

ARADIGM CORP
Form SC 13G
February 01, 2007

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

Aradigm Corporation
(Name of Issuer)

Common Stock, no par value
(Title of Class of Securities)

038505301

(CUSIP Number)

January 25, 2007

(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 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).

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS

Highbridge International LLC

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(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands, British West Indies

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
OWNED BY 4,330,000 shares of Common Stock

EACH (7) SOLE DISPOSITIVE POWER
REPORTING 0

PERSON WITH (8) SHARED DISPOSITIVE POWER
4,330,000 shares of Common Stock

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON
4,330,000 shares of Common Stock

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES **

[]

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
8.84%

(12) TYPE OF REPORTING PERSON **
OO

** SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 038505301

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Highbridge Capital Corporation

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

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(4) CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands, British West Indies

NUMBER OF (5) SOLE VOTING POWER
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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Highbridge Capital L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

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State of Delaware

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
4,330,000 shares of Common Stock

OWNED BY

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(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
8.84%

(12) TYPE OF REPORTING PERSON **
PN

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Highbridge Master L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands, British West Indies

NUMBER OF (5) SOLE VOTING POWER
0

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SHARES -----
BENEFICIALLY (6) SHARED VOTING POWER
4,330,000 shares of Common Stock
OWNED BY -----
EACH (7) SOLE DISPOSITIVE POWER
0
REPORTING -----
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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Highbridge GP, Ltd.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
Cayman Islands, British West Indies

NUMBER OF (5) SOLE VOTING POWER
0
SHARES -----

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BENEFICIALLY (6) SHARED VOTING POWER
4,330,000 shares of Common Stock

OWNED BY -----

EACH (7) SOLE DISPOSITIVE POWER
0

REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER
4,330,000 shares of Common Stock

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8.84%

(12) TYPE OF REPORTING PERSON **
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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS

Highbridge GP, LLC

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **

(a) [X]

(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

State of Delaware

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER
4,330,000 shares of Common Stock

OWNED BY -----

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EACH (7) SOLE DISPOSITIVE POWER
0
REPORTING -----

PERSON WITH (8) SHARED DISPOSITIVE POWER
4,330,000 shares of Common Stock

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
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8.84%

(12) TYPE OF REPORTING PERSON **
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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Highbridge Capital Management, LLC 20-1901985

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
State of Delaware

NUMBER OF (5) SOLE VOTING POWER
0
SHARES -----

BENEFICIALLY (6) SHARED VOTING POWER
4,330,000 shares of Common Stock

OWNED BY -----

EACH (7) SOLE DISPOSITIVE POWER
0

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REPORTING -----
PERSON WITH (8) SHARED DISPOSITIVE POWER
4,330,000 shares of Common Stock

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON
4,330,000 shares of Common Stock

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BY AMOUNT IN ROW (9)
8.84%

(12) TYPE OF REPORTING PERSON **
OO

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS
Glenn Dubin

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **
(a) [X]
(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

NUMBER OF (5) SOLE VOTING POWER
0
SHARES -----
BENEFICIALLY (6) SHARED VOTING POWER
4,330,000 shares of Common Stock
OWNED BY -----
EACH (7) SOLE DISPOSITIVE POWER
0
REPORTING -----
PERSON WITH (8) SHARED DISPOSITIVE POWER
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(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
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(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)
8.84%

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IN

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS

Henry Swieca

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **

(a) [X]

(b) []

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

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BY EACH REPORTING PERSON

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4,330,000 shares of Common Stock

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(11) PERCENT OF CLASS REPRESENTED
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8.84%

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IN

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Item 1.

(a) Name of Issuer

Aradigm Corporation (the "Company").

