

KNOTT DAVID M  
Form 4  
June 06, 2011

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to 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 \*  
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

06/01/2011

(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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock <u>(1)</u>					587,180	I	By Knott Partners, L.P. <u>(2)</u> <u>(4)</u>
Common Stock <u>(1)</u>					176,571	I	By Shoshone Partners, L.P. <u>(2)</u> <u>(4)</u>
Common Stock <u>(1)</u>					75,033	I	By Mulsanne Partners, L.P. <u>(2)</u> <u>(4)</u>

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Common Stock <u>(1)</u>						345,834	I	By Knott Partners Offshore Master Fund, L.P. <u>(2)</u> <u>(4)</u>
Common Stock <u>(1)</u>						1,666	I	By Managed Accounts C <u>(3)</u> <u>(4)</u>
Common Stock <u>(1)</u>						34,583	I	By Managed Accounts D <u>(3)</u> <u>(4)</u>
Common Stock <u>(1)</u>						20,100	I	By Managed Accounts E <u>(3)</u> <u>(4)</u>
Common Stock <u>(1)</u> <u>(5)</u> <u>(6)</u>	06/01/2011		J	7,372	A	<u>(7)</u> 50,705	D	

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

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SEC 1474  
(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)
Non-Qualified Stock Option (right to buy) <u>(1)</u> <u>(8)</u> <u>(9)</u>	\$ 10.12	06/01/2011		A	7,335	<u>(9)</u> 06/01/2021	Common Stock 7,335

Non-Qualified Stock Option (right to buy) <u>(1)</u> <u>(8)</u> <u>(9)</u>	\$ 1.43	<u>(10)</u>	05/25/2020	Common Stock	2,50
Non-Qualified Stock Option (right to buy) <u>(1)</u> <u>(8)</u> <u>(9)</u>	\$ 2.98	<u>(10)</u>	05/29/2019	Common Stock	2,50
Non-Qualified Stock Option (right to buy) <u>(1)</u> <u>(8)</u> <u>(9)</u>	\$ 8.89	<u>(10)</u>	03/01/2017	Common Stock	3,33

## 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

06/06/2011

  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 stock represented in Column 5 of Table I and Column 9 of Table II reflects the Company's 6:1 reverse stock split on November 19, 2010 (the "Reverse Stock Split"), reported on a Form 4 filed today.
- (2) The Reporting Person is the managing member of Knott Partners Management, LLC, which is (a) the sole general partner of Shoshone Partners, L.P., Knott Partners Offshore Master Fund, L.P. and Mulsanne Partners, L.P. and (b) the managing general partner of Knott Partners, L.P. The Reporting Person is also a general partner of Knott Partners, L.P.
- (3) The Reporting Person is the sole director and the president of Dorset Management Corporation, which provides investment management services to separate institutional managed accounts (each, a "Managed Account").
- (4) 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 in this entry. The Reporting Person may be deemed to beneficially own an indirect pecuniary interest in securities in this entry as a result of a performance related fee. Except with respect to Knott Partners, L.P., Knott Partners Offshore Master Fund, L.P., Shoshone Partners, L.P., and Mulsanne 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., Knott Partners Offshore Master Fund, L.P., Shoshone Partners, L.P., Mulsanne Partners, L.P., and each of the Managed Accounts disclaims beneficial ownership of securities reported as owned by any other party.
- (5) Of these securities, as represented in Column 5: (a) 3,332 shares were acquired by a grant of 833 shares by the Board of Directors of the Company at each of the Company's annual meetings of shareholders on May 25, 2010, May 29, 2009, May 29, 2008, and May 31, 2007. All such grants vested in twelve successive equal monthly installments from the date of grant or immediately upon a change in

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control or a hostile takeover of the Company or the death or permanent disability of the grantee if still serving at that time. (cont. fn 6)

- (6) Previous filings originally reporting these grants on Forms 4 filed May 27, 2010, March 11, 2010 and May 29, 2008 (with respect to the shares granted in 2010, 2009 and 2008) failed to report the vesting schedule accurately; (b) 2,925 shares were acquired by a grant by the Board of Directors of the Company at the Company's annual meeting of its shareholders on June 1, 2011 (the "2011 Meeting") and will vest on the first anniversary of the date of grant or immediately (x) upon a change in control or a hostile takeover of the Company or (y) the death or permanent disability of the grantee if still serving at that time; and (c) in lieu of receiving at the 2011 Annual Meeting the annual cash retainer paid to directors of the Company, 4,447 shares were acquired directly from the Company at a price of \$10.12 per share.
- (7) Of the securities reported in this Column 4 under Number of Securities, only 4,447 shares were acquired at a price of \$10.12 per share.
- (8) Of these securities, as represented in Column 9: (a) 2,500 were acquired by a grant of the Board of Directors of the Company at each of the Company's annual meetings of shareholders on May 25, 2010 and May 29, 2009 and 3,333 were acquired by a grant of the Board of Directors of the Company upon the Reporting Person's appointment to the Board of Directors on March 1, 2007. The options granted upon appointment to the Board of Directors vested on the first anniversary of the date of grant and the remaining options vested in twelve successive equal monthly installments from the date of grant; all vested immediately (x) upon a change in control or a hostile takeover of the Company or (y) the death or permanent disability of the grantee if still serving at that time. (cont. fn 9)
- (9) Previous filings originally reporting these grants on Forms 4 filed May 27, 2010 and March 11, 2010 (with respect to the securities granted in 2010 and 2009) failed to report the vesting schedule and the date of expiration accurately. The Form 4 filed May 27, 2010 failed to include 8,333 of these securities (50,000 pre-Reverse Stock Split). The Form 4 filed March 11, 2010 and the amended Form 4 filed March 11, 2010 each failed to include 3,333 of these securities (20,000 pre-Reverse Stock Split); and (b) 7,335 were acquired by a grant by the Board of Directors of the Company at the 2011 Meeting and will vest on the first anniversary of the date of grant or immediately (x) upon a change in control or a hostile takeover of the Company or (y) the death or permanent disability of the grantee if still serving at that time.
- (10) This option is currently exercisable.

### Remarks:

This filing reflects corrections to vesting schedule for and the characterization of certain of the securities set forth in the Table

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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