

KNOTT DAVID M
Form 4
February 19, 2009

FORM 4

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

OMB APPROVAL

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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 *
KNOTT DAVID M

2. Issuer Name and Ticker or Trading Symbol
LIGAND PHARMACEUTICALS
INC [LGND]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
485 UNDERHILL BLVD, STE 205
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/17/2009

Director 10% Owner
 Officer (give title below) Other (specify below)

SYOSSET, NY 11791-3419

(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

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 | 02/17/2009 | | P | | 511,800 (6) | A | \$ 2.6 | 3,369,983 | I | By Knott Partners, L.P. (1) (5) |
| Common Stock | 02/17/2009 | | S | | 235,500 (6) | D | \$ 4.6 | 1,521,941 | I | By Shoshone Partners, L.P. (1) (5) |
| Common Stock | 02/17/2009 | | P | | 240,000 (6) | A | \$ 2.6 | 267,600 | I | By Mulsanne Partners, L.P. (1) (5) |

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| | | | | | | | | | |
|------------------|------------|--|---|----------------|---|-----------|-----------|---|--|
| Common Stock | 02/17/2009 | | S | 591,100 (6) | D | \$ 4.6 | 2,704,228 | I | By Knott Partners Offshore Master Fund, L.P. (1) (5) |
| Common Stock | | | | | | | 259,184 | I | By Ostra Capital Partners, L.P. (2) (5) |
| Common Stock | 02/17/2009 | | P | 59,400 (6) | A | \$ 2.6 | 185,290 | I | By Managed Accounts A (3) (5) |
| Common Stock | 02/17/2009 | | P | 15,400 (6) | A | \$ 2.6 | 118,931 | I | By Managed Accounts B (3) (5) |
| Common Stock | | | | | | | 4,000 | I | By Managed Accounts C (3) (5) |
| Common Stock | | | | | | | 69,500 | I | By Managed Accounts D (3) (5) |
| Common Stock (4) | | | | | | | 10,000 | D | |
| Common Stock | | | | | | | 82,400 | I | By Ostra Capital Partners VII, L.P. (2) (5) |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities | 8. Price of Derivative Security (Instr. 5) | 9. Net Beneficial |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|-------------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|-------------------|

| Derivative Security | Securities 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 | (Instr. 3 and 4) |
|---------------------|---|------|---|-----|-----|------------------|-----------------|-------|----------------------------|------------------|
| | | | | | | | | | | Own |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| KNOTT DAVID M 485 UNDERHILL BLVD STE 205 SYOSSET, NY 11791-3419 | X | | | |

Signatures

/s/ David M.
 Knott

02/19/2009

**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).
- (1) The Reporting Person is the managing member of Knott Partners Management, LLC, which is (i) the sole general partner of Shoshone Partners, L.P., Knott Partners Offshore Master Fund, L.P. and Mulsanne Partners, L.P. and (ii) the managing general partner of Knott Partners, L.P. The Reporting Person is also a general partner of Knott Partners, L.P.
- (2) The Reporting Person is the sole shareholder, director and president of Dorset Management Corporation, which is the employer of Richard Murawczyk, the managing member of the general partner of Ostra Capital Partners, L.P. and Ostra Capital Partners VII, L.P., with which Dorset Management Corporation has a trading relationship.
- (3) The securities identified in this row are held by a managed account for which Dorset Management Corporation provides portfolio management services. The Reporting Person is the President and sole director of Dorset Management Corporation.
- (4) The securities reported in Column 4 of Table I represent restricted shares of Common Stock of Ligand Pharmaceuticals, granted to all directors at the annual meeting of the shareholders on May 29, 2008. The restricted stock vests on the first anniversary of the date of grant.

- As a result of the Reporting Person's interests in Knott Partners Management, LLC and in Dorset Management Corporation, the Reporting Person has investment discretion and control of the securities represented in this entry. The Reporting Person may be deemed to beneficially own an indirect pecuniary interest in the securities represented in this entry as a result of its performance-related fee. Except with respect to Knott Partners, L.P., Knott Partners Offshore Master Fund, L.P. and Shoshone Partners, L.P., in which the Reporting Person owns a beneficial interest, the Reporting Person disclaims beneficial ownership therein except to the extent ultimately realized. Each of Knott Partners, L.P., Shoshone Partners, L.P., Mulsanne Partners, L.P., Knott Partners Offshore Master Fund, L.P., Ostra Capital Partners, L.P., Ostra Capital Partners VII, L.P. and each of the Managed Accounts disclaims beneficial ownership of securities reported as owned by any other party.
- (6)

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Each entry reports a component of a cross transaction in the common stock described in footnote 1 among the accounts identified in Column 7 of Table I that are coded P or S in Column 3. The cross transactions reported reflect a reallocation of common stock among those accounts, and the accounts that disposed of common stock in the cross transaction did not acquire any common stock in the cross transaction.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.