(b) Address of Issuer's Principal Executive Offices

3929 Point Eden Way
Hayward CA 94545

Item 2(a). Name of Person Filing

Item 2(b). Address of Principal Business Office

Item 2(c). Citizenship

HIGHBRIDGE INTERNATIONAL LLC
c/o Harmonic Fund Services
The Cayman Corporate Centre, 4th Floor
27 Hospital Road
Grand Cayman, Cayman Islands, British West Indies
Citizenship: Cayman Islands, British West Indies

HIGHBRIDGE CAPITAL CORPORATION
c/o Harmonic Fund Services
The Cayman Corporate Centre, 4th Floor
27 Hospital Road
Grand Cayman, Cayman Islands, British West Indies
Citizenship: Cayman Islands, British West Indies

HIGHBRIDGE MASTER L.P.
c/o Harmonic Fund Services
The Cayman Corporate Centre, 4th Floor
27 Hospital Road
Grand Cayman, Cayman Islands, British West Indies
Citizenship: Cayman Islands, British West Indies

HIGHBRIDGE CAPITAL L.P.
c/o Highbridge Capital Management, LLC

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9 West 57th Street, 27th Floor
New York, New York 10019
Citizenship: State of Delaware

HIGHBRIDGE GP, LTD.
c/o Harmonic Fund Services
The Cayman Corporate Centre, 4th Floor
27 Hospital Road
Grand Cayman, Cayman Islands, British West Indies
Citizenship: Cayman Islands, British West Indies

HIGHBRIDGE GP, LLC
c/o Highbridge Capital Management, LLC
9 West 57th Street, 27th Floor
New York, New York 10019
Citizenship: State of Delaware

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HIGHBRIDGE CAPITAL MANAGEMENT, LLC IRS #: 20-1901985
9 West 57th
Street, 27th Floor
New York, New York 10019
Citizenship: State of Delaware

GLENN DUBIN
c/o Highbridge Capital Management, LLC
9 West 57th Street, 27th Floor
New York, New York 10019
Citizenship: United States

HENRY SWIECA
c/o Highbridge Capital Management, LLC
9 West 57th Street, 27th Floor
New York, New York 10019
Citizenship: United States

Item 2(d) Title of Class of Securities

Common Stock, no par value ("Common Stock")

Item 2(e) CUSIP Number

038505301

Item 3. If this statement is filed pursuant to Rules 13d-1(b), or 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).

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- (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 Rule 13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h) A savings association 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 investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to Rule 13d-1(c), check this box.

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Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

As of the date of this filing, each Reporting Person may be deemed the beneficial owner of 4,330,000 shares of Common Stock owned by Highbridge International LLC.

Highbridge International LLC is a subsidiary of Highbridge Master L.P. Highbridge Capital Corporation and Highbridge Capital L.P. are limited partners of Highbridge Master L.P. Highbridge GP, Ltd. is the General Partner of Highbridge Master L.P. Highbridge GP, LLC is the General Partner of Highbridge Capital L.P. Highbridge Capital Management, LLC is the trading manager of Highbridge Capital Corporation, Highbridge Capital L.P., Highbridge International LLC and Highbridge Master L.P. Glenn Dubin is a Co-Chief Executive Officer of Highbridge Capital Management, LLC. Henry Swieca is a Co-Chief Executive Officer of Highbridge Capital Management, LLC. The foregoing should not be construed in and of itself as an admission by any Reporting Person as to beneficial ownership of shares of Common Stock owned by another Reporting Person. In addition, each of Highbridge Master L.P., Highbridge Capital Corporation, Highbridge Capital L.P., Highbridge GP, Ltd., Highbridge GP, LLC, Highbridge Capital Management, LLC, Glenn Dubin and Henry Swieca disclaims beneficial ownership of shares of Common Stock owned by Highbridge International LLC.

(b) Percent of class:

The Company's Prospectus pursuant to Rule 424(b)(4) that was filed on January 25, 2007, indicates there were 49,012,113 shares of Common Stock outstanding as of January 25, 2007. Therefore, based on the Company's

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outstanding shares of Common Stock, the Reporting Persons may be deemed to beneficially own approximately 8.84% of the outstanding shares of Common Stock of the Company. The foregoing should not be construed in and of itself as an admission by any Reporting Person as to beneficial ownership of shares of shares of Common Stock owned by another Reporting Person.

