UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

Mark One

[X]Quarterly Report Pursuant to Section 13 or 15 (d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, l996 or

[ ]Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period From _____ to _____ . Commission File Number: 0-20720

LIGAND PHARMACEUTICALS INCORPORATED
(Exact Name of Registrant as Specified in its Charter)

Delaware	77-0160744
(State or Other Jurisdiction of Incorporated or organization)	(I.R.S. Employer Identification No.)
9393 Towne Centre Drive San Diego, CA (Address of Principal Executive Offices)	92121 (Zip Code)

Registrant's Telephone Number, Including Area Code: (619)535-3900

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

As of June 30, 1996 the registrant had 28,110,711 shares of Common Stock outstanding.

LIGAND PHARMACEUTICALS INCORPORATED
QUARTERLY REPORT

FORM 10-Q

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* No information provided due to inapplicability of item.

<TABLE>

PART I. FINANCIAL INFORMATION
ITEM 1 FINANCIAL STATEMENTS

LIGAND PHARMACEUTICALS INCORPORATED
Consolidated Balance Sheets
(in thousands, except share data)

<CAPTION>

	June 30, 1996	December 31, 1995
	(Unaudited)	
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,228	$ 15,963
Short-term investments	45,473	54,182
Receivable from a related party	1,978	2,286
Other current assets	784	577
Total current assets	59,463	73,008
Restricted short-term investments	3,746	6,759
Property and equipment, net	11,922	12,272
Notes receivable from officers and employees	536	485
Other assets	1,006	1,070
	$ 76,673	$ 93,594
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,425	$ 3,940
Accrued liabilities	5,636	6,705
Deferred revenue	2,014	2,608
Current portion of obligations under capital leases	2,551	2,406
Total current liabilities	12,626	15,659
Long-term obligations under capital leases	8,714	8,585
Convertible subordinated debentures	32,616	31,279
Convertible note	10,000	10,000
Stockholders' equity:		
Convertible preferred stock, $.001 par value; 5,000,000 shares authorized; none issued	-- --	-- --
Common stock, $.001 par value; 80,000,000 shares authorized 28,146,386 shares and 27,800,597 shares issued at June 30, l996 and December 31, 1995,		

respectively	28	28
Paid-in capital	175,102	173,452
Warrant subscription receivable	(3,718)	(4,524)
Adjustment for unrealized gains (losses) on available-for-sale securities	(266)	217
Accumulated deficit	(157,401)	(140,281)
Deferred compensation and consulting fees	(565)	(819)
	13,180	28,073
Less treasury stock, at cost (35,675 shares)	(463)	(2)
Total stockholders' equity	12,717	28,071
	$ 76,673	$ 93,594

<FN>
SEE ACCOMPANYING NOTES.

</TABLE>
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LIGAND PHARMACEUTICALS INCORPORATED
Consolidated Statements of Operations
(Unaudited)
(in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
Revenues:				
Collaborative research and development:				
Related parties	$ 4,026	$ 2,324	$ 7,262	$ 4,455
Unrelated parties	4,403	2,994	9,878	5,476
Other	61	36	118	36
	8,490	5,354	17,258	9,967
Costs and expenses:				
Research and development	14,811	9,065	27,081	16,026
Selling, general and administrative	2,554	2,069	5,172	3,769
Write-off of in-process technology	-- --	19,869	-- --	19,869
ALRT contribution	-- --	17,500	-- --	17,500
Total operating expenses	17,365	48,503	32,253	57,164
Loss from operations	(8,875)	(43,149)	(14,995)	(47,197)
Interest income	902	726	1,999	1,192
Interest expense	(2,067)	(926)	(4,124)	(1,292)
Equity in operations of joint venture	-- --	1,805	-- --	-- --
Net loss	$ (10,040)	$ (41,544)	$ (17,120)	$ (47,297)
Net loss per share	$ (.36)	$ (1.87)	$ (.61)	$ (2.33)
Shares used in computing loss per share	28,070,756	22,179,926	27,990,368	20,271,040

<FN>
SEE ACCOMPANYING NOTES.

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LIGAND PHARMACEUTICALS INCORPORATED
Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

<CAPTION>

	Six Months Ended June 30,	
	1996	1995
<S>	<C>	<C>
OPERATING ACTIVITIES		
Net loss	$ (17,120)	$ (47,297)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	1,914	945
Amortization of notes receivable from officers and employees	129	131
Write-off of in process technology	-- --	19,869
Amortization of deferred compensation and consulting fees	254	365
Accretion of debt discount	1,337	317
Receipt of Company Stock for milestone revenue payment	(438)	-- --
Change in operating assets and liabilities:		
Other current assets	(207)	801
Receivable from a related party	308	(363)
Accounts payable and accrued liabilities	(2,584)	20
Deferred revenue	(594)	(311)
Net cash used in operating activities	(17,001)	(25,523)
INVESTING ACTIVITIES		
Purchase of short-term investments	(35,127)	(1,342)
Proceeds from short-term investments	43,352	16,560
Increase in notes receivable from officers and employees	(180)	(110)
Increase in deposits and other assets	-- --	(211)
Decrease in deposits and other assets	64	32
Purchase of property and equipment	(252)	(272)
Investment in joint venture	-- --	(815)
Net cash acquired in Glycomed acquisition	-- --	10,225
Net cash provided by investing activities	7,857	24,067
FINANCING ACTIVITIES		
Principal payments on obligations under capital leases and equipment notes payable	(1,039)	(689)
Net change in restricted cash	3,013	(1,795)
Net proceeds from sale of common stock	2,435	10,212
Net cash provided by financing activities	4,409	7,728
Net increase (decrease) in cash and cash equivalents	(4,735)	6,272
Cash and cash equivalents at beginning of period	15,963	7,628
Cash and cash equivalents at end of period	$ 11,228	$ 13,900
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 2,742	$ 504
Acquisition of short-term investments from Glycomed merger	-- --	41,983
Acquisition of restricted cash from Glycomed merger	-- --	4,715
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		

Additions to obligations under capital leases	$ 1,313	$ 2,781
Warrant subscription receivable issued with ALRT offering	$ -- --	$ 5,850
Stock issued from Glycomed merger	$ -- --	$ 41,959

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LIGAND PHARMACEUTICALS INCORPORATED
Notes to Consolidated Financial Statements
(Unaudited)

June 30, 1996

1. BASIS OF PRESENTATION

The consolidated financial statements of Ligand Pharmaceuticals Incorporated (the "Company") for the six months ended June 30, 1996 and 1995 are unaudited. These financial statements reflect all adjustments, consisting of only normal recurring adjustments which, in the opinion of management, are necessary to fairly present the consolidated financial position as of June 30, 1996 and the consolidated results of operations for the three and six months ended June 30, 1996 and 1995. The results of operations for the periods ended June 30, 1996 are not necessarily indicative of the results to be expected for the year ending December 31, 1996. For more complete financial information, these financial statements, and the notes thereto, should be read in conjunction with the consolidated audited financial statements for the year ended December 31, 1995 included in the Ligand Pharmaceuticals Incorporated Form 10-K filed with the Securities and Exchange Commission.

In October 1995, the Financial Accounting Standards Board ("FASB") issued SFAS 123, "Accounting for Stock-Based Compensation", effective for fiscal years beginning after December 15, 1995. SFAS 123 establishes and encourages the use of the fair value based method of accounting for stock-based compensation arrangements, under which compensation cost is determined using the fair value of stock-based compensation, determined as of the grant date, and is recognized over the periods in which the related services are rendered. The statement also permits companies to elect to continue using the current implicit value accounting method specified in Accounting Principles Board (ABP) Opinion No. 25 to account for stock-based compensation. The Company has elected to retain its current implicit value based method, and will be required to disclose the pro forma effect of using the fair value based method to account for its employee stock-based compensation. Pro-forma disclosures reflecting the effects of the fair value method are not required for interim financial statements.

In March 1995, the FASB issued Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," which requires impairment losses to be recorded on longlived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amount. Statement 121 also addresses the accounting for long-lived assets that are expected to be disposed of. The Company adopted Statement 121 in the first quarter of 1996 and such adoption has had no effect on the Company's financial position and results of operations.

2. ALLERGAN LIGAND RETINOID THERAPEUTICS, INC.

On June 30, 1992, the Company entered into agreements with Allergan, Inc. ("Allergan") whereby the Allergan-Ligand Joint Venture (the "Joint Venture") was established to research, develop, license and commercialize products related to the use of intracellular receptors in the treatment of certain diseases and disorders.

In December 1994, the Company and Allergan, formed Allergan Ligand Retinoid Therapeutics, Inc. ("ALRT") to continue the research and

development activities previously conducted by the Joint Venture. In June 1995, the Company and ALRT completed a public offering of 3,250,000 units (the "Units") with aggregate proceeds of $32.5 million (the "ALRT Offering") and cash contributions by Allergan and the Company of $50.0 million and $17.5 million, respectively, providing for net proceeds of $94.3 million for retinoid product research and development. Each Unit consisted of one share of ALRT's callable Common Stock and two warrants, each warrant entitling the holder to purchase one share of the Common Stock of the Company. Immediately prior to the consummation of the ALRT Offering on June 3, 1995, Allergan Pharmaceuticals (Ireland) Ltd., Inc. made a $6.0 million investmentin the Company's Common Stock. The Company's $17.5 million cash contribution resulted in a one-time charge to operations. The Company also recorded a warrant subscription receivable and corresponding increase in paid-in capital of $5.9 million pursuant to the ALRT Offering. During the first six months of 1996, $806,000 of the proceeds received from ALRT were applied to the warrant subscription receivable. In conjunction with the consummation of the ALRT Offering, all rights held by the Joint Venture were licensed to ALRT. The Company, Allergan and ALRT entered into various agreements in connection with the funding of ALRT. After June 3, 1995, cash received from ALRT pursuant to the agreements was prorated between contract revenue and the warrant subscription receivable based on their respective values. Contributions made by the Company to the Joint Venture related to the period from January 1, 1995, through June 30, 1995 were retroactively reimbursed by ALRT and previous equity losses recognized for the six month period from the Joint Venture operations were reversed.

3. MERGER WITH GLYCOMED

In May 1995, Glycomed Incorporated ("Glycomed") became a wholly-owned subsidiary of the Company pursuant to the merger of a subsidiary of the Company with and into Glycomed ("the Merger"). Glycomed is a biopharmaceutical company conducting research and development of pharmaceuticals based on biological activities of complex carbohydrates. Each outstanding share of Glycomed Common Stock was converted into 0.5301 shares of Common Stock, resulting in the issuance of 6,942,911 shares of the Common Stock to Glycomed shareholders. The Merger was accounted for using the purchase method of accounting. The excess of the purchase price over the fair value of the net assets acquired was allocated to in-process technology and was written off, resulting in a one time non-cash charge to results of operations of approximately $20.0 million. The results of operations of Glycomed are included in the Company's consolidated results of operations from the date of the Merger.

4. PFIZER INC. LITIGATION

In December 1994, the Company filed suit against Pfizer Inc. ("Pfizer") in the Superior Court of California in San Diego County for breach of contract and for a declaration of future rights as they relate to droloxifene, a compound upon which the Company performed work at Pfizer's request during a collaboration between Pfizer and the Company to develop drugs in the field of osteoporosis. Droloxifene is an estrogen antagonist/partial agonist with potential indications in the treatment of osteoporosis and breast cancer as well as other applications. The Company and Pfizer entered into a settlement agreement with respect to the lawsuit in April 1996. Under the terms of the settlement agreement, the Company is entitled to receive milestone payments if Pfizer continues development, and royalties if Pfizer commercializes droloxifene. At the option of either party, milestone and royalty payments owed to the Company can be satisfied by Pfizer transferring to the Company shares of the Company's Common Stock previously purchased by Pfizer, at an exchange ratio of $12.375 per share. In May 1996, Pfizer transferred to the Company 28,272 shares of the Company's Common Stock for milestone payments which resulted in revenues of $438,000. According to recent

announcements by Pfizer, droloxifene has entered Phase II clinical trials for osteoporosis and Phase III clinical trials for breast cancer.

