 3,398 shares of common stock of the issuer to its partners, 2,162 of which were received by the reporting person. Accordingly, the reporting person received an aggregate of 19,887 shares pursuant to the distribution.

(2) Not applicable.

The reporting person is the general partner of Kingsbury Associates, L.P., which is a general partner of 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 112,905 shares previously transferred by the reporting person to By Timothy J. Wollaeger and Cynthia K. Wollaeger, trustees, U/A DTD 4/25/1985.

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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