

ARADIGM CORP
Form 4
July 11, 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 *
First Eagle Value in Biotechnology
Master Fund, Ltd.

(Last) (First) (Middle)

C/O FIRST EAGLE INVESTMENT
MANAGEMENT, 1345 AVENUE
OF THE AMERICAS

(Street)

NEW YORK, NY 10105

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
07/07/2011

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) ___X___ Other (specify below)

See Footnote 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	07/07/2011		P		10,625,000	A	\$ 0.19
					71,357,909	I (1)	See Footnote 1 (1)

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. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
				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
First Eagle Value in Biotechnology Master Fund, Ltd. C/O FIRST EAGLE INVESTMENT MANAGEMENT 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105		X		See Footnote below
21 APRIL FUND LP C/O FIRST EAGLE INVESTMENT MANAGEMENT 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105		X		See Footnote below
21 APRIL FUND LTD C/O FIRST EAGLE INVESTMENT MANAGEMENT 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105		X		See Footnote below
DEF Associates LP C/O FIRST EAGLE INVESTMENT MANAGEMENT 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105		X		See Footnote below
DEF Associates N.V. C/O FIRST EAGLE INVESTMENT MANAGEMENT 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105		X		See Footnote below

Signatures

/s/Dan DeClue 07/11/2011
 **Signature of Date
 Reporting Person

/s/Dan DeClue 07/11/2011
 **Signature of Date
 Reporting Person

/s/Dan DeClue 07/11/2011

__Signature of
Reporting Person

Date

/s/Dan DeClue 07/11/2011

__Signature of
Reporting Person

Date

/s/Dan DeClue 07/11/2011

__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).

Consists of 5,312,500 shares purchased by First Eagle Value in Biotechnology Master Fund, Ltd. ("FEVIBMF"), 1,000,000 shares purchased by 21 April Fund, LP ("21 April LP"), 2,718,750 shares purchased by 21 April Fund, Ltd. ("21 April Ltd."), 1,193,750 shares purchased by DEF Associates N.V. ("DEF Associates Offshore") and 400,000 shares purchased by DEF Associates LP ("DEF Associates

(1) Onshore" and, together with FEVIBMF, 21 April LP, 21 April Ltd. and DEF Associates Offshore, the "Funds"). The Funds may be deemed to be members of a Section 13(d) group owning more than 10% of the issuer's outstanding common stock. Each of the Funds disclaims Section 16 beneficial ownership of the reported securities, and this report shall not be deemed an admission that any such Fund is the beneficial owner of such securities, except to the extent of 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.

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