PART I. FINANCIAL INFORMATION
ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Since January 1989, the Company has devoted substantially all of its resources to its intracellular receptor and Signal Transducers and Activators of Transcription drug discovery and development programs. The Company has been unprofitable since its inception and expects to incur substantial additional operating losses for the next several years, due to continued requirements for research and development, preclinical testing, regulatory activities, establishment of manufacturing processes and a sales and marketing capabilities. The Company expects that losses will fluctuate from quarter to quarter as a result of differences in the timing of expenses incurred and the revenues earned from collaborative arrangements. Some of these fluctuations may be significant. As of June 30, 1996, the Company's accumulated deficit was $157.4 million.

In May 1995, Glycomed Incorporated ("Glycomed") became into a wholly owned subsidiary of the Company pursuant to the merger of a subsidiary of the Company with and into Glycomed ("the Merger"). Glycomed is a biopharmaceutical company conducting research and development of pharmaceuticals based on biological activities of complex carbohydrates. Each outstanding share of Glycomed Common Stock was converted into 0.5301 shares of Common Stock, resulting in the issuance of 6,942,911 shares of the Common Stock to Glycomed shareholders. The Merger was accounted for using the purchase method of accounting. The excess of the purchase price over the fair value of the net assets acquired was allocated to in-process technology and was written off, resulting in a one time non-cash charge to operations of approximately $20.0 million. The results of operations of Glycomed are included in the Company's results of operations from the date of the Merger.

In December 1994, the Company and Allergan, Inc. ("Allergan") formed Allergan Ligand Retinoid Therapeutics, Inc. ("ALRT") to continue the research and development activities previously conducted by the Allergan Ligand Joint Venture (the "Joint Venture"). In June 1995, the Company and ALRT completed a public offering of 3,250,000 units (the "Units") with aggregate proceeds of $32.5 million (the "ALRT Offering") and cash contributions by Allergan and the Company of $50.0 million and $17.5 million, respectively, providing for net proceeds of $94.3 million for retinoid product research and development. Each Unit consisted of one share of ALRT's callable Common Stock and two warrants, each warrant entitling the holder to purchase one share of the Common Stock of the Company. Immediately prior to the consummation of the ALRT Offering on June 3, 1995, Allergan Pharmaceuticals (Ireland) Ltd., Inc. made a $6.0 million investment in the Company's Common Stock. The Company's $17.5 million cash contribution resulted in a one-time charge to operations. The Company also recorded a warrant subscription receivable and corresponding increase in paid-in capital of $5.9 million pursuant to the ALRT Offering. During the first six months of 1996, $806,000 of the proceeds received from ALRT were applied to the warrant subscription receivable. In conjunction with the consummation of the ALRT Offering, all rights held by the Joint Venture were licensed to ALRT. The Company, Allergan and ALRT entered into various agreements in connection with the funding of ALRT. After June 3, 1995, cash received from ALRT pursuant to the agreements was prorated between contract revenue and the warrant subscription receivable based on their respective values. Contributions made by the Company to the Joint Venture related to

the period from January 1, 1995, through June 30, 1995 were retroactively reimbursed by ALRT and previous equity losses recognized for the six month period from the Joint Venture operations were reversed.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 1996 ("1996"), COMPARED WITH THREE MONTHS ENDED JUNE 30, 1995 ("1995")

The Company had revenues of $8.5 million for 1996 compared to revenues of $5.4 million for 1995. The increase in revenues is due to an expanded and amended research and development agreement entered into in January 1996 with Wyeth-Ayerst Laboratories, the pharmaceutical division of American Home Products Corporation ("AHP") (which began in September 1994), a full quarter effect of the collaborative research agreement with Sankyo Company, Ltd. ("Sankyo") (which became effective the date of the Merger), and increased revenue from ALRT. Revenues in 1996 were derived from the Company's research and development agreements with (i) ALRT of $4.0 million, (ii) AHP of $1.5 million, (iii) Abbott Laboratories ("Abbott") of $725,000, (iv) Sankyo of $666,000, (v) SmithKline Beecham Corporation ("SmithKline") of $596,000, (vi) Glaxo-Wellcome plc ("Glaxo") of $514,000, as well as from milestone revenue from Pfizer Inc. ("Pfizer") of $438,000 and product sales of Ligand (Canada) inlicensed products of $60,000. Revenues in 1995 were derived from the Company's research and development agreements with (i) ALRT of $2.3 million, (ii) AHP of $1.0 million, (iii) Abbott of

$625,000, (iv) SmithKline of $608,000, (v) Glaxo $544,000, (vi) Sankyo of $311,000 and from product sales of Ligand (Canada) in-licensed products of $36,000.

For 1996, research and development expenses increased to $14.8 million from $9.1 million in 1995. These expenses increased primarily due to expansion of the Company's research and development programs, additions of research and development personnel, and inclusion of the cost of Glycomed's operations for a full quarter in 1996. Selling, general and administrative expenses increased to $2.6 million in 1996 from $2.1 million in 1995. The increase was primarily due to the expansion of the Company's sales and marketing activities, additions to personnel to support expanded research and development programs, and legal expenses related to the Pfizer litigation. Interest income increased to $902,000 in 1996 from $726,000 in 1995. The increase in interest income was a result of an increase in cash balances due to the Merger, increased research revenues, and additional equity investments, offset by net usage of cash to support expansion activities. Interest expense increased to $2.1 million in 1996 from $926,000 in 1995. The increase was primarily due to interest required under Glycomed's Convertible Subordinated Debentures ("Debentures"), accretion of debt discount of the Debentures and additional capital lease obligations used to finance equipment. The 1995 equity gain in operations of the Joint Venture of $1.8 million was due to the dissolution of the Joint Venture and the reversal of losses recognized in the Joint Venture from January 1995.

One time charges of $19.9 million and $17.5 million were incurred in 1995 due to the Merger and the ALRT Offering respectively.

SIX MONTHS ENDED JUNE 30, 1996 ("1996"), COMPARED WITH SIX MONTHS ENDED JUNE 30, 1995 ("1995")

The Company had revenues of $17.3 million for 1996 compared to revenues of $10.0 million for 1995. The increase in revenues is due to the, new, expanded and amended collaborative agreements previously discussed, a full six-month effect of the collaboration with SmithKline (which began in February 1995), and increased revenue from ALRT. Revenues in 1996 were derived from the

Company's research and development agreements with (i) ALRT of $7.3 million, (ii) AHP of $4.4 million, (iii) Abbott of $1.4 million, (iv) Sankyo of $1.4 million, (v) SmithKline of $1.2 million, (vi) Glaxo of $1.1 million, as well as from milestone revenue from Pfizer of $438,000, and product sales of Ligand (Canada) in-licensed products, of $118,000. Revenues in 1995 were derived from the Company's research and development agreements with (i) ALRT of $4.4 million, (ii) AHP of $2.0 million, (iii) Glaxo of $1.1 million (iv) Abbott of $1.2 million, (v) SmithKline of $910,000, (vi) Sankyo of $311,000 and from products sales of Ligand (Canada) in-licensed product of $36,000.

For 1996, research and development expenses increased to $27.1 million from $16.0 million in 1995. These expenses increased primarily due to expansion of the Company's research and development programs, additions of research and development personnel, and inclusion of the cost of Glycomed's operations for a full six months in 1996. Selling, general and administrative expenses increased to $5.2 million in 1996 from $3.8 million in 1995. The increase was primarily attributable to legal expenses related to the Pfizer litigation, expansion of the Company's sales and marketing activities, and additions to personnel to support expanded research and development programs. Interest income increased to $2.0 million in 1996 from $1.2 million in 1995. The increase in interest income was a result of an increase in cash balances due to the Merger, increased research revenues and additional equity investments, offset by net usage of cash to support expansion activities. Interest expense increased to $4.1 million in 1996 from $1.3 million in 1995. The increase was primarily due to interest required under the Debentures, accretion of debt discount of the Debentures and additional capital lease obligations used to finance equipment.

One time charges of $19.9 million and $17.5 million were incurred in 1995 due to the Merger and the ALRT Offering respectively.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations through private and public offerings of its equity securities, collaborative research revenues, capital and operating lease transactions, issuance of convertible notes, product sales and investment income. From inception through June 1996, the Company has raised $121.2 million from sales of equity securities: $43.0 million from the Company's initial public offering in November 1992 (of which $7.5 million was provided by the Company's collaborators) and an aggregate of $78.2 million from private placements (of which $64 million was provided by the Company's collaborators, $11.4 million was provided through venture capital financing and $2.8 million was provided by other investors).

As of June 30, 1996, the Company had acquired an aggregate of $17.1 million in laboratory and office equipment, and $3.8 million in tenant improvements, substantially all of which has been funded through capital lease and equipment note obligations and which includes laboratory and office equipment acquired in the Merger. In addition, the Company leases its office and laboratory facilities under operating leases. In July 1994, the Company entered into a twenty-year lease related to the construction of a new laboratory facility, which was completed and occupied in August 1995. In May 1996, the Company signed a master lease agreement to finance future capital equipment up to $2.5 million.

Working capital decreased to $46.8 million as of June 30, 1996, from $57.3 million at the end of 1995. The decrease in working capital resulted from an increase in cash from collaborative research agreements, offset by an increase in research and development program expenses, the related increase in selling, general and administrative expenses as described above, semi-annual interest payments due on the Debentures and interest paid on the

convertible note. For the same reasons, cash and cash equivalents, short-term investments, and restricted cash decreased to $60.4 million at June 30, 1996 from $76.9 million at December 31, 1995. The Company primarily invests its cash in United States government and investment grade corporate debt securities.

The Company believes that its available cash, cash equivalents, marketable securities and existing sources of funding will be adequate to satisfy its capital requirements through 1998. The Company's future capital requirements will depend on many factors, the pace of scientific progress in research and development programs, the magnitude of these programs, the scope and results of preclinical testing and clinical trials, the time and costs involved in obtaining regulatory approvals, the costs involved in preparing, filing, prosecuting, maintaining and enforcing patent claims, competing technological and market developments, the ability to establish additional collaborations, changes in the existing collaborations, the cost of manufacturing scale-up and the effectiveness of the Company's commercialization activities.

RISKS AND UNCERTAINTIES

The Company's potential products are in various stages of development. Substantially all of the Company's revenues to date have been derived from its research and development agreements with major pharmaceutical collaborators. Prior to generating product revenues, the Company must complete the development of its products, including several years of human clinical testing, and receive regulatory approvals prior to selling these products in the human health care market. No assurance can be given that the Company's products will be successfully developed, regulatory approvals will be granted, or patient and physician acceptance of these products will be achieved. There can be no assurance that Ligand will successfully commercialize, manufacture or market its products or ever achieve or sustain product revenues or profitability.

The Company faces those risks associated with companies whose products are in various stages of development. These risks include, among others, the Company's need for additional financing to complete its research and development programs and commercialize its technologies. The Company expects to incur substantial additional research and development expenses, including continued increases in personnel and costs related to preclinical testing, clinical trials and sales and marketing expenses related to the product sales in Canada. The Company intends to seek additional funding sources of capital and liquidity through collaborative arrangements, collaborative research or through public or private financing. There is no assurance such financing will be available to the Company when required or that such financing would be available under favorable terms.

The Company believes that patents and other proprietary rights are important to its business. The Company's policy is to file patent applications to protect technology, inventions and improvements to its inventions that are considered important to the development of its business. The patent positions of pharmaceutical and biotechnology firms, including the Company, are uncertain and involve complex legal and technical questions for which important legal principles are largely unresolved.

While the Company believes that its current collaborators have sufficient economic motivation to continue their funding and development efforts under these collaborations, there can be no assurance that these collaborations will continue or be performed by the parties or that they will be successful.

PART II. OTHER INFORMATION

ITEM 1 LEGAL PROCEEDINGS

In December 1994, Ligand filed suit against Pfizer in the Superior Court of California in San Diego County for breach of contract and for a declaration of future rights as they relate to droloxifene, a compound upon which the Company performed work at Pfizer's request during a collaboration between Pfizer and the Company to develop drugs in the field of osteoporosis. Droloxifene is an estrogen antagonist/partial agonist with potential indications in the treatment of osteoporosis and breast cancer as well as other applications. The Company and Pfizer entered into a settlement agreement with respect to the lawsuit in April 1996. Under the terms of the settlement agreement, the Company is entitled to receive milestone payments if Pfizer continues development, and royalties if Pfizer commercializes droloxifene. At the option of either party, milestone and royalty payments owed to the Company can be satisfied by Pfizer transferring to the Company shares of the Company's Common Stock previously purchased by Pfizer, an exchange ratio of $12.375 per share. According to recent announcements by Pfizer, droloxifene has entered Phase II clinical trials for osteoporosis and Phase III clinical trials for breast cancer.

