

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 1)*

LIGAND PHARMACEUTICALS INCORPORATED
(Name of Issuer)

COMMON STOCK, \$.001 PAR VALUE
(Title of Class of Securities)

53220K207
(CUSIP Number)

JAMES B. LOOTENS, ASSISTANT SECRETARY AND ASSOCIATE GENERAL COUNSEL,
ELI LILLY AND COMPANY, LILLY CORPORATE CENTER,
INDIANAPOLIS, INDIANA 46285 317-276-5835
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

MAY 11, 1998
(Date of Event which Requires Filing
of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f), or 13d-1(g), check the following box [] .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

*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 disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the 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).

(Continued on following pages)

Page 1

<TABLE>
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CUSIP No. 53220K207

(1) Names of Reporting Persons: Eli Lilly and Company
S.S. or I.R.S. Identification 35-0470950
Nos. of Above Persons

(2) Check the Appropriate Box if a Member of a Group (a) _____ (b) _____
Not Applicable

(3) SEC Use Only

(4) Source of Funds Not Applicable

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e) Not Applicable

(6) Citizenship or Place of Organization Indiana

Number of Shares Beneficially Owned by Each Reporting Person With	(7) Sole Voting Power	2,176,279
	(8) Shared Voting Power	None
	(9) Sole Dispositive Power	2,176,279
	(10) Shared Dispositive Power	None

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 2,176,279

(12) Check if the Aggregate Amount In Row (11) Excludes Certain Shares Not Applicable

(13) Percent of Class Represented by Amount in Row (11) 5.6%

(14) Type of Reporting Person CO

Item 4. Purpose of Transaction

On May 11, 1998, the Issuer, a wholly-owned merger subsidiary of the Issuer, and Seragen, Inc. ("Seragen") entered into an Agreement and Plan of Reorganization under which it is proposed that Seragen become a wholly-owned subsidiary of the Issuer. Pursuant to this proposed merger (the "Merger"), Seragen common stock will be converted into a right to receive, among other things, common stock of the Issuer. Specifically, at the closing of the Merger Seragen shareholders will receive 0.035746 shares of Issuer common stock for each share of Seragen common stock (the "Closing Consideration"). Further, additional consideration (the "Milestone Consideration") of \$0.23 per share of common stock of Seragen will be paid by the Issuer six months following FDA approval of Seragen's investigational product DAB389IL-2 in the United States for cutaneous T-cell lymphoma if such approval is supported to any material extent by clinical and development efforts of Seragen prior to the consummation of the merger. The Milestone Consideration will, however, only be payable by the Issuer if the required FDA approval is obtained within two years of the Merger

Closing. The Issuer may in its discretion pay the Milestone Consideration in the form of cash or the Issuer's common stock or a combination thereof. Any stock delivered as part of the Milestone Consideration will be valued on a trailing average market price for the ten trading days prior to issuance.

Eli Lilly and Company ("Lilly") currently holds 1,787,092 shares of Seragen common stock. Accordingly, Lilly would receive approximately 63,881 shares of the Issuer's common stock in connection with the Closing Consideration.

In addition, on May 11, 1998, Lilly and the Issuer entered into a Third Amendment to Option and Wholesale Purchase Agreement ("Third Amendment"). The original Option and Wholesale Purchase Agreement was filed as Exhibit B to the original Schedule 13D filed by Lilly on December 5, 1997. The Third Amendment amends and restates Section 1.3 of the Option and Wholesale Purchase Agreement. The primary effect of the Third Amendment is to modify the timing during which, at the Issuer's election, Lilly may become obligated to purchase \$20,000,000 of the Issuer's common stock. The Third Amendment is filed herewith as Exhibit B and is incorporated by reference herein.

Item 6. Contracts, Arrangements, Understandings or Relationships With Securities of the Issuer.

A copy of the Third Amendment to Option Agreement, as described in response to Item 4 above is filed herewith as Exhibit A and is incorporated herein by reference.

