

VECTOR LATER STAGE EQUITY FUND II LP
Form SC 13G/A
February 05, 2008

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

OMB APPROVAL
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hours per response...11

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. 1)***

DIGIRAD CORPORATION

(Name of Issuer)

COMMON STOCK, \$0.001 PAR VALUE

(Title of Class of Securities)

253827109

(CUSIP Number)

DECEMBER 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*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 the disclosures provided in a prior cover page.

The information required in 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).

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CUSIP No. 253827109

1. Names of Reporting Persons
VECTOR LATER-STAGE EQUITY FUND II, L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Citizenship or Place of Organization
DELAWARE
5. Sole Voting Power
0
6. Shared Voting Power
296,929
7. Sole Dispositive Power
0
8. Shared Dispositive Power
296,929
9. Aggregate Amount Beneficially Owned by Each Reporting Person
296,929
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o
11. Percent of Class Represented by Amount in Row (9)
1.6%
12. Type of Reporting Person (See Instructions)
PN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 253827109

1. Names of Reporting Persons
VECTOR LATER-STAGE EQUITY FUND II (QP), L.P.
2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)	x
(b)	o

3. SEC Use Only

4. Citizenship or Place of Organization
DELAWARE

Number of Shares Beneficially Owned by Each Reporting Person With	5.		Sole Voting Power 0
	6.		Shared Voting Power 890,789
	7.		Sole Dispositive Power 0
	8.		Shared Dispositive Power 890,789

9. Aggregate Amount Beneficially Owned by Each Reporting Person
890,789

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o

11. Percent of Class Represented by Amount in Row (9)
4.7%

12. Type of Reporting Person (See Instructions)
PN

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CUSIP No. 253827109

1. Names of Reporting Persons
VECTOR FUND MANAGEMENT II, L.L.C.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Citizenship or Place of Organization
DELAWARE
5. Sole Voting Power
0
6. Shared Voting Power
1,187,718
7. Sole Dispositive Power
0
8. Shared Dispositive Power
1,187,718
9. Aggregate Amount Beneficially Owned by Each Reporting Person
1,187,718
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o
11. Percent of Class Represented by Amount in Row (9)
6.3%
12. Type of Reporting Person (See Instructions)
PN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

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CUSIP No. 253827109

1. Names of Reporting Persons
PALIVACINNI PARTNERS, L.L.C.
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Citizenship or Place of Organization
DELAWARE
5. Sole Voting Power
28,835
6. Shared Voting Power
0
7. Sole Dispositive Power
28,835
8. Shared Dispositive Power
0
9. Aggregate Amount Beneficially Owned by Each Reporting Person
28,835
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o
11. Percent of Class Represented by Amount in Row (9)
0.2%
12. Type of Reporting Person (See Instructions)
PN

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CUSIP No. 253827109

1. Names of Reporting Persons
D. THEODORE BERGHORST
2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)	<input checked="" type="checkbox"/>
(b)	<input type="checkbox"/>
3. SEC Use Only
4. Citizenship or Place of Organization
UNITED STATES OF AMERICA

	5.	Sole Voting Power 90,302
Number of Shares Beneficially Owned by Each Reporting Person With	6.	Shared Voting Power 1,278,020
	7.	Sole Dispositive Power 90,302
	8.	Shared Dispositive Power 1,278,020

9. Aggregate Amount Beneficially Owned by Each Reporting Person
1,338,800
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)
11. Percent of Class Represented by Amount in Row (9)
7.1%
12. Type of Reporting Person (See Instructions)
IN

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CUSIP No. 253827109

1. Names of Reporting Persons
DEBORAH H. BERGHORST TTEE FBO BERGHORST 1998 DYNASTIC TRUST
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Citizenship or Place of Organization
DELAWARE
- | | | |
|---|----|----------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 5. | Sole Voting Power
60,780 |
| | 6. | Shared Voting Power
0 |
| | 7. | Sole Dispositive Power
60,780 |
| | 8. | Shared Dispositive Power
0 |
9. Aggregate Amount Beneficially Owned by Each Reporting Person
60,780
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o
11. Percent of Class Represented by Amount in Row (9)
0.3%
12. Type of Reporting Person (See Instructions)
OO

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CUSIP No. 253827109

1. Names of Reporting Persons
PETER F. DRAKE
2. Check the Appropriate Box if a Member of a Group (See Instructions)
(a) x
(b) o
3. SEC Use Only
4. Citizenship or Place of Organization
UNITED STATES OF AMERICA
- | | | |
|---|----|---------------------------------------|
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 5. | Sole Voting Power
42,892 |
| | 6. | Shared Voting Power
1,230,610 |
| | 7. | Sole Dispositive Power
42,892 |
| | 8. | Shared Dispositive Power
1,230,610 |
9. Aggregate Amount Beneficially Owned by Each Reporting Person
1,230,610
10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) o
11. Percent of Class Represented by Amount in Row (9)
6.5%
12. Type of Reporting Person (See Instructions)
IN

Item 1.