ITEM 4 SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's Annual Meeting of Stockholders was held on May 21, 1996. The following elections and proposals were approved at the Company's Annual Meeting:

	Votes For	Votes Against	Votes Withheld	Votes Abstaining	Broker Nonvote
1. Election of a Board of Directors. The total number of votes cast for, or withheld for each nominee was as follows:					
Henry F. Blissenbach	21,410,367	-- --	1,542,958	-- --	-- --
Alexander D. Cross, Ph.D.	21,410,367	-- --	1,542,958	-- --	-- --
John Groom	21,412,622	-- --	1,540,703	-- --	-- --
Irving S. Johnson, Ph.D.	21,409,502	-- --	1,543,823	-- --	-- --
David E. Robinson	21,361,654	-- --	1,591,671	-- --	-- --
William C. Shepherd	21,412,172	-- --	1,541,153	-- --	-- --
2. Amendment of 1992 Stock Option/Stock Issuance Plan to increase the authorized number of shares of Common Stock from 5,628,457 to 6,428,457	18,311,193	3,709,437	5,102,347	67,749	864,946
3. Amendment of the 1992 Employee Stock Purchase Plan, to increase the authorized number of shares of Common Stock available for issuance under such plan from 141,500 to 166,500.	20,861,563	1,331,881	5,102,347	66,592	693,289
4. Ratification of the appointment of Ernst & Young LLP as the independent auditors for the fiscal year ending December 31, 1996.	22,899,828	22,143	5,102,347	31,354	-- --

ITEM 6 (A) EXHIBITS

Exhibit 10.149 Successor Employment Agreement, signed May 1, 1996, between the Company and David E. Robinson.

Exhibit 10.150 Master Lease Agreement, signed May 30, 1996,between the Company and USL Capital Corporation.

Exhibit 10.151(1) Settlement Agreement and Mutual Release of all Claims, signed April 20, 1996 between the Company and Pfizer Inc. (with certain confidential portions omitted).

Exhibit 10.152(1) Letter Amendment to Abbott Agreement dated, March 14, 1996, between the Company and Abbott Laboratories(with certain confidential portions omitted).

ITEM 6 (B) REPORTS ON FORMS 8-K

None.

(1) Certain confidential portions of the Exhibit were omitted by means of blacking out the text (the "Mark"). This Exhibit has been filed separately with the Secretary of the Commission without the Mark pursuant to the Company's Application Requesting Confidential Treatment under Rule 406 under the Securities Act of 1933, as amended.

LIGAND PHARMACEUTICALS INCORPORATED

June 30, 1996

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Ligand Pharmaceuticals Incorporated

Date: August 14, 1996 By /s/Paul V. Maier

Paul V. Maier
Vice President and Chief Financial Officer

EXHIBIT 10.149

SUCCESSOR
EMPLOYMENT AGREEMENT

THIS AGREEMENT, effective as of May 1, 1996, is made by and between Ligand Pharmaceuticals Incorporated, a Delaware corporation (hereinafter the "Company"), and David E. Robinson (hereinafter "EXECUTIVE") on this 1st of May, 1996.

R E C I T A L S

WHEREAS, the Company and EXECUTIVE wish to set forth in this Agreement the terms and conditions under which EXECUTIVE is to be continued to be employed by the Company; and

WHEREAS, the Company wants to be assured that EXECUTIVE will be available to the Company for an additional three (3) years after May 1, 1996.

NOW, THEREFORE, the Company and EXECUTIVE, in consideration of the mutual promises set forth herein, agree as follows:

ARTICLE 1

TERM OF AGREEMENT

1.1 Commencement Date. EXECUTIVE's employment with the Company shall commence on May 1, 1996 ("Commencement Date") and this Agreement shall expire after a period of three (3) years from the Commencement Date, unless terminated earlier pursuant to Article 6.

1.2 Renewal. The term of this Agreement shall be automatically renewed for successive, additional three (3) year terms unless either party delivers written notice to the other at least six (6) months prior to the expiration date of this Agreement of an intention to terminate this agreement or to renew it for a term of less than three (3) years but not less than one (1) year. If the term of this Agreement is renewed for a term of less than three (3) years, then thereafter the term of this Agreement shall be automatically renewed for successive, additional identical terms unless either party delivers a written notice to the other at least six (6) months prior to a termination date of this agreement of an intention to terminate this Agreement or to renew it for a different term of not less than one (1) year.

If this Agreement is not renewed at the end of any term hereof by the Company for any reason except death, disability or retirement of EXECUTIVE, notwithstanding anything herein elsewhere contained, EXECUTIVE shall be paid his

salary, as provided for in Section 3.1 hereof, and receive the other benefits applicable under

Section 4 hereof, for an additional eighteen months after the termination date hereof.

ARTICLE 2
EMPLOYMENT DUTIES

2.1 Title/Responsibilities. EXECUTIVE shall hold the position of Chairman of the Board, President and Chief Executive Officer of the Company, and shall have the powers, duties and sufficient authority consistent with such position and shall report directly and be responsible solely to the Company's Board of Directors. EXECUTIVE shall also perform all duties which from time to time are assigned to him by the Company's Board of Directors, and shall provide the Board with periodic reports upon request. As Chief Executive Officer of the Company, EXECUTIVE shall use his best efforts in directing the business of the Company with the objective of providing maximum profit and return on invested capital, building stockholder value, establishing current and long-range objectives, plans and policies subject to the approval of the Board, and representing the Company with its major customers, the financial community and the public.

2.2 Full Time Attention. EXECUTIVE shall devote substantially all of his business time and attention, energy and skills to the Company during the time he is employed under this Agreement, but nothing in the Agreement shall preclude EXECUTIVE from engaging in charitable and community affairs or from managing his personal investments, provided that such activities do not interfere with the performance of his duties or responsibilities under this Agreement.

2.3 Directorships. Upon the commencement date, EXECUTIVE will be nominated for re-election to the Company's Board of Directors if the By-Laws so require it. At the pleasure of the Company's shareholders, EXECUTIVE agrees to serve as Chairman of the Board and a Director on the Company's Board of Directors at no additional compensation. In addition, EXECUTIVE may serve as a member of the board of directors of any other unaffiliated company that is not in competition with the Company subject in each case to the approval of the Compensation Committee of the Board of Directors of the Company, provided that such service does not interfere with the performance of his duties or responsibilities hereunder. EXECUTIVE may retain all benefits he receives as a director of any unaffiliated company, and the Company

shall not reduce his compensation by the amount of such benefits.

ARTICLE 3

COMPENSATION

3.1 Base Salary. EXECUTIVE shall receive a Base Salary at an annual rate of Four Hundred Ninety Thousand Dollars ($490,000), payable every two weeks in equal installments (less all required and authorized withholdings and deductions). The Company's Board of Directors shall provide EXECUTIVE with annual performance reviews, and, thereafter, EXECUTIVE shall be entitled to such higher rate of Base Salary as the Board of Directors may from time to time establish in its sole discretion.

3.2 Renewal Bonus. In lieu of any other stock option grant for the year 1996, the Company on April 25, 1996, provided EXECUTIVE a one-time contract renewal stock option grant in the form of an option to purchase one hundred thousand (100,000) shares of the common stock of the Company, the maximum number of which shall be pursuant to Incentive Stock Options under the Ligand Pharmaceuticals Incorporated 1992 Stock Option/Stock Issuance Plan. The entire number of shares granted under such option, both Incentive and Non-Statutory, shall vest over four (4) years, with such vesting to be in accordance with the terms of the Ligand Pharmaceuticals Incorporated 1992 Stock Option/Stock Issuance Plan. The Company will also pay EXECUTIVE's reasonable legal fees incurred in the negotiation and consummation of this Agreement in an amount not to exceed $3,000.00.

3.3 Incentive Bonus. In addition to any other bonus EXECUTIVE shall be awarded by the Company's Board of Directors, the Company shall pay EXECUTIVE a bonus payment of up to one hundred thousand dollars ($100,000) annually based upon achievement by the Company against 8 to 10 reasonable Impact Goals approved by the Board of Directors annually.

ARTICLE 4

EXPENSE ALLOWANCES AND FRINGE BENEFITS

4.1 Vacation. EXECUTIVE shall be entitled to three (3) weeks of annual paid vacation during the term of this Agreement.

4.2 Health Benefits. During the term of this Agreement, the Company shall also provide EXECUTIVE with the usual health insurance benefits it generally provides to its other senior management employees.

4.3 Company Loan. The Company has loaned EXECUTIVE Two Hundred Thousand Dollars ($200,000) pursuant to a promissory note (the

("Note") approved by the Company's Board of Directors. The Note bears interest at the applicable minimum federal rate required to avoid imputation of interest under IRC Section 1274(d), and has a four-year term, payable in four equal annual installments on August 23, subject to acceleration upon EXECUTIVE's cessation of employment with the Company under Sections 6.3 and 6.6. If EXECUTIVE's employment with the Company is terminated under Sections 6.4 or 6.5, the balance of the Note will be forgiven by the Company. The Note is secured by a deed of trust on the residential real property owned by EXECUTIVE in the greater San Diego area or such other security approved by the Company's Board of Directors. Twenty-five percent (25%) of the original principal amount of the Note plus all accrued but unpaid interest thereon shall be forgiven by the Company on each anniversary of the Note so long as EXECUTIVE is continuously employed by the Company during the prior year. As of the date hereof only fifty percent (50%) of the original principal amount of such note remains unpaid.

Such Note is non-negotiable.

4.4 Business Expense Reimbursement. During the term of his employment hereunder, EXECUTIVE shall be entitled to receive proper reimbursement for all reasonable out-of-pocket expenses incurred by him (in accordance with the policies and procedures established by the Company for its senior executive officers) in performing services hereunder, provided EXECUTIVE properly accounts therefor.

ARTICLE 5
CONFIDENTIALITY

5.1 Proprietary Information. EXECUTIVE shall execute and deliver to the Company the Company's standard Proprietary Information and Inventions Agreement in form acceptable to the Company's Vice President and General Counsel.

5.2 Return Of Property. All documents, records, apparatus, equipment and other physical property which is furnished to or obtained by EXECUTIVE in the course of his employment with the Company shall be and remain the sole property of the Company. EXECUTIVE agrees that, upon the termination of his employment, he shall return all such property (whether or not it pertains to Proprietary Information as defined in the Proprietary Information and Inventions Agreement), and agrees not to make or retain copies, reproductions or summaries of any such property.

ARTICLE 6

TERMINATION

6.1 Death. In the event of the death of the EXECUTIVE during the term of this Agreement, his salary and any other unpaid amounts shall be paid to the EXECUTIVE's designated beneficiary, or in the absence of such designation to the estate or other legal representative of the EXECUTIVE for the month in which death occurs as well as for an additional twelve (12) months thereafter. In the event that the Company wishes to purchase life insurance to fund this benefit, the Executive shall comply with all reasonable requests of the Company related to such insurance, including, without limitation, submitting to a physical examination, a copy of which report will be furnished to EXECUTIVE as soon as it is available. Other death benefits, if any, will be determined in accordance with the terms of the Company's benefit programs and plans.

6.2 Disability. In the event of the Executive's disability, the EXECUTIVE shall be entitled to his salary for a period of one (1) year after such disability commences and other benefits as determined in accordance with the terms of the Company's benefit programs and plans.

Notwithstanding anything in this Agreement to the contrary, the Company is hereby given the option to terminate the EXECUTIVE's employment in the event that the EXECUTIVE shall, during the term hereof, become permanently disabled as the term permanently disabled is hereinafter defined. Such option shall be exercised by the Company giving notice to EXECUTIVE by certified mail of the company's intention to terminate his employment due to disability on the last day of the month during which such notice is mailed

For purposes of this Agreement, EXECUTIVE shall be deemed to have become disabled if, during the term hereof, because of physical or mental disability he shall have been unable to perform his duties hereunder. This disability shall be deemed to be permanent if he shall have been unable to perform his duties hereunder (a) for 120 consecutive days, or (b) for 180 days (irrespective or whether such days are consecutive) occurring during any period of 365 consecutive days.