Page 3

Also on May 11, 1998, Lilly and the Issuer entered into a letter agreement (the "Lockup Agreement") under which Lilly agreed that any shares of Issuer common stock it may receive pursuant to the Merger will be subject to the transfer restrictions set forth in Section 4.1 of the Stock Purchase Agreement dated November 25, 1997 between Lilly and the Issuer (a copy of which was filed as Exhibit A to the original Schedule 13D filed by Lilly on December 5, 1997). The Lockup Agreement is filed herewith as Exhibit B and is incorporated by reference herein.

Item 7. Material to be Filed as Exhibits.

Exhibit A. Third Amendment to Option and Wholesale Purchase Agreement dated as of May 11, 1998, between Lilly and the Issuer

Exhibit B. Letter Agreement dated May 11, 1998, between Lilly and the Issuer.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

ELI LILLY AND COMPANY

/s/ Edwin W. Miller

Edwin W. Miller
Vice President and Treasurer

Date: May 21, 1998

Page 4

</TABLE>

May 11, 1998

Ligand Pharmaceuticals Incorporated
10275 Science Center Drive
San Diego, CA 92121

Ladies and Gentlemen:

The undersigned is a stockholder of Seragen, Inc., a Delaware corporation ("Seragen"). The undersigned understands that Seragen, Ligand Pharmaceuticals Incorporated, a Delaware corporation ("Ligand"), and Knight Acquisition Corporation, a Delaware Corporation ("Merger Sub"), have entered into an Agreement and Plan of Reorganization, dated as of May 11, 1998 (the "Reorganization Agreement"), which provides for the merger (the "Merger") of Merger Sub into Seragen. The undersigned also understands that Ligand, at its option, may provide some or all of the Merger Consideration (as defined in the Reorganization Agreement) in the form of shares of voting common stock, par value \$.001 per share, of Ligand (the "Common Stock"). The undersigned further understands that the issuance of the Common Stock pursuant to the terms of the Merger will be the subject of a registration statement under the Securities Act of 1933, as amended (the "Registration Statement"), which will be filed with the Securities and Exchange Commission and which will contain a prospectus relating to the Merger (the "Prospectus").

In consideration of the execution of the Reorganization Agreement by Ligand and Merger Sub, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the undersigned hereby agrees that from the date of issuance of the Common Stock pursuant to the Reorganization Agreement, if such issuance occurs, any shares of Common Stock issued pursuant to the Reorganization Agreement (the "Merger Shares") shall be subject to the transfer restrictions set forth in Section 4.1 of that certain Stock Purchase Agreement dated November 25, 1997 between the undersigned and Ligand (the "Purchase Agreement"), as if the Merger Shares were Shares (as defined in the Purchase Agreement), for the periods of time set forth in Section 4.1 of the Purchase Agreement.

It is understood and agreed that the foregoing agreement is provided as an inducement to, and may be relied upon by, Ligand, Seragen and Merger Sub in connection with (a) their consummation of the Merger and (b) their preparation and distribution of the Registration Statement and the Prospectus.

Seragen and Boston Equiserv, as transfer agent for Seragen, and Ligand and ChaseMellon Shareholder Services LLC, as the transfer agent for Ligand, are each hereby authorized to enforce the terms of this letter by refusing to permit transfers of Common Stock which Ligand concludes may violate the terms of this letter.

This letter may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute a single instrument.

Sincerely,

ELI LILLY AND COMPANY

Signature

Printed Name

Accepted and agreed to as of the date first
written above:

LIGAND PHARMACEUTICALS INCORPORATED

By: _____

Title: _____

May 11, 1998

Ligand Pharmaceuticals Incorporated
10275 Science Center Drive
San Diego, CA 92121

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Sincerely,

ELI LILLY AND COMPANY

Signature

Printed Name

Accepted and agreed to as of the date first
written above:

LIGAND PHARMACEUTICALS INCORPORATED

By: _____

Title: _____