- (a) Name of Issuer
DIGIRAD CORPORATION
- (b) Address of Issuer's Principal Executive Offices
13950 STOWE DRIVE, POWAY, CA 92064

Item 2.

- (a) Name of Person Filing
THIS SCHEDULE 13G IS BEING JOINTLY FILED BY EACH OF THE FOLLOWING PERSONS PURSUANT TO RULE 13-d(1) (k) PROMULGATED BY THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO SECTION 13 OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED (THE "ACT"); (1) VECTOR LATER-STAGE EQUITY FUND II, L.P. ("VLSEF II"); (2) VECTOR LATER-STAGE EQUITY FUND II (QP), L.P. ("VLSEF II QP"); (3) VECTOR FUND MANAGEMENT II, L.L.C. ("VFM II"); (4) PALIVACINNI PARTNERS, L.L.C.; (5) D. THEODORE BERGHORST; (6) DEBORAH BERGHORST TTEE FBO BERGHORST 1998 DYNASTIC TRUST ("TRUST"); (7) PETER F. DRAKE. EACH OF THE FOREGOING IS HEREINAFTER INDIVIDUALLY REFERRED TO AS A "REPORTING PERSON" AND COLLECTIVELY AS THE "REPORTING PERSONS". THE REPORTING PERSONS HAVE ENTERED INTO A JOINT FILING AGREEMENT, A COPY OF WHICH IS FILED WITH THIS SCHEDULE 13G AS EXHIBIT A, PURSUANT TO WHICH THE REPORTING PERSONS HAVE AGREED TO FILE THIS STATEMENT JOINTLY IN ACCORDANCE WITH THE PROVISIONS OF RULE 13d-1 (k) (1) UNDER THE ACT.

THE REPORTING PERSONS MAY BE DEEMED TO CONSTITUTE A "GROUP" FOR PURPOSES OF SECTION 13(d) (3) OF THE ACT. THE REPORTING PERSONS EXPRESSLY DISCLAIM THAT THEY HAVE AGREED TO ACT AS A GROUP OTHER THAN AS DESCRIBED IN THIS SCHEDULE 13G.

- (b) Address of Principal Business Office or, if none, Residence
THE ADDRESS OF THE PRINCIPAL BUSINESS OFFICE OF EACH OF THE REPORTING PERSONS IS 1751 LAKE COOK ROAD, SUITE 350,

DEERFIELD, ILLINOIS 60015.
- (c) Citizenship
VLSEF II, VLSEF QP, VFM II, PALIVACINNI PARTNERS, L.L.C. AND THE TRUST ARE ALL REPORTING PERSONS ORGANIZED UNDER THE LAWS OF THE STATE OF DELAWARE. D. THEODORE BERGHORST AND PETER F. DRAKE ARE REPORTING PERSONS WHO ARE CITIZENS OF THE UNITED STATES OF AMERICA.
- (d) Title of Class of Securities
COMMON STOCK, PER VALUE \$0.001 PER SHARE
- (e) CUSIP Number
253827109

Item 3.

If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)

(j)

o

A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);

Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1. PURSUANT TO RULE 13d-4 OF THE ACT, THE REPORTING PERSONS EXPRESSLY DECLARE THAT THE FILING OF THIS STATEMENT SHALL NOT BE CONSTRUED AS AN ADMISSION THAT ANY SUCH PERSON IS, FOR THE PURPOSES OF SECTION 13(d) AND/OR SECTION 13(g) OF THE ACT, THE BENEFICIAL OWNER OF ANY SECURITIES COVERED BY THIS STATEMENT.

