

ARADIGM CORP
Form 4
October 31, 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)
10/29/2008

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	10/29/2008		S	(A) 5,600,000 (1) D	\$ 1,081,410 (2)	I	see footnote (3)

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
RA CAPITAL MANAGEMENT, LLC 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		
Kolchinsky Peter 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		

Signatures

Peter Kolchinsky, Manager of RA Capital Management, LLC 10/31/2008
**Signature of Reporting Person Date

Peter Kolchinsky, Manager of RA Capital Management, LLC, the General Partner of RA Capital Healthcare Fund, L.P. 10/31/2008
**Signature of Reporting Person Date

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Peter Kolchinsky, Manager of RA Capital Management, LLC, the General Partner of RA Capital Healthcare Fund II, L.P.

10/31/2008

__Signature of Reporting Person

Date

Peter Kolchinsky

10/31/2008

__Signature of Reporting Person

Date

Richard H. Aldrich

10/31/2008

__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).

(1) These shares represent 5,516,247 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").

(2) This number represents 1,081,410 shares held by Fund I.

RA Capital Management, LLC (the "General Partner") is the general partner of both Fund I and Fund II, and Richard H. Aldrich and

(3) 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.

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