

Lott Virgil
 Form 4
 February 18, 2010

FORM 4

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

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 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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Lott Virgil

(Last) (First) (Middle)
 13950 STOWE DRIVE
 (Street)

POWAY, CA 92064

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 02/16/2010

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)

SVP, Operations

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 1.87	02/16/2010	A	40,000					<u>(1)</u>	02/16/2017	Common Stock	40,000
Restricted Stock Units	<u>(2)</u>	02/16/2010	A	40,000					<u>(3)</u>	02/16/2013	Common Stock	40,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lott Virgil 13950 STOWE DRIVE POWAY, CA 92064			SVP, Operations	

Signatures

/s/ Laura S. Kwartler, by Power of Attorney
Date: 02/18/2010

__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).

One forty-eighth (1/48th) of the shares subject to the option shall vest and become exercisable each month, with a vesting commencement

(1) date of February 16, 2010, over a four-year period on the same day of the month, until all the shares are vested and exercisable, subject to optionee continuing to be an employee on each such date.

(2) Each restricted stock unit represents a contingent right to receive one share of Digirad common stock.

One twelfth (1/12th) of the restricted stock units (RSUs) subject to the award vest and become payable on the quarterly anniversary of the

(3) date of grant, as long as the reporting person remains a service provider on such dates. Vested shares will be delivered to the reporting person on the first to occur of termination of service or the third anniversary of the grant date.

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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