ALL OWNERSHIP PERCENTAGES OF THE SECURITIES REPORTED HEREIN ARE BASED UPON 18,861,398 SHARES OF COMMON STOCK OUTSTANDING AS OF OCTOBER 9, 2007, AS DISCLOSED IN THE COMPANY'S QUARTERLY REPORT FILED ON FORM 10-Q WITH THE SECURITIES AND EXCHANGE COMMISSION ON OCTOBER 25, 2007 FOR THE FISCAL QUARTER ENDED SEPTEMBER 30, 2007.

VLSEF II

- (a) Amount beneficially owned:
296,929
- (b) Percent of class:
1.6%
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or to direct the vote
0
 - (ii) Shared power to vote or to direct the vote
296,929
 - (iii) Sole power to dispose or to direct the disposition of
0
 - (iv) Shared power to dispose or to direct the disposition of
296,929

Item 4. Ownership (Cont.)

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

VLSEF II QP

- (a) Amount beneficially owned:
890,789
- (b) Percent of class:
4.7%
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or to direct the vote
0
 - (ii) Shared power to vote or to direct the vote
890,789
 - (iii) Sole power to dispose or to direct the disposition of
0
 - (iv) Shared power to dispose or to direct the disposition of
890,789

Item 4. Ownership (Cont.)

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

VFM II

(a) Amount beneficially owned:

DISPOSITIVE AND VOTING POWER OF SECURITIES OVER WHICH VLSEF II AND VLSEF II QP HAVE VOTING AND DISPOSITIVE POWER IS SHARED BY VFM II, THE GENERAL PARTNER OF VLSEF II AND VLSEF QP, BY A COMMITTEE OF LIMITED PARTNERS OF VLSEF II AND VLSEF II QP. FOR PURPOSES OF RULE 13d-3 OF THE ACT, VFM II MAY BE DEEMED TO HAVE SHARED VOTING AND DISPOSITIVE POWER WITH RESPECT TO THE 1,187,718 SHARES OF COMMON STOCK OVER WHICH VLSEF II AND VLSEF QP HAVE VOTING AND DISPOSITIVE POWER.

(b) Percent of class:

6.3%

(c) Number of shares as to which the person has:

1,187,718

- (i) Sole power to vote or to direct the vote
 - (ii) 0
Shared power to vote or to direct the vote
 - (iii) 1,187,718
Sole power to dispose or to direct the disposition of
 - (iv) 0
Shared power to dispose or to direct the disposition of
- 1,187,718

Item 4. Ownership (Cont.)

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

Palivacinni Partners, L.L.C.

(a) Amount beneficially owned:

PALIVACINNI PARTNERS, L.L.C. IS A DIRECT BENEFICIAL OWNER OF AND HAS SOLE DISPOSITIVE AND VOTING POWER OVER 28,835 SHARES OF COMMON STOCK. PALVIACINNI PARTNERS, L.L.C. DISCLAIMS BENEFICIAL OWNERSHIP OF ANY OTHER SECURITIES COVERED BY THIS STATEMENT.

(b) Percent of class:

0.2%

(c) Number of shares as to which the person has:

28,835

(i) Sole power to vote or to direct the vote

28,835

(ii) Shared power to vote or to direct the vote

0

(iii) Sole power to dispose or to direct the disposition of

28,835

(iv) Shared power to dispose or to direct the disposition of

0

Item 4. Ownership (Cont.)

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

D. Theodore Berghorst

(a) Amount beneficially owned:

D. THEODORE BERGHORST IS A DIRECT BENEFICIAL OWNER OF AND HAS SOLE DISPOSITIVE AND VOTING POWER OVER 90,302 SHARES OF COMMON STOCK. ALSO, BY VIRTUE OF D. THEODORE BERGHORST BEING AN OFFICER AND DIRECTOR OF VFM II (THE GENERAL PARTNER OF VLSEF II, AND VLSEF II QP) FOR PURPOSES OF RULE 13d-3 OF THE ACT, HE MAY BE DEEMED TO BE A BENEFICIAL OWNER OF THE 1,187,718 SHARES OF COMMON STOCK BENEFICIALLY OWNED BY VLSEF II, VLSEF II QP, AND VFM II. AS FINANCIAL ADVISOR FOR THE BERGHORST 1998 DYNASTIC TRUST ("THE TRUST"), FOR PURPOSES OF RULE 13d-3 OF THE ACT, HE MAY ALSO BE DEEMED TO BE A BENEFICIAL OWNER OF THE 60,780 SHARES OF COMMON STOCK OWNED BY THE TRUST. D. THEODORE BERGHORST DISCLAIMS BENEFICIAL OWNERSHIP OF ANY OTHER SECURITIES COVERED BY THIS STATEMENT.

