

ARADIGM CORP
Form 4
December 11, 2009

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
MGMNT LLC, 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)
12/09/2009

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	12/09/2009		J ⁽³⁾		5,153,517	A	\$ 0
Common Stock					19,452,141	D	
Common Stock					19,452,141	I	Footnote (1)
Common Stock	12/09/2009		J ⁽⁴⁾		5,153,517	D	\$ 0
Common Stock					18,611,864	I	
Common Stock					18,611,864	I	Footnote (2)

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

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displays a currently valid OMB control number.

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
First Eagle Value in Biotechnology Master Fund, Ltd. C/O FIRST EAGLE INVESTMENT MGMNT LLC 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105		X		
First Eagle Investment Management, LLC 1345 AVENUE OF THE AMERICAS NEW YORK, NY 10105		X		

Signatures

First Eagle Value in Biotechnology Master Fund, Ltd.(+) By: /s/ Daniel DuClue 12/11/2009
 __Signature of Reporting Person Date

First Eagle Investment Management, LLC(+), By: /s/ Daniel DeClue 12/11/2009
 __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).
- These securities may be deemed to be indirectly beneficially owned by FIRST EAGLE INVESTMENT MANAGEMENT, LLC
- (1) ("FEIM") as investment adviser to FIRST EAGLE VALUE IN BIOTECHNOLOGY MASTER FUND, LTD. ("FEVIBMF", and together with FEIM, the "Reporting Persons").
 - (2) These securities may be deemed to be indirectly beneficially owned by FEIM as investment adviser to accounts other than FEVIBMF.

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- (3) The acquisition listed herein was effected by in-kind transactions between FEVIBMF and other accounts managed by FEIM.
- (4) The disposition listed herein was effected by in-kind transactions between FEVIBMF and other accounts managed by FEIM.

Remarks:

(+) The Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein and this report shall not be deemed an admission that the Reporting Persons are the beneficial owners of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended or for any other purpose.

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.