

DIGIRAD CORP
Form SC 13D/A
May 17, 2013
CUSIP No. 253827109

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 2)*

Digirad Corporation

(Name of Issuer)

Common Stock, \$0.0001 par value

(Title of Class of Securities)

253827109

(CUSIP Number)

RED OAK PARTNERS, LLC

Attn: David Sandberg

304 Park Avenue South, 11th Floor

Edgar Filing: DIGIRAD CORP - Form SC 13D/A

New York, NY 10010

(212) 614-8952

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

May 16, 2013

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 253827109

1 NAME OF REPORTING PERSONS

Red Oak Partners, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

NUMBER OF	7	SOLE VOTING POWER
SHARES	8	SHARED VOTING POWER
		1,078,752
BENEFICIALLY	9	SOLE DISPOSITIVE POWER
OWNED BY	10	SHARED DISPOSITIVE POWER
EACH		1,078,752

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,078,752

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.61%¹

14 TYPE OF REPORTING PERSON (See Instructions)

OO

1 Based on 19,243,079 shares of common stock outstanding at April 24, 2013, as reported by the Company on its Form 10-Q for the quarter ended March 31, 2013, filed with the United States Securities and Exchange Commission on May 6, 2013.

CUSIP No. 253827109

1 NAME OF REPORTING PERSON

The Red Oak Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	7	SOLE VOTING POWER
	8	SHARED VOTING POWER
SHARES		618,566
BENEFICIALLY	9	SOLE DISPOSITIVE POWER
OWNED BY	10	SHARED DISPOSITIVE POWER
		618,566
EACH		

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

618,566

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

3.21%¹

14 TYPE OF REPORTING PERSON (See Instructions)

PN

CUSIP No. 253827109

1 NAME OF REPORTING PERSON

Pinnacle Partners, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Colorado

NUMBER OF

7

SOLE VOTING POWER

8

SHARED VOTING POWER

SHARES

460,186

BENEFICIALLY

9

SOLE DISPOSITIVE POWER

OWNED BY

10

SHARED DISPOSITIVE POWER

EACH

460,186

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

460,186

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.39%¹

14 TYPE OF REPORTING PERSON (See Instructions)

OO

CUSIP No. 253827109

1 NAME OF REPORTING PERSON

Pinnacle Fund, LLLP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Colorado

NUMBER OF	7	SOLE VOTING POWER
SHARES	8	SHARED VOTING POWER
		460,186
BENEFICIALLY	9	SOLE DISPOSITIVE POWER
OWNED BY	10	SHARED DISPOSITIVE POWER
		460,186
EACH		

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

460,186

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

2.39%¹

14 TYPE OF REPORTING PERSON (See Instructions)

PN

1 NAME OF REPORTING PERSONS

David Sandberg

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF	7	SOLE VOTING POWER
SHARES	8	SHARED VOTING POWER
		1,078,752
BENEFICIALLY	9	SOLE DISPOSITIVE POWER
OWNED BY	10	SHARED DISPOSITIVE POWER

EACH 1,078,752

REPORTING

PERSON

WITH:

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,078,752

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES (See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

5.61%¹

14 TYPE OF REPORTING PERSON (See Instructions)

IN

This Amendment No. 2 (Amendment No. 2) to Schedule 13D amends and supplements the statement on Schedule 13D originally filed by Red Oak Partners, LLC (the Reporting Persons) on March 18, 2013, as amended by amendment 1 (as amended, the Schedule 13D) relating to the common stock, par value \$.0001 per share (the Common Stock), of Digirad Corporation, a Delaware corporation (the Issuer). The principal executive offices of the Issuer are located at 13950 Stowe Drive, Poway, California 92064. Except as specifically amended and supplemented by this Amendment No. 2, all other provision of the Schedule 13D remain in full force and effect. Unless otherwise indicated, each capitalized term used but not defined herein shall have the meaning assigned to such term in the Schedule 13D.

Item 4. Purpose of Transaction.

On May 16, 2013, the Reporting Persons issued a press release relating to a motion and complaint it filed in Delaware Chancery Court seeking to compel Digirad Corporation to hold a new election of Directors. A copy of the press release is attached as Exhibit A. A copy of the motion is attached as Exhibit B. A copy of the complaint is attached as Exhibit C.

The Reporting Persons purchased the Common Stock subject to this Statement for investment purposes. The Reporting Persons will review their investments in the Common Stock from time to time, and, subject to applicable law and regulation and depending upon certain factors, including, without limitation, the financial performance of the Company, the availability and price of the Common Stock or other securities related to the Company, and other general market and investment conditions, the Reporting Persons may determine to:

.
acquire additional Common Stock through open market purchases or otherwise;

.
sell Common Stock through the open market or otherwise; or

.
otherwise engage or participate in a transaction with the purpose or effect of changing or influencing the control of the Company.

Such transactions may take place at any time and without prior notice. There can be no assurance, however, that any Reporting Person will take any such actions.

Item 7. Material to be Filed as Exhibits.

Exhibit A Press Release

Exhibit B Motion filed in Delaware Chancery Court

Exhibit C Complaint filed in Delaware Chancery Court

SIGNATURE

After reasonable inquiry and to best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: May 16, 2013

By:
/s/ David Sandberg

Name:
David Sandberg

RED OAK PARTNERS, LLC

By:
/s/ David Sandberg

Name:
David Sandberg

Title:
Managing Member

THE RED OAK FUND, L.P.

By:
RED OAK PARTNERS, LLC,

its general partner

By:
/s/ David Sandberg

Name:
David Sandberg

Title:
Managing Member

PINNACLE PARTNERS, LLC

By:
RED OAK PARTNERS, LLC,

its managing member

By:
/s/ David Sandberg

Name:
David Sandberg

Title:
Managing Member

PINNACLE FUND, LLLP

By:
PINNACLE PARTNERS, LLC,

its general partner

By:
/s/ David Sandberg

Name:
David Sandberg

Title:
Managing Member

Footnotes

1