During a period in which salary continuation is being made pursuant to this Section, the EXECUTIVE will undergo reasonable periodic medical examinations to confirm the continuation of his disability. Such medical examinations will be conducted by a medical doctor chosen by the parties. If the parties cannot agree on such a doctor, they each shall select a medical doctor

and the

two doctors shall select a third medical doctor for this purpose. In the event that the Company has terminated EXECUTIVE because of permanent disability notwithstanding a determination by a medical doctor, chosen as described in the preceding sentence, that EXECUTIVE is no longer subject to a disability as defined in this Section, EXECUTIVE will continue to be entitled to salary continuation as herein set forth, provided that, following such determination, he makes a continuing reasonable effort to find employment at such time commensurate with his abilities, experience, and background.

Anything herein to the contrary notwithstanding, if, following a termination of employment hereunder due to permanent disability as provided, EXECUTIVE becomes re-employed (except in connection with management of his own investments) whether as an employee or a consultant, any salary, annual incentive payments, or other benefits earned by him from such employment shall offset any comparable amounts due him hereunder.

6.3 Termination by the Company for Cause. Nothing herein shall prevent the Company from terminating EXECUTIVE's employment for Cause. EXECUTIVE shall continue to receive salary for the period ending with the date of such termination as provided in this Section 6.3. Any rights and benefits he may have in respect of any other compensation or employee benefit plans or programs of the Company shall be determined in accordance with the terms of such other compensation arrangements or such other plans or programs.

The term "Cause", as used herein, shall mean that (a) the EXECUTIVE has committed a willful, serious act, such as embezzlement, against the Company intending to enrich himself at the expense of the Company or (b) the EXECUTIVE, in carrying out his duties hereunder, has been guilty of willful or gross negligence, resulting in either case in material harm to the Company (this provision shall not apply to any particular instance which is merely the result of any good faith error in judgment), or (c) the willful and continued failure by EXECUTIVE to substantially perform his duties with the Company (other than any such failure resulting from EXECUTIVE's incapacity due to physical or mental illness), after a demand for substantial performance is delivered to EXECUTIVE by the Board which specifically identifies the manner in which the Board believes that EXECUTIVE has not substantially performed his duties, or (d) the willful engaging by EXECUTIVE in gross misconduct materially and demonstrably injurious to the Company. For purposes of this section, no

act, or failure to act, on EXECUTIVE's part shall be considered "willful" unless done, or omitted to be done, by EXECUTIVE, not in good faith and without reasonable doubt that EXECUTIVE's action or omission was in the best interest of the Company.

Notwithstanding the foregoing, EXECUTIVE shall not be deemed to have been terminated for Cause unless and until there shall have been delivered to him a copy of a resolution duly adopted by the affirmative vote of not less than two-thirds (2/3) of the entire membership of the Board at a meeting of the Board called and held for the purpose (after reasonable notice to EXECUTIVE and an opportunity for EXECUTIVE, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board, EXECUTIVE was guilty of conduct set forth above and specifying the particulars thereof in detail.

6.4 Termination by Company Other Than for Cause. The foregoing notwithstanding, the Company may terminate the EXECUTIVE's employment for whatever reason it deems appropriate, or for no reason. In the event that EXECUTIVE's employment is terminated pursuant to this Section 6.4, the Company's obligations under this Agreement shall immediately cease, and EXECUTIVE shall be entitled to no severance benefits or any other benefits under this Agreement other than as expressly provided in this Section 6.4.

6.4.1 If the Company terminates EXECUTIVE's employment pursuant to this Section 6.4, the Company will pay EXECUTIVE a severance benefit equal to (i) his Base Salary, and (ii) his health benefits described in Section 4.2 of this Agreement, each on a monthly basis for twenty-four (24) months after the date of such termination. Executive shall also receive credited service for such twenty-four (24) month period under any retirement plan or policy provided by the Company. This severance benefit shall be in addition to EXECUTIVE's rights under Section 6.4.2.

6.4.2 If EXECUTIVE is terminated other than for Cause by the Company as provided for in this Section 6.4 hereof or the EXECUTIVE terminates for Good Reason as provided for in Section 6.5 hereof during the remainder of the three (3) years of this employment agreement, then, notwithstanding anything to the contrary hereinbefore stated, the terms of the Restricted Stock Purchase Agreement will apply to the disposition of such stock of EXECUTIVE.

6.5 Termination by the EXECUTIVE for Good Reason. EXECUTIVE may terminate his employment under this Agreement for Good Reason, in which event the Company shall still have the same obligations to

EXECUTIVE under this Agreement as provided for in Section 6.4.

6.5.1 "Good Reason" shall mean:

(a) Without EXECUTIVE's express written consent, the assignment to EXECUTIVE of any duties inconsistent with his positions, duties, responsibilities and status with the Company set forth in this Agreement, or a change in his reporting responsibilities, title or offices set forth in this Agreement, or

any removal of EXECUTIVE from or any failure to re-elect him to any of such positions except in connection with the termination of his employment for Cause, disability or retirement or as a result of his death or by EXECUTIVE other than for Good Reason;

(b) A reduction in EXECUTIVE's Base Salary or benefits or a material breach of the Company's obligations undertaken in this Agreement (after the Company has received written notice of such breach and a reasonable opportunity to cure);

(c) In the event of the occurrence of a Change in Control, upon the occurrence thereafter of one or more of the following events:

(i) Any termination by the Company of the employment of EXECUTIVE within three (3) years after a Change in Control and prior to the date upon which EXECUTIVE shall have attained age 65, which termination shall be for any reason other than for Cause or as a result of the death of EXECUTIVE or by reason of EXECUTIVE's disability: or

(ii) Termination by EXECUTIVE of his employment with the Company within three (3) years after a Change in Control and upon the occurrence of any of the following events:

(A) Failure to elect or re-elect EXECUTIVE, or removal of EXECUTIVE , as a director of the Company (or any successor thereto), if EXECUTIVE shall have been a director of the Company immediately prior to the Change in Control, or the office of the Company which EXECUTIVE held immediately prior to a Change in Control:

(B) A significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with the Company which EXECUTIVE had immediately prior to the Change in Control, a reduction in the

aggregate of EXECUTIVE's Base Pay and Incentive Pay received from the Company, or the termination of EXECUTIVE's rights to any EXECUTIVE Benefits to which he was entitled immediately prior to the Change in Control or a reduction in scope or value thereof without the prior written consent of EXECUTIVE, any of which is not remedied within ten (10) calendar days after receipt by the Company of written notice from EXECUTIVE of such change, reduction or termination, as the case may be;

(C) A determination by EXECUTIVE made in good faith that as a result of a Change in Control and a change in circumstances thereafter significantly affecting his position, he has been rendered substantially unable to carry out, or has been substantially hindered in the performance of, any of the authorities, powers, functions, responsibilities or duties attached to his position immediately prior to the Change of Control, which situation is not remedied within ten (10) calendar days after receipt by the Company of written notice from EXECUTIVE of such determination;

(D) The liquidation, dissolution, merger, consolidation or reorganization of the Company or transfer of all or a significant portion of its business and/or assets unless the successor or successors (by liquidation, merger, consolidation, reorganization or otherwise) to which all or a significant portion of its business and/or assets have been transferred (directly or by operation of law) shall have assumed all duties and obligations of the Company under this Agreement pursuant to Section 7.2.2 hereof; or

(E) The Company shall relocate its principal Executive office or require EXECUTIVE to have as his principal location of work any location which is in excess of 50 miles from the location thereof immediately prior to the Termination Date or to travel away from his office in the course of discharging his responsibilities or duties hereunder more than thirty (30) consecutive calendar days or an aggregate of more than sixty (60) calendar days in any consecutive 365 calendar day period without in either case his prior consent.

(d) Subsequent to a Change in Control of the

Company, any purported termination of EXECUTIVE's employment which is not effected pursuant to a Notice of Termination satisfying the requirements of Section 6.7 hereof; or

(e) EXECUTIVE is not elected a director, the Chairman of the Board, President and Chief Executive Officer of the Company on or before June 1, 1996.

(f) A Chairman of the Board is appointed without the consent and approval of the Board of Directors and EXECUTIVE during the term of this contract, including any extensions and renewals hereof; however, in the event that it is considered in the best interests of the Company, and the Board of Directors and Executive concur to appoint a Chairman of the Board other than

Executive, such will not give the EXECUTIVE the right to terminate his employment under this agreement for good reason.

6.5.2 Change in Control. For purposes of this Agreement, a "Change in Control" shall have occurred if at any time during the term of EXECUTIVE's employment hereunder, any of the following events shall occur:

(i) The Company is merged, or consolidated, or reorganized into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than 30% of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction are held in the aggregate by the holders of voting securities of the Company immediately prior to such transaction;

(ii) Company sells all or substantially all of its assets or any other corporation or other legal person and thereafter, less than 30% of the combined voting power of the then-outstanding voting securities of the acquiring or consolidated entity are held in the aggregate by the holders of voting securities of the Company immediately prior to such sale;

(iii) There is a report filed after the date of this Agreement on Schedule 13 D or Schedule 14 D-1 (or any successor schedule, form or report), each as promulgated pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") disclosing that any person (as the term "person" is used in Section 13(d)(3) or Section 14 (d) (2) of the Exchange Act) has become the beneficial owner (as the term "beneficial owner" is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) representing 30% or more of the combined voting power of the then-outstanding voting securities of the Company;

(iv) The Company shall file a report or proxy statement with the Securities and Exchange Commission pursuant to the Exchange Act disclosing in response to item 1 of Form 8-X thereunder or Item 5(f) of Schedule 14 A thereunder (or any successor schedule, form or report or item therein) that the change in control of the Company has or may have occurred or will or may occur in the future pursuant to any then-existing contract or transaction; or

(v) During any period of two consecutive years, individuals who at the beginning of any such period constitute the directors of the Company cease for any reason to constitute at least a majority thereof unless the election to the nomination for election by the Company's shareholders of each director of the company first elected during such period was approved by a vote of at least two-thirds of the directors of the Company then still in

office who were directors of the Company at the beginning of such period.

6.5.3 Payments and Benefits Upon Executive's Termination. Upon the termination of this Agreement by EXECUTIVE pursuant to Section 6.5, EXECUTIVE shall be entitled to those benefits which are applicable under the terms of Section 6.4.1 and 6.4.2, and all Stock Options issued to him by the Company which are then unvested shall immediately vest so as to be immediately exercisable by him at his election. Notwithstanding anything to the contrary in the foregoing, in the event that the company has agreed to a merger that is intended to be treated as a pooling of interests for accounting purposes and EXECUTIVE terminates this Agreement pursuant to Section 6.5 prior to May 1, 1997, then the Stock Options issued to him by the company shall not become exercisable on an accelerated basis but only to the extent that the Company's independent auditors determine that accelerated vesting of such Stock Options would preclude the treatment of such merger as a pooling of interest.

6.6 Termination by Executive by Voluntary Resignation. EXECUTIVE may terminate this Agreement prior to the expiration date specified in Section 1 upon sixty (60) days notice to the Company, in which event the Company shall be obligated to pay him his total remuneration and other applicable benefits described in Sections 3.1 and 4 up to the date of termination only. All earned but unpaid bonuses pursuant to Section 3.3 shall be paid to EXECUTIVE.

6.7 Notice of Termination. Any Notice of termination by the Company pursuant to Section 6.4 or by EXECUTIVE pursuant to Section 6.5 shall be communicated by written Notice of Termination to the other

party hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of EXECUTIVE's employment under the provision so indicated. Such a notice must be given by the party utilizing it within six (6) months after the event giving rise to it occurs; otherwise, the right to utilize such event as a right to terminate hereunder is forever lost.

6.8 Date of Termination. "Date of Termination" shall mean:

(i) If EXECUTIVE's employment is terminated pursuant to Section 6.5, the date specified in the Notice of Termination, and

(ii) If EXECUTIVE's employment is terminated for any other reason, the date on which a Notice of Termination is given; provided that if within thirty (30) days after any Notice of Termination is given, one party notified the other party that a

dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties, by a binding and final arbitration award or by a final judgment, order or decree of a court of competent jurisdiction (the time for appeal thereof having expired and no appeal having been perfected).

6.9 Resolution of a Dispute is Final. Once a dispute between the parties hereto under the contract might have been resolved without either party terminating this contract, the event giving rise to such dispute may never be utilized again by either party hereto for any reason whatsoever including, but not limited to terminating this contract.

