

ARENA PHARMACEUTICALS INC

Form 3

October 23, 2007

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

OMB APPROVAL

OMB
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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 and Ticker or Trading Symbol

ARENA PHARMACEUTICALS INC [ARNA]

4. Relationship of Reporting
Person(s) to Issuer5. If Amendment, Date Original
Filed(Month/Day/Year)

(Check all applicable)

____ Director ____X____ 10% Owner
____ Officer ____ Other
(give title below) (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 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 (1)

1,870,860

I (2)

Through Deerfield Partners, L.P

Common Stock (1)

3,254,783

I (3)Through Deerfield International
LimitedReminder: 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 Security4. Conversion
or Exercise5. Ownership
Form of6. 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
NEW YORK, NY 10017

DEERFIELD INTERNATIONAL LTD

^

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

Signatures

/s/ Darren
Levine

10/23/2007

Signature of
Reporting Person

Date

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 as well as the entities listed on the Joint Filer Information Statement attached as an exhibit hereto (the "Reporting Persons").

(2) 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.

(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.

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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.

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