

ALDRICH RICHARD
Form 4
October 08, 2008

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 *
RA CAPITAL MANAGEMENT, LLC

(Last) (First) (Middle)

C/O RA CAPITAL MANAGEMENT, LLC, 800 BOYLSTON STREET, SUITE 1500

(Street)

BOSTON, MA 02199

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ARADIGM CORP [ARDM]

3. Date of Earliest Transaction (Month/Day/Year)
10/06/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

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)
Common Stock	10/06/2008		S	V	Amount \$ 1,000,000 (D) Price 0.35	6,681,410 (1) I	see footnote (2)

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)

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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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Transaction (Instr. 6)
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RA CAPITAL MANAGEMENT, LLC C/O RA CAPITAL MANAGEMENT, LLC 800 BOYLSTON STREET, SUITE 1500 BOSTON, MA 02199		X		
ALDRICH RICHARD C/O RA CAPITAL MANAGEMENT, LLC 800 BOYLSTON STREET, SUITE 1500 BOSTON, MA 02199		X		
Kolchinsky Peter C/O RA CAPITAL MANAGEMENT, LLC 800 BOYLSTON STREET, SUITE 1500 BOSTON, MA 02199		X		
RA Capital Biotech Fund LP C/O RA CAPITAL MANAGEMENT, LLC 800 BOYLSTON STREET, SUITE 1500 BOSTON, MA 02199		X		
RA Capital Biotech Fund II, L.P. C/O RA CAPITAL MANAGEMENT, LLC 800 BOYLSTON STREET, SUITE 1500 BOSTON, MA 02199		X		

Signatures

Peter Kolchinsky, Manager of RA Capital Management, LLC	10/08/2008
**Signature of Reporting Person	Date
Richard H. Aldrich	10/08/2008
**Signature of Reporting Person	Date
Peter Kolchinsky	10/08/2008

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<u>Signature of Reporting Person</u>	Date
Peter Kolchinsky, Manager of RA Capital Management, LLC, the General Partner of RA Capital Healthcare Fund, L.P.	10/08/2008

<u>Signature of Reporting Person</u>	Date
Peter Kolchinsky, Manager of RA Capital Management, LLC, the General Partner of RA Capital Healthcare Fund II, L.P.	10/08/2008

<u>Signature of Reporting Person</u>	Date
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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) This number represents 6,597,657 shares held by RA Capital Healthcare Fund, L.P. ("Fund I") and 83,753 shares held by RA Capital Healthcare Fund II, L.P. ("Fund II").
RA Capital Management, LLC (the "General Partner") is the general partner of both Fund I and Fund II, and Richard H. Aldrich and
- (2) Peter Kolchinsky are the sole managers of the General Partner. Each of the Reporting Persons disclaims his or its beneficial ownership of any shares of the above named Issuer reported herein, except to the extent of his or its pecuniary interest therein.

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.