ARTICLE 7

GENERAL PROVISIONS

7.1 Governing Law. The validity, interpretation, construction and performance of this Agreement and the rights of the parties thereunder shall be interpreted and enforced under California law without reference to principles of conflicts of laws. The parties expressly agree that inasmuch as the Company's headquarters and principal place of business are located in California, it is appropriate that California law govern this Agreement.

7.2 Assignment: Successors: Binding Agreement.

7.2.1 EXECUTIVE may not assign, pledge or encumber his interest in this Agreement or any part thereof.

7.2.2 The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance reasonably satisfactory to EXECUTIVE, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle EXECUTIVE to compensation from the Company in the same amount and on the same terms as EXECUTIVE would be entitled hereunder if EXECUTIVE terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. As used in this Section 7.2.2, "Company" shall mean the Company as hereinbefore described

and any successor to its business and/or assets as aforesaid which executes and delivers the Agreement provided for in this Section 7.2.2 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

7.2.3 This Agreement shall inure to the benefit of and be enforceable by EXECUTIVE's personal or legal representatives, executors, administrators, successors, heirs, distributee, devisees and legatees. If EXECUTIVE should die while any amount is at such time payable to him hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to EXECUTIVE's devisee, legatee or other designee or, if there be no such designee, to his estate.

7.3 No Waiver of Breach. The waiver by any party of the breach of any provision of this Agreement shall not be deemed to be a waiver of any subsequent breach.

7.4 Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

TO THE COMPANY: William L. Respess, Esq.
General Counsel
Ligand Pharmaceuticals Incorporated
9393 Towne Centre Drive
Suite 100
San Diego, California 92121

TO THE EXECUTIVE: Mr. David E. Robinson
P.O. Box 8993
Rancho Santa Fe, CA 92067-8993

Copy to: John W. Hough, Esq.
Connelly & Schroeder
1 North Franklin Street, Suite 1200
Chicago, Illinois 60606

7.5 Modification: Waiver: Entire Agreement. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by EXECUTIVE and such officer as may be specifically designated by the

Board of the Company. No waiver by either party hereto at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement; provided, however, that this Agreement shall not supersede or in any way limit the rights, duties or obligations EXECUTIVE may have under any other written agreement with the Company (other than the Company's letter offering employment to EXECUTIVE).

7.6 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

7.7 Controlling Document. In case of conflict between any of the terms and conditions of this present Employment Agreement with any of the terms and conditions hereof and of the Exhibits hereto and the documents herein referred to, including but not limited to the Ligand Pharmaceuticals, Inc. Restricted Stock Purchase Agreement and the Ligand Employees' Handbook and Policies, the terms and conditions of the terms and conditions of this present Employment Agreement shall control,

Upon this Successor Employment Agreement becoming effective and binding between the parties hereto the Employment Agreement of

October 4, 1991, and the
First Amendment thereto of October 5, 1991 shall be of no
further force or
effect.

Executed by the parties as of the day and year
first above written.

THE COMPANY:
Ligand Pharmaceuticals
Incorporated

By: /s/ P. Maier -------

Its: Vice President and
C.F.O.

EXECUTIVE:

/s/ David E. Robinson --

David E. Robinson

EXHIBIT 10.150

[USL CAPITAL LOGO] MASTER LEASE AGREEMENT
[FORD LOGO]

FORD FINANCIAL

SERVICES GROUP

LESSOR: USL CAPITAL CORPORATION LESSEE: Ligand Pharmaceuticals, Inc.

ADDRESS: 733 Front Street ADDRESS: 9393 Towne Centre Drive
San Francisco, California 94111 San Diego, CA 92121

TERMS AND CONDITIONS OF LEASE

The undersigned Lessee hereby requests Lessor to purchase the personal property described in any Equipment Schedule hereunder (herein called "Equipment") from supplier listed in any Equipment Schedule hereunder (herein called "Vendor" and/or "Manufacturer", as applicable) and to lease the Equipment to Lessee on the terms and conditions of the lease set forth below.

Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment upon the following terms and conditions:

1. NO WARRANTIES BY LESSOR. Lessee has selected the Equipment and may have entered into certain purchase, licensing, or maintenance agreements with the Vendor and/or Manufacturer (herein referred to as an "Acquisition Agreement") covering the Equipment as further described in Paragraph 26 hereof. If Lessee has entered into any Acquisition Agreement, each agreement shall provide for certain rights and obligations of the parties thereto with respect to the Equipment, and Lessee shall perform all of the obligations set forth in each Acquisition Agreement as if this lease did not exist. LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, AND, AS TO LESSOR, LESSEE LEASES THE EQUIPMENT "AS IS." LESSOR SHALL HAVE NO LIABILITY FOR ANY LOSS, DAMAGE OR EXPENSE OF ANY KIND WHATSOEVER RELATING THERETO, INCLUDING WITHOUT LIMITATION ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER.

2. CLAIMS AGAINST VENDOR AND/OR MANUFACTURER. If the Equipment is not properly installed, does not operate as represented or warranted by Vendor and/or Manufacturer, or is unsatisfactory for any reason, Lessee shall make any claim on account thereof solely against Vendor and/or

Manufacturer pursuant to the Acquisition Agreement, if any, and shall, nevertheless, pay Lessor all rent payable under this lease. All warranties from Vendor and/or Manufacturer are, to the extent they are assignable, hereby assigned to Lessee for the term of the lease or until an Event of Default occurs hereunder, for Lessee's exercise at Lessee's expense. Lessee may directly inquire with Vendor and/or Manufacturer to receive an accurate and complete statement of such warranties, including any disclaimers or limitations of such warranties or of any remedies with respect thereto.

3. VENDOR NOT AN AGENT. Lessee understands and agrees that neither Vendor, nor any sales representative or other agent of Vendor, is an agent of Lessor. Sales representatives or agents of Vendor, and persons that are not employed by Lessor (including brokers and agents) are not authorized to waive or alter any term or condition of this lease, and no representation as to the Equipment or any other matter by Vendor or any other person that is not employed by Lessor (including brokers and agents) shall in any way affect Lessee's duty to pay the rent and perform its other obligations as set forth in this lease.

4. NON-CANCELLABLE LEASE. This lease and any Equipment Schedule hereto cannot be cancelled or terminated except as expressly provided herein. Lessee agrees that its obligation to pay all rent and other sums payable hereunder and the rights of Lessor in and to such rent are absolute and unconditional and are not subject to any abatement, reduction, setoff, defense, counterclaim or recoupment due or alleged to be due to, or by reason of, any past, present or future claims which Lessee may have against Lessor, any assignee, any Manufacturer or Vendor, or against any person for any reason whatsoever.

5. ORDERING EQUIPMENT. Lessee shall arrange for delivery of the Equipment so that it can be accepted in accordance with Paragraph 6 hereof within 90 days after the date on which Lessor accepts Lessee's offer to enter into this lease with respect to any Equipment Schedule or by such other date as may be set forth in an Equipment Schedule or Commitment Letter issued by Lessor as the Commitment Expiration Date. Unless otherwise specified on the Equipment Schedule, Lessee shall be responsible for all transportation, packing, installation, testing and other charges in connection with the delivery, installation and use of the Equipment. Lessee hereby authorizes Lessor to insert in any Equipment Schedule hereunder the serial numbers and other identification data of Equipment when determined by Lessor.

6. ACCEPTANCE. Lessee acknowledges that for purposes of receiving or accepting

the Equipment from Vendor, Lessee is acting on Lessor's behalf. Upon delivery of the Equipment to Lessee and Lessee's inspection thereof, Lessee shall furnish Lessor a written statement (a) acknowledging receipt of the Equipment in good condition and repair and (b) accepting it as satisfactory in all respects for the purposes of this lease (the "Certificate of Acceptance"). The date of receipt and acceptance of the Equipment covered by an Equipment Schedule (or any later date that Lessor chooses) shall be the Rent Commencement Date therefor. Lessor is authorized to fill in on any Equipment Schedule hereunder the Rent Commencement Date in accordance with the foregoing.

7. TERMINATION BY LESSOR. If, by the Commitment Expiration Date, the Equipment described in any Equipment Schedule has not been delivered to Lessee and accepted by Lessee as provided in Paragraph 6 hereof, or if other conditions of Lessor's Commitment Letter, if any, have not been met, then Lessor may, at its option, terminate this lease and its obligations hereunder with respect to such Equipment Schedule at any time after the expiration of such 90 days or any date after the Commitment Expiration Date, as applicable. Lessor shall give Lessee written notice whether or not it elects to exercise such option within 10 days after Lessor's receipt of Lessee's written request for such notice.

8. TERM. The term of this lease commences upon the Rent Commencement Date, as provided in Paragraph 9 below. The term shall continue until all of Lessee's obligations are fulfilled hereunder. The Initial Term with respect to any Equipment Schedule begins on the Rent Commencement Date for such Equipment Schedule (as defined in Paragraph 6) and expires after the later of (i) the number of periods for which the rent payments are due, or (ii) the date Lessee fulfills all Lessee's obligations hereunder.

9. RENTAL. Lessee shall pay the rent payments as stated on each Equipment Schedule, the first of which shall be due on the Rent Commencement Date for said Equipment Schedule, and subsequent payments shall be due on the same day of each calendar period as indicated on the Equipment Schedule for the balance of the Initial Term. Rent payments shall be due whether or not Lessee has received any notice that such payments are due. All rent payments shall be paid to Lessor at its address set forth on the Equipment Schedule or as otherwise directed by Lessor in writing.

10. RENEWAL. If no default shall have occurred and be continuing, Lessee shall be entitled to renew the lease with respect to all, but not less than all, of

the Equipment covered by an Equipment Schedule for a minimum 12 month period at an amount equal to the fair market rental value thereof, in use and operational, in the condition required by the lease, payable on a periodic basis, as mutually agreed by Lessor and Lessee ("Renewal Rent"). Lessee must give Lessor written notice of its intention to exercise said option, which notice must be received by Lessor at least 90 days before expiration of the Initial Term. The first installment of the Renewal Rent shall be due at expiration of the Initial Term of the lease. Should Lessee fail to comply with the provisions described above covering Renewal, upon expiration of the Initial Term, the term of the Schedule from Lessor at the end of the Initial Term or any renewal term for such Equipment Schedule at a purchase price equal to the then fair market value of the Equipment in use and operational, in the condition required by the lease, as mutually agreed by Lessor and Lessee. On a date which is no later than the expiration date of the Initial Term or any renewal term, as applicable, Lessee shall pay to Lessor the purchase price for the Equipment covered by such Equipment Schedule (plus any taxes levied thereon) and Lessor shall sell the Equipment "as-is where-is" without any warranties expressed or implied.

29. RELATED EQUIPMENT SCHEDULES. In the event that any Equipment Schedule hereunder shall include Equipment that may become attached to, affixed to, or used in connection with Equipment covered under another Equipment Schedule hereunder ("Related Equipment Schedule"), Lessee acknowledges the following: (a) if Lessee elects to exercise a purchase option or renewal option under any Equipment Schedule, if provided; or (b) if Lessee elects to return the Equipment under any Equipment Schedule as described in Paragraph 14, then Lessor, at its discretion, may require the similar disposition of all Related Equipment Schedules as provided for by this lease.

