

OMB APPROVAL	
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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

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>Lott Virgil</u> (Last) (First) (Middle) 1048 INDUSTRIAL COURT (Street) SUWANEE GA 30024 (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>DIGIRAD CORP [DRAD]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President, Diagnostic Imaging</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>02/28/2018</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	02/28/2018		M		2,766	A	(1)(2)	70,585	D	
Common Stock ⁽³⁾	02/28/2018		F		1,131	D	\$2.05	69,454	D	

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						Amount or Number of Shares
Restricted Stock Unit	(1)(2)	02/28/2018		M			2,766	(4)	(4)	Common Stock	2,766	(1)	8,298 ⁽⁶⁾	D	
Restricted Stock Unit	(1)	02/28/2018		A		14,000		(5)	(5)	Common Stock	14,000	\$0.00	14,000	D	
Restricted Stock Unit	(1)	02/28/2018		A		14,000		(7)	(7)	Common Stock	14,000	\$0.00	14,000	D	

Explanation of Responses:

- Each Restricted Stock Unit represents the right to receive, at settlement, one share of common stock.
- This transaction represents the settlement of Restricted Stock Units in shares of common stock on their scheduled vesting date.
- Shares withheld by Registrant to satisfy the minimum statutory tax withholding requirements on vesting of Restricted Stock Units. No shares were sold.
- On February 28, 2017, Mr. Lott was granted 22,128 Restricted Stock Units. As to this grant, 25% of the Restricted Stock Units vest on each of February 28, 2018, February 1, 2019, February 1, 2020 and February 1, 2021, with vesting of 50% of each such Restricted Stock Unit tranche subject to the satisfaction of certain performance criteria to be determined and approved by the Compensation Committee with respect to each such period.
- These Restricted Stock Units are scheduled to vest as to 25% of the units on each of February 28, 2019, February 28, 2020, February 28, 2021 and February 28, 2022, subject to the reporting person continuing to provide service through each such date.
- Does not include Restricted Stock Units that did not vest and were cancelled.
- These Restricted Stock Units are scheduled to vest as to 25% of the units on each of February 28, 2019, February 28, 2020, February 28, 2021 and February 28, 2022, with the vesting of 100% of each such tranche subject to the satisfaction of certain performance criteria to be determined and approved by the Compensation Committee with respect to each such period.

/s/ Jeffrey R. Keyes, as Attorney-in-fact 03/01/2018

** 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.

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