

ARADIGM CORP
Form SC 13G
September 22, 2010

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

Schedule 13G
(RULE 13d-102)

Under the Securities Exchange Act of 1934
(Amendment No. _____*)

Information to be included in statements filed
pursuant to Rule 13d-1 (b) (c) and (d) and Amendments thereto
filed pursuant to Rule 13d-2 (b).

Aradigm Corp.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

038505301
(CUSIP Number)

September 20, 2010
(Date of Event which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant
to which this Schedule is filed:

Rule 13d-1 (b)
 Rule 13d-1 (c)
 Rule 13d-1 (d)

*The remainder of this cover page shall be filled out for a
reporting person's initial filing on this form with respect to the
subject class of securities, and for any subsequent amendment
containing information which would alter the disclosures provided
in a prior cover page.

The information required in the remainder of this cover page shall
not be deemed to be "filed" for the purpose of Section 18 of the Securities
Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of
that section of the Act but shall be subject to all other provisions of
the Act (however, see the Notes).

SCHEDULE 13G

Issuer: Aradigm Corp. CUSIP No.: 038505301

1 NAMES OF REPORTING PERSONS I.R.S.
IDENTIFICATION NOS. OF ABOVE PERSONS

First Eagle Investment Management, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER
OF A GROUP

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(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
State of Delaware

NUMBER OF SHARES	5	SOLE VOTING POWER - 61,712,652
BENEFICIALLY	6	SHARED VOTING POWER - 0
OWNED BY EACH	7	SOLE DISPOSITIVE POWER - 61,712,652
REPORTING PERSON	8	SHARED DISPOSITIVE POWER - 0

WITH:

9 AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON

61,712,652

10 CHECK IF THE AGGREGATE AMOUNT IN
ROW (11) EXCLUDES CERTAIN SHARES

N/A

11 PERCENT OF CLASS REPRESENTED BY AMOUNT
IN ROW 9:

36.78% (1)

12 TYPE OF REPORTING PERSON

IA

(1) Assumes that there are 167,776,703 shares of common stock of Aradigm Corp. outstanding, based on information provided by Aradigm Corp.

SCHEDULE 13G

Issuer: Aradigm Corp.

CUSIP No.: 038505301

1 NAMES OF REPORTING PERSONS I.R.S.
IDENTIFICATION NOS. OF ABOVE PERSONS

First Eagle Value in Biotechnology Master Fund, Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER
OF A GROUP

(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman islands

NUMBER OF SHARES	5	SOLE VOTING POWER - 31,276,465
BENEFICIALLY	6	SHARED VOTING POWER - 0
OWNED BY EACH	7	SOLE DISPOSITIVE POWER - 31,276,465
REPORTING PERSON	8	SHARED DISPOSITIVE POWER - 0

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WITH:

9 AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON

31,276,465

10 CHECK IF THE AGGREGATE AMOUNT IN
ROW (11) EXCLUDES CERTAIN SHARES

N/A

11 PERCENT OF CLASS REPRESENTED BY AMOUNT
IN ROW 9:

18.64% (1)

12 TYPE OF REPORTING PERSON

CO

(1) Assumes that there are 167,776,703 shares of common stock of Aradigm Corp. outstanding, based on information provided by Aradigm Corp.

ITEM 1

(a) Name of Issuer:
Aradigm Corp.

(b) Address of Issuer's Principal Executive Offices:

3929 Point Eden Way
Hayward, CA 94545

ITEM 2

(a) Name of Person Filing:
First Eagle Investment Management, LLC
First Eagle Value in Biotechnology Master Fund, Ltd.

(b) Address of Principal Business Office:

The address of First Eagle Investment Management, LLC and First Eagle Value in Biotechnology Master Fund, Ltd. is:

1345 Avenue of the Americas
New York, NY 10105

(c) Citizenship:

First Eagle Investment Management, LLC

State of Delaware

First Eagle Value in Biotechnology Master Fund, Ltd.

Cayman Islands

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(d) Title of Class of Securities: Common Stock

(e) CUSIP Number: 038505301

SCHEDULE 13G

Issuer: Aradigm Corp.

CUSIP No.: 038505301

ITEM 3

If this statement is filed pursuant to Sections 240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o);
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c);
- (c) Insurance Company as defined in section 3(a)(19) of the Act (15 U.S.C. 78C);
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8);
- (e) An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an insurance company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with section 240.13d-1(b)(1)(ii)(J).

SCHEDULE 13G

Issuer: Aradigm Corp.

CUSIP No.: 038505301

ITEM 4. Ownership.

Provide the following information regarding the aggregate number

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and percentage of the class of securities of the Issuer identified in Item 1.

Reference is hereby made to Items 5-9 and 11 of pages 2 - 3 of this Schedule, which Items are incorporated by reference herein.

ITEM 5. Ownership of Five Percent or Less of a Class.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: []

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON

This Schedule 13G is being filed by First Eagle Value in Biotechnology Master Fund, Ltd., a Cayman Islands company ("FEVIBMF"). First Eagle Investment Management, LLC, a Delaware limited liability company and an investment adviser registered under the Investment Advisers Act of 1940 ("FEIM"), is the investment adviser to FEVIBMF, as well as to 21 April Fund, Ltd., a Cayman Islands company ("21 April Fund"), 21 April Fund, L.P., a Delaware limited partnership, DEF Associates N.V., a Netherlands Antilles company, and various other fiduciary accounts. FEIM is a subsidiary of Arnhold and S. Bleichroeder Holdings, Inc. ("ASB"). No shares of Common Stock are held directly by ASB. 21 April Fund may be deemed to beneficially own 16,458,279 shares, which equates to approximately 9.81% of the common stock outstanding. Clients of FEIM have the right to receive and the ultimate power to direct the receipt of dividends from, or the proceeds of the sale of, such securities.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THESE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY OR CONTROL PERSON.

N/A

ITEM 8. Identification and Classification of Members of the Group.

N/A

ITEM 9. Notice of Dissolution of Group

N/A

SCHEDULE 13G

Issuer: Aradigm Corp.

CUSIP No.: 038505301

ITEM 10. Certification

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of such securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose of effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief,
I certify that the information set forth in this statement is true,
complete and correct.

Date: September 21, 2010

FIRST EAGLE INVESTMENT MANAGEMENT, LLC

By: /s/ Mark Goldstein

FIRST EAGLE VALUE IN BIOTECHNOLOGY MASTER FUND, LTD.

By: /s/ Mark Goldstein