30. MISCELLANEOUS. This instrument and any Commitment Letter issued by Lessor and any Equipment Schedule hereunder constitutes the entire agreement between Lessor and Lessee, and shall not be amended, altered or changed except by a written agreement signed by the parties hereto, and in the case of Lessor, such agreement shall not be valid unless executed by Lessor at Lessor's home office. To the extent any provision of this lease may be determined to be invalid or unenforceable, it shall be ineffective without affecting the other provisions of this lease. To the extent permitted by applicable law, Lessee hereby waives any provisions of law which render any provision of this lease unenforceable in any respect. Unless specified otherwise, in the event

such written agreement
is attached to and made a part of an Equipment Schedule,
the terms and
conditions of said written agreement shall apply only to
said Equipment
Schedule and shall not apply to any other Equipment
Schedule attached to and
made a part of this lease. In the event Lessee issues a
purchase order to Lessor
covering Equipment to be leased hereunder, it is agreed
that such purchase
order is issued for purposes of authorization and Lessee's
internal use only,
and none of its terms and conditions shall modify the
terms and conditions of
this lease and/or related documentation, or affect
Lessor's responsibility to
Lessee as defined in this lease. An executed Equipment
Schedule that
incorporates by reference the terms of this Master Lease
Agreement, marked
"Original," shall be the original of the lease for the
Equipment described
therein for all purposes. All other executed counterparts
of the lease shall be
marked "Duplicate." To the extent the lease constitutes
chattel paper, as such
term is defined in the Uniform Commercial Code of the
applicable jurisdiction,
no security interest in the lease may be created through
the transfer of
possession of any counterpart other than the Original of
the lease. Lessor
reserves the right to charge Lessee fees for its provision
of additional
administrative services related to the lease requested by
Lessee. Lessee shall
provide Lessor with such corporate resolutions, opinions
of counsel, financial
statements, and other documents (including documents for
filing or recording)
as Lessor may request from time to time. LESSEE REPRESENTS
AND WARRANTS THAT
ALL CREDIT AND FINANCIAL INFORMATION SUBMITTED TO LESSOR
HEREWITH OR AT ANY
OTHER TIME IS TRUE AND CORRECT. LESSEE HEREBY APPOINTS
LESSOR OR ITS ASSIGNEE
ITS TRUE AND LAWFUL ATTORNEY IN FACT TO EXECUTE ON BEHALF
OF LESSEE ALL UNIFORM
COMMERCIAL CODE FINANCING STATEMENTS OR OTHER DOCUMENTS
WHICH, IN LESSOR'S
DETERMINATION, ARE NECESSARY TO SECURE LESSOR'S INTEREST
IN SAID EQUIPMENT. The
filing of UCC Financing Statements is precautionary and
shall not be evidence
that the lease is intended as security. If for any reason
this agreement is
determined not to be a lease, Lessee hereby grants Lessor
a security interest
in the lease, the Equipment or collateral pertaining
thereto and the proceeds
thereof, including re-lease, sale or disposition of the
Equipment or other
collateral. If more than one Lessee is named in this
lease, the liability of
each shall be joint and several. Time is of the essence
with respect to this
lease. Lessee represents and warrants that the Equipment
is being leased
hereunder for business purposes. The descriptive headings
which are used in
this lease are for convenience of the parties only and
shall not affect the

meaning of any provision of the lease. Any failure of the Lessor to require strict performance by the Lessee or any waiver by Lessor of any provision herein shall not be construed as a consent or waiver of any other breach of the same or of any other provision. This agreement shall be governed by the laws of the state of California (without giving effect to principles of conflicts of law thereof).

31. LESSEE'S REPRESENTATIONS; WAIVER OF JURY TRIAL. Lessee represents and warrants, as of the date of this lease: (a) Lessee is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization, and is duly qualified to do business wherever necessary to carry on its present business and operations and to own its property; (b) this lease (and any Equipment Schedule entered into pursuant to this lease) has been duly authorized by all necessary action on the part of the Lessee, duly executed and delivered by authorized officers or agents of Lessee, does not require any further shareholder or partner approval, does not require the approval of, or the giving notice to, any federal, state, local or foreign governmental authority, does not contravene any law binding on Lessee or contravene any certificate or articles of incorporation or by-laws or partnership certificate or agreement, or any agreement, indenture or other instruments to which Lessee is a party or by which it or any of its assets or property may be bound; (c) this lease (and any Equipment Schedule entered into pursuant to this lease) constitutes the legal, valid and binding obligation of Lessee and is enforceable in accordance with its terms; (d) all credit and financial information, and all other information submitted to Lessor at any time is true and correct, and there does not exist any pending or threatened action or proceeding before any court or administrative agency which might materially adversely affect Lessee's financial condition or operations; (e) Lessee agrees to furnish to Lessor (i) as soon as available, and in any event within 120 days after the last day of each fiscal year of Lessee, a copy of the financial statements of Lessee as of the end of such fiscal year, certified by an independent certified public accounting firm; (ii) at any time if requested by Lessor, a copy of quarterly financial statements certified by the principal financial officer of Lessee; and (iii) such additional information concerning Lessee as Lessor may reasonably request. LESSEE AND LESSOR HEREBY WAIVE THE RIGHT TO TRIAL BY JURY OF ANY MATTERS ARISING OUT OF THIS LEASE OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION HEREWITH.

32. COMMITMENT FEE REQUIREMENT. Lessee agrees, with

respect to each
transaction, to pay the commitment fee specified in
Lessor's proposal for such
transaction or in the Equipment Schedule related thereto.
This commitment fee
is given in consideration for Lessor's costs and expenses
in investigating and
appraising and/or establishing credit for Lessee. This
commitment fee shall not
be refunded unless Lessor declines to accept Lessee's
offer to enter into the
lease. Upon Lessor's acceptance of Lessee's offer to enter
into the lease,
unless otherwise specified in the proposal or Equipment
Schedule, the amount
shall be applied to the first period's rent payment.
Lessee acknowledges that
Lessor's act of depositing any commitment fee into
Lessor's bank account shall
not in itself constitute Lessor's acceptance of Lessee's
offer to enter into
the lease.

IN WITNESS WHEREOF, the parties have executed this Master
Lease Agreement
effective as of the first date it is signed by Lessee
below.

<TABLE>
<S>
<C> <C>
<C> USL CAPITAL CORPORATION (LESSOR)
LIGAND PHARMACEUTICALS, INC. (LESSEE) TITLE
DATE

BY
BY

Name
X P Maier VP & CFO
5/30/96

- ---
BY
Title
X

- ---
Business Unit
(CO-LESSEE) TITLE DATE

- ---

BY
HOME OFFICE: 733 FRONT STREET, SAN FRANCISCO, CA 94111
X
(415) 627-9000 ---
- ---
Not valid unless executed by Lessor at Lessor's
home office.
</TABLE>

EXHIBIT 10.151

SETTLEMENT AGREEMENT
AND
MUTUAL RELEASE OF ALL CLAIMS

This Settlement Agreement and Mutual Release of All Claims ("Settlement Agreement") is entered into by and between Ligand Pharmaceuticals Incorporated ("Ligand") and Pfizer Inc ("Pfizer").

RECITALS:

A. On May 1, 1991, Pfizer and Ligand entered into an agreement ("the 1991 Agreement"), pursuant to which they agreed to collaborate in the discovery and development of new pharmaceuticals for the treatment of osteoporosis. On October 1, 1993, Pfizer and Ligand entered into a Supplementary Agreement (the "Supplementary Agreement") pursuant to which they agreed to terminate research activities at Ligand in furtherance of the objectives of the collaboration.

B. On or about May 2, 1991, Ligand and Pfizer entered into a Stock Purchase Agreement (the "Stock Purchase Agreement") pursuant to which Pfizer paid Ligand $7,500,000 and Ligand issued to Pfizer 3,000,000 shares of Ligand's Series D preferred Stock, which shares were subsequently converted into 1,353,125 shares of Ligand common stock ("the subject stock") .

<TABLE>

<S>
<C>
Certain confidential portions of this Exhibit were omitted by means of blackout of the text (the "Mark"). This Exhibit has been filed separately with the Secretary of the Commission without the Mark pursuant to the Company's Application Requesting Confidential Treatment under Rule 406 under the Securities Act.

</TABLE>

C. Pfizer has been engaged in the development of a compound known as droloxifene as a potential drug for the treatment of osteoporosis and breast cancer. The chemical structure of droloxifene is set forth in Exhibit A attached to this Settlement Agreement. Pfizer has been engaged in the development of the compound CP-336,156 as a potential drug for the treatment of osteoporosis. The chemical structure of CP-336,156 is set forth in Exhibit B attached to this Settlement Agreement.

D. A dispute has arisen between Ligand and Pfizer concerning their respective rights and obligations under the terms of the 1991 Agreement and the Supplementary Agreement with respect to past and future

milestone payments and future royalty payments from Pfizer to Ligand in connection with Pfizer's development of droloxifene. On December 21, 1994, Ligand filed an action against Pfizer in the San Diego Superior Court entitled Ligand Pharmaceuticals Incorporated, etc. v. Pfizer Inc., etc., et al., Case No. 683965 ("said legal action"). Ligand's complaint in said legal action alleges, inter alia, that Pfizer breached the 1991 Agreement and the Supplementary Agreement by failing to make milestone payments to Ligand. It also seeks declaratory relief with respect to a dispute between Pfizer and Ligand over Pfizer's future obligations to make milestone and royalty payments to Ligand under the terms of the 1991 Agreement and the Supplementary Agreement. Pfizer filed an answer in said

legal action denying the material allegations of Ligand's complaint.

E. In accordance with the provisions of this Settlement Agreement, Ligand and Pfizer have reached a settlement and resolution of all disputes that have arisen between them, including all disputes concerning the 1991 Agreement, the Supplementary Agreement, all disputes arising from any of the facts set forth in Recitals A-D above, and all disputes and issues raised during the course of said legal action that could have been properly plead and tried in state court. Ligand and Pfizer wish to restore their relationship to one of respect and collegiality and to fix and establish in this Settlement Agreement their respective rights and future obligations.

AGREEMENT:

1. Materiality

Pfizer and Ligand acknowledge and agree that each provision of this Settlement Agreement is material to their respective decisions to settle said legal action and all disputes that have arisen between them concerning the 1991 Agreement and the Supplementary Agreement. Pfizer and Ligand further acknowledge and agree that neither of them would have entered into this Settlement Agreement in the absence of any of its provisions.

2. Milestone Payments

2.1 The schedule of milestone payments set forth in Section 4.1 of the 1991 Agreement is, except as expressly modified by the provisions of this Settlement Agreement, hereby incorporated into this Settlement Agreement.

2.2 Pfizer shall be obligated to pay to Ligand and Ligand shall have the right to receive from Pfizer, at most, one set of milestone

payments for CP-336,156 or droloxifene whichever, if any, reaches each milestone first, for any and all indications for the treatment of disease in human beings ("indication"). Pfizer and Ligand acknowledge and agree that Ligand has already received the first milestone payment (i.e., Satisfaction of Development Criteria) of $100,000.

2.3 Within fifteen days of receipt of notice of the execution of this Settlement Agreement by Ligand and its attorneys of record in said legal action, which notice may be given by facsimile to Pfizer's attorneys of record in said legal action at (714) 851-2351, Pfizer will pay to Ligand the second milestone payment (i.e., Submission of IND) for droloxifene in the amount of $350,000.

2.4 On September 1, 1996, Pfizer will make payment to Ligand in the sum of $900,000 as a credit against the third milestone payment (i.e., Initiation of Phase III Clinicals) for droloxifene, provided that on September 1, 1996, Pfizer is

continuing with clinical studies with droloxifene for treatment of osteoporosis and has not previously given Ligand written notice of Pfizer's abandonment of its development of droloxifene as a drug for the treatment of osteoporosis. Subject to the provisions of Section 2.6 below, this payment will be credited against future royalty payments for droloxifene or CP 336,156 for any indication if Pfizer gives written notice to Ligand after September 1, 1996, of its abandonment of development of droloxifene as a drug for treatment of osteoporosis before the United States Food and Drug Administration and all other equivalent foreign regulatory bodies prior to the approval of a New Drug Application ("NDA") (or its foreign equivalent) for droloxifene for the treatment of osteoporosis. For the purposes of this Agreement, the phrase "equivalent foreign regulatory bodies" shall mean those drug approval regulatory bodies located in the following countries: Japan, Canada, Switzerland or any member of the European Union.

2.5 If Ligand has not already received the third milestone payment (i.e., Initiation of Phase III Clinicals or its foreign equivalent) pursuant to Section 2.6 below, Pfizer shall pay to Ligand $900,000 against the third milestone payment (i.e., Initiation of Phase III Clinicals or its foreign equivalent) if and when droloxifene enters Phase III (i.e., pivotal efficacy) clinical trials for treatment of osteoporosis. This payment shall not be

refundable.

