

ARENA PHARMACEUTICALS INC  
 Form 3  
 October 23, 2007

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0104  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

**INITIAL STATEMENT OF 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 * ^ Flynn James E (Last) (First) (Middle)  780 THIRD AVENUE, ^ 37TH FLOOR (Street)  NEW YORK, ^ NY ^ 10017 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 10/15/2007	3. Issuer Name <b>and</b> Ticker or Trading Symbol ARENA PHARMACEUTICALS INC [ARNA]	4. Relationship of Reporting Person(s) to Issuer  (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)	5. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock <sup>(1)</sup>	1,870,860	I <sup>(2)</sup>	Through Deerfield Partners, L.P
Common Stock <sup>(1)</sup>	3,254,783	I <sup>(3)</sup>	Through Deerfield International Limited

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security	4. Conversion or Exercise	5. Ownership Form of	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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	Date Exercisable	Expiration Date	(Instr. 4) Title	Amount or Number of Shares	Price of Derivative Security	Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	
Short Call Option (Obligation to Sell)	10/15/2007	01/19/2008	Common Stock	185,500	\$ 17.5	I <u>(2)</u>	Through Deerfield Partners, L.P
Short Call Option (Obligation to Sell)	10/15/2007	01/19/2008	Common Stock	314,500	\$ 17.5	I <u>(3)</u>	Through Deerfield International Limited
Short Put Option (Obligation to Buy)	10/15/2007	01/19/2008	Common Stock	283,500	\$ 7.5	I <u>(2)</u>	Through Deerfield Partners, L.P
Short Put Option (Obligation to Buy)	10/15/2007	01/19/2008	Common Stock	466,500	\$ 7.5	I <u>(3)</u>	Through Deerfield International Limited
Call Option (Right to Buy)	10/15/2007	04/19/2008	Common Stock	370,900	\$ 12.5	I <u>(2)</u>	Through Deerfield Partners, L.P.
Call Option (Right to Buy)	10/15/2007	04/19/2008	Common Stock	629,100	\$ 12.5	I <u>(3)</u>	Through Deerfield International Limited
Short Call Option (Obligation to Sell)	10/15/2007	04/19/2008	Common Stock	185,500	\$ 20.4	I <u>(2)</u>	Through Deerfield Partners, L.P.
Short Call Option (Obligation to Sell)	10/15/2007	04/19/2008	Common Stock	314,500	\$ 20.4	I <u>(3)</u>	Through Deerfield International Limited

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Flynn James E 780 THIRD AVENUE 37TH FLOOR NEW YORK, NY 10017	Â	Â X	Â	Â
DEERFIELD CAPITAL LP 780 THIRD AVENUE 37TH FLOOR	Â	Â X	Â	Â

NEW YORK, NY 10017

DEERFIELD MANAGEMENT CO /NY  
 780 THIRD AVENUE, 37TH FLOOR     X  
 NEW YORK, NY 10017

DEERFIELD INTERNATIONAL LTD  
    X  
 X

DEERFIELD PARTNERS, LP  
 780 THIRD AVENUE                                   X  
 37TH FLOOR  
 NEW YORK, NY 10017

**Signatures**

/s/ Darren   10/23/2007  
 Levine

\*\*Signature of   Date  
 Reporting Person

**Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 5(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) This Form 3 is being filed by the undersigned s well as the entities listed on the Joint Filer Information Statement attached as an exhibit hereto (the "Reporting Persons").  
  
 Deerfield Capital, L.P. is the general partner of Deerfield Partners, L.P. (the "Domestic Fund"). James E. Flynn is the managing member of the general partner of Deerfield Capital, L.P. In accordance with Instruction 5(b)(iv) to Form 3, the entire amount of the Issuer's securities held by the Domestic Fund is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.
  - (2) Deerfield Management Company, L.P. is the investment manager of Deerfield International Limited (the "Offshore Fund"). James E. Flynn is the managing member of the general partner of Deerfield Management Company, L.P. In accordance with Instruction 5(b)(iv) to Form 3, the entire amount of the Issuer's securities held by the Offshore Fund is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.
  - (3) Deerfield Management Company, L.P. is the investment manager of Deerfield International Limited (the "Offshore Fund"). James E. Flynn is the managing member of the general partner of Deerfield Management Company, L.P. In accordance with Instruction 5(b)(iv) to Form 3, the entire amount of the Issuer's securities held by the Offshore Fund is reported herein. For purposes of Section 16 of the Securities Exchange Act of 1934, each Reporting Person disclaims beneficial ownership of any such securities, except to the extent of his/its indirect pecuniary interest therein, if any, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of such securities for purposes of Section 16 or otherwise.

X  
**Remarks:**  
 Darren Levine, Attorney-In-Fact : Power of Attorney is attached hereto as Exhibit 24

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.