(b) Percent of class:

7.1%

(c) Number of shares as to which the person has:

- (i) Sole power to vote or to direct the vote
- 90,302
- (ii) Shared power to vote or to direct the vote
- 1,278,020
- (iii) Sole power to dispose or to direct the disposition of
- 90,302
- (iv) Shared power to dispose or to direct the disposition of
- 1,278,020

Item 4. Ownership (Cont.)

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

Deborah Berghorst TTEE FBO Berghorst 1998 Dynastic Trust ("the Trust")

(a) Amount beneficially owned:

THE TRUST IS A DIRECT BENEFICIAL OWNER OF AND HAS SOLE DISPOSITIVE AND VOTING POWER OVER 60,780 SHARES OF COMMON STOCK. THE TRUST DISCLAIMS BENEFICIAL OWNERSHIP OF ANY OTHER SECURITIES COVERED BY THIS STATEMENT.

(b) Percent of class:

0.3%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

60,780

(ii) Shared power to vote or to direct the vote

0

(iii) Sole power to dispose or to direct the disposition of

60,780

(iv) Shared power to dispose or to direct the disposition of

0

Item 4. Ownership (Cont.)

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

Peter F. Drake

(a) Amount beneficially owned:

PETER F. DRAKE IS A DIRECT BENEFICIAL OWNER OF AND HAS SOLE DISPOSITIVE AND VOTING POWER OVER 42,982 SHARES OF COMMON STOCK. PETER F. DRAKE BEING A DIRECTOR OF VFM II (THE GENERAL PARTNER OF VLSEF II AND VLSEF II QP), FOR PURPOSES OF RULE 13d-3 OF THE ACT, HE MAY BE A BENEFICIAL OWNER OF THE 1,187,718 SHARES OF COMMON STOCK BENEFICIALLY OWNED BY VLSEF II, VLSEF II QP, AND VFM II. PETER F. DRAKE DISCLAIMS BENEFICIAL OWNERSHIP OF ANY OTHER SECURITIES COVERED BY THIS STATEMENT.

(b) Percent of class:

6.5%

(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

42,892

(ii) Shared power to vote or to direct the vote

1,230,610

(iii) Sole power to dispose or to direct the disposition of

42,892

(iv) Shared power to dispose or to direct the disposition of

1,230,610

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership of More than Five Percent on Behalf of Another Person

SEE RESPONSE TO ITEM 4

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

NOT APPLICABLE

Item 8. Identification and Classification of Members of the Group

NOT APPLICABLE

Item 9. Notice of Dissolution of Group

NOT APPLICABLE

Item 10. Certification

NOT APPLICABLE

Signature

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

Date: February 4, 2008

VECTOR LATER-STAGE EQUITY FUND II, L.P.

BY: VECTOR FUND MANAGEMENT II, L.L.C.
ITS: GENERAL PARTNER

BY: VECTOR ASSET MANAGEMENT, INC.
ITS: MANAGING MEMBER

BY: /s/ THOMAS C. DORN
CHIEF FINANCIAL OFFICER

VECTOR LATER-STAGE EQUITY FUND II (QP), L.P.

BY: VECTOR FUND MANAGEMENT II, L.L.C.
ITS: GENERAL PARTNER

BY: VECTOR ASSET MANAGEMENT, INC.
ITS: MANAGING MEMBER

BY: /s/ THOMAS C. DORN
CHIEF FINANCIAL OFFICER

VECTOR FUND MANAGEMENT II, L.L.C.

BY: VECTOR ASSET MANAGEMENT, INC.
ITS: MANAGING MEMBER

BY: /s/ THOMAS C. DORN
CHIEF FINANCIAL OFFICER

PALIVACINNI PARTNERS, L.L.C.

BY: /s/ DOUGLAS B. REED
DOUGLAS B. REED, MANAGING MEMBER

/s/ D. THEODORE BERGHORST
D. THEODORE BERGHORST

DEBORAH H. BERGHORST TTEE
FBO BERGHORST 1998 DYNASTIC TRUST

BY: /s/ D. THEODORE BERGHORST
D. THEODORE BERGHORST, FINANCIAL
ADVISOR

/s/ PETER F. DRAKE
PETER F. DRAKE