2.6 If droloxifene enters Phase III clinical trials for any indication other than osteoporosis or breast cancer or if CP-336,156 enters Phase III clinical trials for any indication, Ligand will be paid the balance ($900,000) of the third milestone payment of $1.8 million pursuant to Section 4.1 of the 1991 Agreement (i.e., Initiation of Phase III Clinicals or its foreign equivalent) and Ligand shall no longer be obligated to credit the $900,000 payment set forth in Section 2.4 above or, if such $900,000 payment or any portion thereof has been credited as set forth in Section 2.4, Pfizer shall reimburse Ligand for the amount of such credit. Consistent with the provisions of Section 2.2 above, Pfizer and Ligand agree that if Ligand has previously received either or both of the payments set forth in Sections 2.4 and 2.5 above, such payments shall be credited against any obligation of Pfizer to make the third milestone payment under the provisions of this Section 2.6 such that in no event shall Ligand be entitled to receive more than $1,800,000 for the third milestone.

2.7 Ligand shall be eligible to receive and Pfizer shall be obligated to pay the fourth (i.e., Submission of NDA or its foreign equivalent) and fifth (i.e., Approval of NDA or its foreign equivalent) milestone payments in the event either CP-336,156 or droloxifene qualifies for these milestones for any indication.

2.8 $2,500,000 of the milestone payments made by Pfizer to Ligand, including the $100,000 milestone payment noted in Section 2.2 above, shall be creditable by Pfizer against future royalties under Sections 3.1-3.4 below, provided that no credit under this Settlement Agreement may be used to reduce the royalties owed in any quarter by more than fifty percent (50%).

2.9 Pfizer's obligation to pay milestones to Ligand pursuant to Sections 2.1 through 2.8 above may, consistent with the provisions of Section 5.2 below, be discharged, by the transfer of the subject stock or a portion of it to Ligand.

3. Royalty Payments

3.1 Pfizer shall be obligated to pay Ligand a royalty of one percent (1%) of Net Sales of droloxifene for treatment of breast cancer, which obligation shall increase to three percent (3%) of Net Sales of droloxifene for any and all indications if and when Pfizer makes sales of

droloxifene for any
indication other than breast cancer.

3.2 Pfizer shall be obligated to pay
Ligand a royalty of six
percent (6%) of Net Sales of CP-336,156 for any and all
indications. In
addition, Pfizer shall be obligated to pay Ligand a
royalty of six percent (6%)
of Net Sales (and any unearned milestones, if any) on any
compound which exerts
its primary mechanism of action through the estrogen
receptor and which was
screened or characterized by Ligand during the

collaboration under the 1991 Agreement, or was screened or
characterized by
Pfizer using constructs, reagents or assays, provided to
Pfizer by Ligand or
constructs, reagents or assays which are embraced by
claims in issued patents,
or pending patent applications owned or licensed by
Ligand, for any and all
indications. Pfizer's obligations to Ligand for compounds,
other than CP-336,156
and droloxifene, will terminate if development of such
compounds (i.e., issuance
of a Candidate Alert Notice or its equivalent) is not
initiated within three
years of the effective date of this Settlement Agreement.

3.3 For the purposes of calculating and
reporting on royalty
payments under Sections 3.1 and 3.2 above, Sections 1.3,
6.1, and 6.2 of the
1991 Agreement are hereby incorporated into this
Settlement Agreement. Pfizer
will pay Ligand the royalty set forth in Section 3.1 above
on Net Sales of
droloxifene on a country-by-country basis for a period of
fifteen years from the
first sale of droloxifene in each country, or until the
Occurrence of Generic
Competition with droloxifene in each country, whichever
occurs first, provided,
however, in no instance will Pfizer pay royalties to
Ligand on Net Sales of
droloxifene on a country-by-country basis under this
Section 3.3 for a period of
less than twelve years from the first sale of droloxifene
in each country. As
used herein, the phrase "Occurrence of Generic
Competition" shall mean the first
business day of the calendar quarter following the
provision of written notice
by Pfizer to Ligand of the grant of an ANDA (or its

equivalent) for droloxifene to a third party in a country
by the appropriate
regulatory body or bodies of that country (e.g., the
United States Food and Drug
Administration, the Canadian Pricing Board) empowered to
grant such approval(s)
to the third party within that country, provided that the
third party granted
such approval cannot be (i) Pfizer, including its
subsidiaries, affiliates,
collaborators, licensees, licensors, and licensees of its
licensors, or any
party receiving rights relating to droloxifene from Pfizer
or (ii) a party that

obtains a compulsory license to droloxifene. Pfizer will pay Ligand the royalty set forth in Section 3.2 above on Net Sales of CP-336,156 on a country-by-country basis for a period of fifteen years from the date of first sale in each country or until expiration of the last Pfizer patent on CP-336,156 in each country, whichever occurs first.

3.4 Pfizer's obligation to pay royalties to Ligand pursuant to Sections 3.1 and 3.2 above may, consistent with the provisions of Section 5.2 below, be discharged by the transfer of the subject stock or a portion of it to Ligand.

4. Warranties and Representations by Pfizer

Pfizer hereby warrants and represents as follows:

4.1 Pfizer presently has in development no successor compounds to droloxifene or CP-336,156. As set forth in this warranty and representation, "successor compound" means any

compound that is derived from or whose synthesis was based upon the chemical structures of either droloxifene or CP-336,156.

4.2 With the exception of CP-336,156 and droloxifene, Pfizer has no compound in development for any indication that was screened or characterized by Ligand during the collaboration under the 1991 Agreement or was screened or characterized by Pfizer at any time using constructs, reagents, or assays provided to Pfizer by Ligand or constructs, reagents or assays which are embraced by claims in issued patents or pending patent applications owned or licensed by Ligand. Pfizer has, with the exception of CP 336,156 and droloxifene, no compounds in development that qualify for milestone or royalty payments under the 1991 Agreement.

4.3 Pfizer has ceased using, has no intention of ever again using, and will not in the future use any constructs, reagents, or assays that were provided to Pfizer by Ligand at any time during the collaboration under the 1991 Agreement or that were otherwise obtained by Pfizer pursuant to the 1991 Agreement or the Supplementary Agreement or constructs, reagents or assays which are embraced by claims in issued patents or pending patent applications owned or licensed by Ligand.

4.4 As of the effective date of this Agreement, Pfizer has made no decision to terminate development of droloxifene for osteoporosis or any other indication, and droloxifene currently

is in, or Pfizer plans to initiate, Phase II or Phase

II/III clinical trials for droloxifene in osteoporosis. Nothing in this provision shall abrogate or otherwise alter Pfizer's rights under paragraph 6 of this Settlement Agreement.

5. Subject Stock

5.1 Except as set forth in this Settlement Agreement, Pfizer shall not sell, transfer or otherwise dispose of the subject stock for a period of seven years from the effective date of this Settlement Agreement.

5.2 At the option of either Pfizer or Ligand, the subject stock may be used to satisfy any obligations of Pfizer to make payment of milestones or royalties to Ligand pursuant to Sections 2.1 2.9 and 3.1-3.4 above. For purposes of calculating the amount of credit to be given to transfers of the subject stock from Pfizer to Ligand under this provision, the subject stock shall be valued at its closing selling price per share as of the effective date of this Settlement Agreement as reported by the National Association of Securities Dealers, Inc. through its Nasdaq system.

5.3 If Pfizer abandons development of droloxifene and CP-336,156 for all indications for all countries, the provisions of Section 5.1 above shall, upon written notice of such abandonment from Pfizer to Ligand, cease.

6. Pfizer's Control of Development of Droloxifene and CP-336,156

Pfizer and Ligand agree that Pfizer will retain absolute discretion and control regarding the development, regulatory filings, promotion, marketing, selection of indications to pursue, protection of intellectual property rights, and pursuit or abandonment of droloxifene and CP-336,156.

7. Ligand's Right to Pursue CP-336,156 if Abandoned: Not Droloxifene

7.1 Pfizer and Ligand agree that in the event Pfizer abandons CP-336,156 for all indications for all countries, Ligand shall have the right to develop and market CP-336,156 free of any control or restrictions by Pfizer. Pfizer shall promptly give written notice to Ligand of its abandonment of CP-336,156 in the event Pfizer determines not to pursue further development of CP-336,156. Upon abandonment, Pfizer shall also grant Ligand a worldwide exclusive royalty-free license to all patents and all patent applications relating to CP-336,156, including the right to make, have made, use, offer for sale, sell, and import CP-336,156, as well as the right to

grant sublicenses, and the right to prosecute pending patent applications and to enforce the patents and prosecute infringers. Pfizer shall also provide to Ligand, free of any confidentiality obligation and at Ligand's expense for copying charges and postage, those technical materials (including regulatory approvals, if any and if

remaining in force) which are reasonably necessary for continuation of development of CP-336,156 by Ligand.

7.2 Pfizer and Ligand agree that, if Pfizer abandons droloxifene, Ligand shall not acquire any rights in droloxifene.

8. Publicity Regarding Settlement and Development of Droloxifene: News Release

8.1 Ligand and Pfizer agree that in characterizing or describing the settlement and resolution of said legal action or the terms and conditions of this Settlement Agreement, neither party will make any statements that such party has been successful, attained a victory, or prevailed in said legal action. Pfizer and Ligand acknowledge that this Settlement Agreement is the product of a compromise and a desire by both parties to restore their relationship to one of respect and collegiality and that neither of them has attained a victory, prevailed, or succeeded in said legal action. Pfizer and Ligand agree that Ligand may state that it performed work on droloxifene at Pfizer's request, but may not state that it engaged in the joint drug development of droloxifene with Pfizer or any other party.

8.2 Pfizer and Ligand shall, within five business days after the effective date of this settlement agreement, issue a mutually agreed upon joint press release in the form attached to this Settlement Agreement as Exhibit C.

9. Periodic Reports by Pfizer

Pfizer shall make reports to Ligand two times per year, each June 1 and December 1 setting forth the information specified in Exhibit D attached to this Settlement Agreement. During the duration of this reporting requirement, Pfizer shall be afforded a 15-day grace period for no more than two reports.

10. Mutual Release of Claims

In consideration of the obligations, warranties and representations of each of the parties to this Settlement Agreement, and contingent upon each party's timely performance of them,

Pfizer and Ligand each hereby releases and forever discharges the other, and each of their stockholders, predecessors, successors, affiliated corporations, subsidiary corporations, parent corporations, agents, directors, officers, employees, representatives, lawyers, and all persons acting by, through, under, or in concert with them, or any of them, from any and all liability whatever, including all claims, demands and causes of action, of every nature, including, without limitation, any claims for breach of contract, declaratory relief, misrepresentation, or any other form. of damage or theory of recovery whatever arising from any of the facts and circumstances set forth in Recitals A-D above, and further including, without limiting the generality of the foregoing, any claims arising out of, based upon or relating to the 1991 Agreement, the Supplementary Agreement, or said legal action, as well as any claims which could have been properly plead and tried in state

court in said legal action. Pfizer and Ligand shall each bear their own attorneys' fees and costs incurred in this action.

Ligand and Pfizer each acknowledge that they have been advised by legal counsel and are familiar with the provisions of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

Pfizer and Ligand, and each of them, being aware of said Code section, hereby expressly waive any rights they may have thereunder.

11. Dismissal with Prejudice

Ligand hereby authorizes and directs its attorneys of record in said legal action, William F. Sullivan and Brobeck, Phleger & Harrison, L.L.P., to execute a dismissal with prejudice of said legal action in the form attached hereto as Exhibit E and direct their attorneys to file said dismissal with the San Diego Superior Court within seven days after the effective date of this settlement.

12. Confidentiality

Pfizer and Ligand hereby incorporate Section 8.1 of the 1991 Agreement for purposes of limiting the disclosure of

confidential information provided by either party to the

other under the
provisions of this Settlement Agreement.

13. Governing Law

This Settlement Agreement shall be
governed by and construed
in accordance with the laws of the State of New York.

14. Written Notices

All written notices, payments, and
reports, except as
otherwise set forth in this Settlement Agreement, shall be
deemed to be
effective when mailed, postage prepaid, by first class,
registered or certified
mail to:

(if to Pfizer)

Pfizer Inc.
Attn: President, Central Research 235
East 42nd Street
New York, NY 10017
Copy to: General Counsel
and
(if to Ligand)
Ligand Pharmaceuticals Incorporated
Attn: General Counsel
9393 Town Center Drive, Suite 100
San Diego, CA 92121

or to such other person or by such other means to which
the parties may from
time to time have agreed.

15. Successors and Assigns

The terms of this Settlement Agreement
shall enure to the
benefit of and be binding upon the respective successors
and assigns of each
party.

