

KNOTT DAVID M  
Form 4  
May 27, 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

05/25/2010

(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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Stock					3,131,883	I	By Knott Partners, L.P. (2) (4)
Common Stock					1,046,230	I	By Shoshone Partners, L.P. (2) (4)
Common Stock					321,800	I	By Mulsanne Partners, L.P. (2) (4)

Common Stock						2,357,528	I	By Knott Partners Offshore Master Fund, L.P. <u>(2)</u> <u>(4)</u>
Common Stock						62,296	I	By Knott Partners Offshore (SRI) Fund Limited <u>(3)</u> <u>(4)</u>
Common Stock						187,990	I	By Managed Accounts A <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						15,000	D	
Restricted Common Stock <u>(1)</u>	05/25/2010		A	5,000	A	\$ 0 5,000	D	

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 Security (Instr. 3 and 4)
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			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 1.43	05/25/2010	A		15,000		(5)	05/25/2011	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

05/27/2010

\*\*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 restricted stock represented in Column I of Table I (i) represents, for each share thereof, a contingent right to receive one share of common stock of the Company, (ii) was acquired by a grant of the Board of Directors of the Company at their annual meeting on May 25, 2010, and (iii) vests in twelve successive equal monthly installments from the date of grant.

(2) 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.

(3) The Reporting Person is the sole director and the president of Dorset Management Corporation, which (i) provides investment management services to Knott Partners Offshore (SRI) Fund Limited and (ii) 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., 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., Knott Partners Offshore Master Fund, L.P., Shoshone Partners, L.P., Mulsanne Partners, L.P., Knott Partners Offshore (SRI) Fund Limited, and each of the Managed Accounts disclaims beneficial ownership of securities reported as owned by any other party.

(5) The option represented in Column I of Table II (a) was acquired by a grant of the Board of Directors of the Company at their annual meeting on May 25, 2010, and (b) vests in twelve successive equal monthly installments upon completion of each calendar month of service from the date of grant.

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.