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote

0

(ii) Shared power to vote or to direct the vote

See Item 4(a)

(iii) Sole power to dispose or to direct the disposition of

0

(iv) Shared power to dispose or to direct the disposition of

See Item 4(a)

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

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person

Not applicable.

Item 8. Identification and Classification of Members of the Group

See Exhibit I.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above 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 the securities and were not acquired

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and are not held in connection with or as a participant in any transaction having that purpose or effect.

Exhibits:

Exhibit I: Joint Filing Agreement, dated as of February 1, 2007, by and among Highbridge International LLC, Highbridge Capital Corporation, Highbridge Capital L.P., Highbridge Master L.P., Highbridge GP, Ltd., Highbridge GP, LLC, Highbridge Capital Management, LLC, Glenn Dubin and Henry Swieca.

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SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: February 1, 2007

HIGHBRIDGE INTERNATIONAL LLC

HIGHBRIDGE CAPITAL L.P.

By: Highbridge Capital Management, LLC
its Trading Manager

By: Highbridge GP, LLC
its General Partner

By: /s/ Carolyn Rubin

By: /s/ Clive Harris

Name: Carolyn Rubin
Title: Managing Director

Name: Clive Harris
Title: Director

HIGHBRIDGE CAPITAL CORPORATION

HIGHBRIDGE GP, LTD.

By: Highbridge Capital Management, LLC
its Trading Manager

By: /s/ Clive Harris

By: /s/ Carolyn Rubin

Name: Clive Harris

Name: Carolyn Rubin
Title: Managing Director

Title: Director

HIGHBRIDGE MASTER L.P.

HIGHBRIDGE CAPITAL MANAGEMENT, LLC

By: Highbridge GP, Ltd.
its General Partner

By: /s/ Carolyn Rubin

By: /s/ Clive Harris

Name: Carolyn Rubin
Title: Managing Director

Name: Clive Harris

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Title: Director

HIGHBRIDGE GP, LLC

By: /s/ Clive Harris

/s/ Henry Swieca

Name: Clive Harris

HENRY SWIECA

Title: Director

/s/ Glenn Dubin

GLENN DUBIN

CUSIP No. 038505301

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EXHIBIT I

JOINT FILING AGREEMENT

This will confirm the agreement by and among the undersigned that the Schedule 13G filed with the Securities and Exchange Commission on or about the date hereof with respect to the beneficial ownership by the undersigned of the shares of Common Stock, no par value, of Aradigm Corporation, is being filed, and all amendments thereto will be filed, on behalf of each of the persons and entities named below in accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated as of February 1, 2007

HIGHBRIDGE INTERNATIONAL LLC

HIGHBRIDGE CAPITAL L.P.

By: Highbridge Capital Management, LLC
its Trading Manager

By: Highbridge GP, LLC
its General Partner

By: /s/ Carolyn Rubin

By: /s/ Clive Harris

Name: Carolyn Rubin
Title: Managing Director

Name: Clive Harris
Title: Director

HIGHBRIDGE CAPITAL CORPORATION

HIGHBRIDGE GP, LTD.

By: Highbridge Capital Management, LLC
its Trading Manager

By: /s/ Carolyn Rubin

By: /s/ Clive Harris

Name: Carolyn Rubin
Title: Managing Director

Name: Clive Harris
Title: Director

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HIGHBRIDGE MASTER L.P.

By: Highbridge GP, Ltd.
its General Partner

By: /s/ Clive Harris

Name: Clive Harris
Title: Director

HIGHBRIDGE CAPITAL MANAGEMENT, LLC

By: /s/ Carolyn Rubin

Name: Carolyn Rubin
Title: Managing Director

CUSIP No. 038505301

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HIGHBRIDGE GP, LLC

By: /s/ Clive Harris

Name: Clive Harris
Title: Director

/s/ Henry Swieca

HENRY SWIECA

/s/ Glenn Dubin

GLENN DUBIN