

KNOTT DAVID M  
Form 4  
March 11, 2010

**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

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

(Street)

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)<br>Code V Amount (D) Price                             |                                                                                               |                                                          |                                    |
| Common Stock                    |                                      |                                                    |                                |                                                                   | 3,445,483                                                                                     | I                                                        | By Knott Partners, L.P. (1) (4)    |
| Common Stock                    |                                      |                                                    |                                |                                                                   | 1,200,441                                                                                     | I                                                        | By Shoshone Partners, L.P. (1) (4) |
| Common Stock                    |                                      |                                                    |                                |                                                                   | 704,200                                                                                       | I                                                        | By Mulsanne Partners, L.P. (1) (4) |

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|              |            |  |   |       |   |           |        |                                                                    |
|--------------|------------|--|---|-------|---|-----------|--------|--------------------------------------------------------------------|
| Common Stock |            |  |   |       |   | 2,500,928 | I      | By Knott Partners Offshore Master Fund, L.P. <u>(1)</u> <u>(4)</u> |
| Common Stock |            |  |   |       |   | 259,184   | I      | By Ostra Capital Partners, L.P. <u>(2)</u> <u>(4)</u>              |
| Common Stock |            |  |   |       |   | 192,590   | I      | By Managed Accounts A <u>(3)</u> <u>(4)</u>                        |
| Common Stock |            |  |   |       |   | 124,331   | I      | By Managed Accounts B <u>(3)</u> <u>(4)</u>                        |
| Common Stock |            |  |   |       |   | 4,000     | I      | By Managed Accounts C <u>(3)</u> <u>(4)</u>                        |
| Common Stock |            |  |   |       |   | 69,500    | I      | By Managed Accounts D <u>(3)</u> <u>(4)</u>                        |
| Common Stock | 05/29/2009 |  | A | 5,000 | A | \$ 0      | 15,000 | D                                                                  |
| Common Stock |            |  |   |       |   | 82,400    | I      | By Ostra Capital Partners VII, L.P. <u>(2)</u> <u>(4)</u>          |

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

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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 Securities Acquired (A) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|
|--------------------------------------------|------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|

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|                                           | Derivative Security |            | Code | or Disposed of (D) (Instr. 3, 4, and 5) |     | Date Exercisable | Expiration Date | Title        | Amount or Number of Shares |
|-------------------------------------------|---------------------|------------|------|-----------------------------------------|-----|------------------|-----------------|--------------|----------------------------|
|                                           |                     |            |      | (A)                                     | (D) |                  |                 |              |                            |
| Non-Qualified Stock Option (right to buy) | \$ 2.98             | 05/29/2009 | A    | 15,000                                  | (5) |                  | 05/29/2010      | Common Stock | 15,000                     |

## Reporting Owners

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

## Signatures

/s/ David M. Knott  
03/11/2010

\*\*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).
- (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) 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.
- (5) 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.

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