

KNOTT DAVID M
Form 4
March 12, 2010

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)

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

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

485 UNDERHILL BLVD, STE 205

03/10/2010

(Street)

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

SYOSSET, NY 11791-3419

(City) (State) (Zip)

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) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---|------------------------------------|
| | | | | (A) or (D) | Price | | | | |
| | | | | Code | V | Amount | | | |
| Common Stock | 03/10/2010 | | S | 67,200 | D | \$ 1.71 | 3,364,283 | I | By Knott Partners, L.P. (1) (3) |
| Common Stock | 03/11/2010 | | S | 32,900 | D | \$ 1.6763 | 3,331,383 | I | By Knott Partners, L.P. (1) (3) |
| Common Stock | 03/10/2010 | | S | 23,801 | D | \$ 1.71 | 1,121,830 | I | By Shoshone Partners, L.P. (1) (3) |
| | 03/11/2010 | | S | 9,100 | D | | 1,112,730 | I | |

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| | | | | | | | | |
|--------------|------------|---|--------|---|-----------|-----------|---|--|
| Common Stock | | | | | \$ 1.6763 | | | By Shoshone Partners, L.P. <u>(1)</u> <u>(3)</u> |
| Common Stock | 03/10/2010 | S | 5,900 | D | \$ 1.71 | 336,600 | I | By Mulsanne Partners, L.P. <u>(1)</u> <u>(3)</u> |
| Common Stock | 03/11/2010 | S | 1,900 | D | \$ 1.6763 | 334,700 | I | By Mulsanne Partners, L.P. <u>(1)</u> <u>(3)</u> |
| Common Stock | 03/10/2010 | S | 33,100 | D | \$ 1.71 | 2,467,828 | I | By Knott Partners Offshore Master Fund, L.P. <u>(1)</u> <u>(3)</u> |
| Common Stock | 03/11/2010 | S | 16,100 | D | \$ 1.6763 | 2,451,728 | I | By Knott Partners Offshore Master Fund, L.P. <u>(1)</u> <u>(3)</u> |
| Common Stock | | | | | | 192,590 | I | By Managed Accounts A <u>(2)</u> <u>(3)</u> |
| Common Stock | | | | | | 72,796 | I | By Managed Accounts B <u>(2)</u> <u>(3)</u> |
| Common Stock | | | | | | 64,596 | I | By Managed Accounts B <u>(2)</u> <u>(3)</u> |
| Common Stock | | | | | | 4,000 | I | By Managed Accounts C <u>(2)</u> <u>(3)</u> |
| Common Stock | | | | | | 69,500 | I | By Managed Accounts D <u>(2)</u> <u>(3)</u> |
| Common Stock | | | | | | 15,000 | D | |

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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 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 Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Non-Qualified Stock Option (right to buy) | \$ 2.98 | | | | | (4) 05/29/2010 | Common Stock | 15,000 |

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 03/12/2010

**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).

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)

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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.

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

- (3) 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. and Knott Partners Offshore Master Fund, L.P. and each of the Managed Accounts disclaims beneficial ownership of securities reported as owned by any other party.
- (4) The option becomes exercisable in twelve successive equal monthly installments upon completion of each calendar month of service beginning 5/29/09.

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.