

ARADIGM CORP
Form 4
October 14, 2008

FORM 4

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

OMB APPROVAL

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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 *
TANG KEVIN C

(Last) (First) (Middle)
4401 EASTGATE MALL
(Street)
SAN DIEGO, CA 92121

(City) (State) (Zip)

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

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

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	10/10/2008		P	V Amount (A) or (D) Price \$ 45,000 A 0.2356	5,355,000	I ⁽¹⁾	By LP ⁽¹⁾
Common Stock					470,000	I ⁽²⁾	As Trustee ⁽²⁾
Common Stock					70,000	D ⁽³⁾	

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

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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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TANG KEVIN C 4401 EASTGATE MALL SAN DIEGO, CA 92121		X		
TANG CAPITAL MANAGEMENT LLC 4401 EASTGATE MALL SAN DIEGO, CA 92121		X		
TANG CAPITAL PARTNERS LP 4401 EASTGATE MALL SAN DIEGO, CA 92121		X		

Signatures

/s/ Kevin C. Tang	10/14/2008
__Signature of Reporting Person	Date
/s/ Kevin C. Tang as Managing Member	10/14/2008
__Signature of Reporting Person	Date
/s/ Kevin C. Tang as the Managing Member of Tang Capital Management, LLC, General Partner	10/14/2008
__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).
- The securities are held by Tang Capital Partners, LP. Kevin C. Tang is the sole manager of Tang Capital Management, LLC, which is the
- (1) general partner of Tang Capital Partners, LP. Mr. Tang disclaims beneficial ownership of the securities except to the extent of his pecuniary interest therein.

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- (2) The securities are held by Kevin C. Tang as custodian for his minor children, as Trustee of the Tang Family Trust and as Trustee of the Tang Advisors, LLC Profit Sharing Plan.
- (3) The securities are held by Kevin C. Tang's IRA.

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.