Walbert Timothy P Form 4 October 28, 2011

FORM 4

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

Check this box subject to

if no longer 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 * Walbert Timothy P

2. Issuer Name and Ticker or Trading Symbol

XOMA LTD /DE/ [XOMA]

(First) (Middle) (Last)

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

C/O XOMA LTD., 2910 SEVENTH STREET

(Street)

10/27/2011

Officer (give title Other (specify below)

5. Relationship of Reporting Person(s) to

(Check all applicable)

10% Owner

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

6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

(A)

BERKELEY, CA 94710

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

Issuer

X_ Director

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (I) Ownership (Instr. 4)

(Instr. 4)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

or Code V Amount (D) Price

Transaction(s) (Instr. 3 and 4)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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 3A. Deemed

(Month/Day/Year) Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amour **Underlying Securit** (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	or Dispos (D) (Instr. 3, 4	osed of				
				Code V	V (A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Num of Sh
Non-Qualified Share Option (right to buy)	\$ 1.69	10/27/2011		A	17,544		<u>(1)</u>	10/27/2021	Common Shares	17,5
Restricted Stock Units	\$ 0	10/27/2011		A	13,495		(2)	(2)	Common Shares	13,4

Reporting Owners

Reporting Owner Name / Address	Relationships							
• 0	Director	10% Owner	Officer	Other				
Walbert Timothy P								
C/O XOMA LTD.	X							
2910 SEVENTH STREET	Λ							
BERKELEY, CA 94710								

Signatures

By: Christopher J. Margolin For: Timothy P. Walbert 10/27/2011

**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 Non-Qualified Stock Option is exercisable as to 40% of the options on the grant date, with the remaining 60% vesting in monthly increments beginning 11/28/2011 and ending 10/28/2013.
- (2) These restricted stock units are scheduled to vest in substantially equal installments annually over three years, with the first installment vesting on October 28, 2012.

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.

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