16. Entire Agreement: Integration

The terms and conditions of this
Settlement Agreement
constitute the entire agreement between Pfizer and Ligand
and supersede all
previous negotiations or agreements, either oral or
written, between the parties
with respect to the subject matter of this Settlement
Agreement. The Stock
Purchase Agreement and Amended Registration Rights
Agreement executed between
Ligand and Pfizer dated June 24, 1994 survive and are not
affected by this
Settlement Agreement except as specifically provided
herein. This Settlement
Agreement shall not be amended, supplemented or abrogated
other than by a
written instrument signed by the authorized representative
of each party.

17. No Waiver

The failure of either party to enforce
at any time any of the
provisions of this Settlement Agreement, or any rights in
respect of it, or to

exercise any election provided in it, shall in no way be considered to be a waiver of such provisions, rights or elections, and shall in no way affect the validity of this Settlement Agreement.

18. Compromise And Settlement

This Settlement Agreement is entered into solely by way of compromise and settlement of said legal action and the dispute between Ligand and Pfizer and is not and shall not be construed as an admission of liability, responsibility or fault by either party.

19. Counterparts

This Settlement Agreement may be executed in one or more counterparts by each party and their attorneys, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

20. Effective Date

The effective date of this Settlement Agreement shall be April 19, 1996.

21. Rights Through Affiliates

Pfizer and Ligand may execute their rights and fulfill their obligations through their affiliates.

22. Headings

The headings used in this Settlement Agreement are inserted for reference only and shall not be deemed to be a part of the text.

23. Assurances and Warranties

Ligand and Pfizer agree to execute, acknowledge and deliver such further instruments, and to do such other acts, as may be reasonably necessary in order to carry out the intent and purposes of this Settlement Agreement. Each party warrants that it has the authority to enter into this Settlement Agreement on the basis of the terms and conditions herein and that it has not made any other agreement inconsistent with its obligations under this Settlement Agreement.

24. Severability of Provisions

The invalidity or unenforceability of any provision of this Settlement Agreement shall in no way affect the validity or

enforceability of any other provision of this Settlement Agreement.

Dated: April 20, 1996 LIGAND PHARMACEUTICALS

INCORPORATED

By: David E. Robinson

Its: President and CEO

APPROVED AS TO FORM AND CONTENT
THIS 20 DAY OF APRIL, 1996

BROBECK, PHLEGER & HARRISON, L.L.P.

By: WILLIAM F. SULLIVAN

_____
William F. Sullivan
Attorneys for Ligand
Pharmaceuticals Incorporated

Dated: April 23, 1996 PFIZER INC

By: Steven Kany

Its: Sr. Asst. General Counsel

APPROVED AS TO FORM AND CONTENT
THIS 22 DAY OF APRIL, 1996

PALMIERI, TYLER, WIENER, WILHELM & WALDRON

By: FRANK C. ROTHROCK

_____
Frank C. Rothrock
Attorneys for Pfizer Inc

This Exhibit contains a diagram of the chemical structure of droloxifene.

EXHIBIT A

*CONFIDENTIAL

TREATMENT REQUESTED

EXHIBIT B

*

*
*

EXHIBIT C

[INSERT DATE]

FOR IMMEDIATE RELEASE
CONTACT: Brian McGlynn Susan Atkins
Pfizer Inc Ligand Pharmaceuticals Inc.
(203) 441-5448 (619) 550-7687

PFIZER AND LIGAND END LITIGATION OVER DROLOXIFENE

SAN DIEGO - April [X], 1996 - Pfizer Inc (NYSE:PFE) and Ligand Pharmaceuticals Inc. (NASDAQ/NMS:LGND) today announced that the two companies settled a lawsuit for breach of contract filed by Ligand against Pfizer in December 1994.

In order to end the costs and avoid the risks inherent in litigation, Ligand and Pfizer settled the lawsuit and reached agreement that Ligand will be eligible to receive certain milestones and royalties in connection with droloxifene. Droloxifene, licensed by Pfizer from Klinge Pharma Gmbh, is currently in Phase III clinical trials for breast cancer and Phase II clinical trials for osteoporosis. These payments are contingent upon the compound's advancement toward regulatory approval and sales as a drug in breast cancer, osteoporosis or other indications.

"We are pleased to bring an end to this litigation and restore a normal business relationship with Pfizer, Ligand's first collaborative partner," stated David E. Robinson, Ligand President and Chief Executive Officer. "We value our relationship with Pfizer in the development and commercialization

of compounds for osteoporosis, one of the truly exciting growth markets, as well as for other indications."

Ligand and Pfizer entered into a collaboration in

1991 to apply Ligand's intracellular receptor (IR) technology to the pursuit of drugs for the treatment of osteoporosis. The collaboration research phase ended in 1993.

Pfizer Inc is a diversified, research-based health care company with global operations. The company reported sales of more than $10.02 billion for 1995.

Ligand Pharmaceuticals Incorporated, founded in 1987, is a leader in gene transcription technology, particularly IR technology and Signal Transducers and Activators of Transcription (STATs). Ligand applies IR and STATs technology to the discovery and development of small molecule drugs to enhance therapeutic and safety profiles and to address major unmet patient needs in cancer, women's health and skin diseases, as well as osteoporosis, cardiovascular and inflammatory disease.

This statement contains certain forward looking statements by Ligand and Pfizer and actual results could differ materially from those described as a result of factors, including, but not limited to, the following. There can be no assurance that droloxifene, or any development candidate identified as a result of the Pfizer-Ligand collaboration, will be successfully developed, that regulatory approvals will be granted, or patient and physician acceptance of these products will be achieved.

EXHIBIT D

REPORTING REQUIREMENTS

24.1 Reporting Requirement Objectives: The objectives of these reporting requirements are to provide definitive guidelines by which Pfizer will furnish Ligand with objective information regarding the development of droloxifene, CP-336,156 and any compound for which development is initiated under the terms of Section 3.2 of the Settlement Agreement (collectively "subject compounds"). It is the intention of the parties to define these guidelines with sufficient specificity such that the satisfaction of each requirement can be objectively determined.

24.2 Contents of Reports: Each report will include the following:

(1) Copies of the preclinical pharmacology and toxicology summaries prepared for the IND and NDA for each of the subject compounds, when complete and approved within Pfizer, if not previously provided.

(2) Copy of the Investigator's Brochure for the subject compounds, including any amendments, when

available and
if not previously provided.

(3) Copies of the Integrated
Summary
of Efficacy and
Integrated Summary of Safety prepared for the NDA for each
of the subject
compounds, when complete and approved within Pfizer, if
not previously provided.

(4) Any projected and actual
initiation dates for
clinical trials for each subject compound for all
indications.

(5) Any projected and actual dates
of
completion of
clinical phases.

(6) The projected and actual
completion dates of each
trial.

(7) Any projected and actual dates
of
NDA submissions for
each subject compound and any FDA response thereto.

(8) Notification of, and a summary
of
the basic terms,
when Pfizer enters into any sub-licensing, co-marketing or
co-promotion plans
with respect to the subject compounds.

(9) Copies of any galley proofs
within Pfizer's
possession of publications (preclinical and clinical) by
Pfizer

or its investigators or Pfizer's third party
collaborators/investigators concerning the subject
compounds.

(10) Copies of materials presented
to
financial
analysts concerning the subject compounds.

C. Changes in Expected Dates: Pfizer will
notify Ligand
of any delays in the development of either subject
compound as
outlined above and will summarize the cause(s) of such
delay.

D. Responsibility for Preparation: Michael
R. Ostrander,
Ph.D., Associate Director of Regulatory Affairs at Pfizer
Central
Research, or his successor, will have responsibility for
providing Ligand with these reports.

E. Reporting Deadlines: The above reports
will be
furnished to Ligand twice a year, on June 1 and December 1
of
each calendar year, subject to a maximum of two 15-day
grace periods during the duration of the reporting
requirement.

F. Confidentiality: Ligand will agree to maintain as confidential any and all documents and information provided in these reports that Pfizer designates in writing as confidential and will not disclose such confidential information or documents to any third parties. The foregoing obligations shall not apply when and to the extent such documents and information (hereinafter collectively, "Information") (1) was already in Ligand's possession at the time of disclosure thereof, (2) was lawfully available to the public prior to receipt of such Information by Ligand, (3) through no act on the part of Ligand, thereafter becomes lawfully available to the public, (4) is required to be disclosed by Ligand to a third party by law or legal process, provided that, should Ligand be required to make such disclosure, they will take all reasonable steps to inform Pfizer of such disclosure in sufficient time for Pfizer to oppose such disclosure before it takes place, (5) is received from a third party having no obligations of confidentiality to Pfizer, (6) on written advice of reasonably acceptable independent outside counsel (a copy of which is furnished to Pfizer) is reasonably required to be disclosed by Ligand to the securities markets pursuant to section 10(b)(5) of the Securities and Exchange Act of 1934 or the NASD Schedule "D", P. 1806(A), provided, however, that the law firm of Brobeck, Phleger & Harrison LLP is deemed by the parties to be acceptable outside counsel, (7) is required to be disclosed to a third party evaluator of Ligand (e.g., investment banker, analyst) provided, however, prior to making such a disclosure, Ligand will first secure a confidentiality agreement with the third party evaluator substantially incorporating the provisions of this paragraph, but only including exceptions (1)-(5) herein, or (8) is approved by a disclosing Party for disclosure by the receiving Party. The

obligations imposed in this paragraph will run during the time that royalty payments are made to Ligand by Pfizer.

G. Expiration: Pfizer's obligations under these reporting requirements with respect to each of the subject compounds will expire for a given indication upon NDA approval for that indication for each compound or, if and when, each such compound is abandoned.

Name, Address and Telephone space below for use of
No. of attorney(s) Court

Clerk only

BROBECK, PHLEGER & HARRISON LLP
William E. Trautman, Bar No. 37731
William F. Sullivan, Bar No. 78353
Christopher H. McGrath, Bar No. 149129
550 West "C" Street, Suite 1300
San Diego, CA 92101 619-234-1966

Attorney(s) for: Plaintiff LIGAND PHARMACEUTICALS INCORPORATED

- ----------
- ----------
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN DIEGO ----------
- ----------
(SUPERIOR, MUNICIPAL or JUSTICE)

- ----------
- ----------
(Name of Municipal or Justice Court District or of branch court, if any)

Plaintiff(s): LIGAND PHARMACEUTICALS INCORPORATED, a Delaware corporation,

Defendant(s): PFIZER INC, a Delaware corporation, and DOES 1 through 50, inclusive,

CASE NUMBER 683965

REQUEST FOR DISMISSAL

TYPE OF ACTION

[ ] Personal injury, Property Damage and Wrongful Death;
[ ] Motor Vehicle
[ ] Other
[ ] Domestic Relations
[ ] Eminent Domain
[x] Other:
(Specify) Breach of (abbreviated title) Contract; Declatory Relief

- ----------
TO THE CLERK: Please dismiss this action as follows:
(Check applicable boxes.)

1. [x] With prejudice [ ] Without prejudice
2. [x] Entire action [ ] Complaint only [ ] Position only
[ ] Cross-complaint only [ ] Other (Specify)*

BROBECK, PHLEGER & HARRISON

Dated: April , 1996 ----------
- --
- ----------
* It dismisses requested as of specified parties only, or specified

Attorney(s) for Plaintiff Ligand Pharmaceuticals Incorporated

causes of action only or of specified cross-complaints only, to state and identify the parties, causes of actions ---------- - -- - ---------- or cross-complaints to be dismissed. (Type or print attorney(s) name(s))

William F. Sullivan, Esq.

- ---------- - ---------- TO THE CLERK: Consent to the above dismissal is hereby given.

Dated: ---------- ---------- - -- - ---------- When a cross-complaint (or recourse (marriage) among affirmative ??) is on ??, the attorney(s) for the cross-complaint (respondent) must sign the ---------- - -- - ---------- consent qhen required by CCP Sec1(1), (2) or (5)

Attorney(s) for

(Type or print attorney(s) name(s))

- ---------- - ---------- (To be completed by clerk)

[ ] Dismissal entered as requested on _____

[ ] Dismissal entered on _____ as to only _____

[ ] Dismissal not entered as requested for the following reason(s), and attorney(s) notified on

_____Clerk

Dated_____ By_____, Deputy

- ---------- - ---------- Form Adopted by Rule 982 of CCP 581, etc. The Judicial Council of Cal. Rules of Court, California Rule 1233 Revised Effective July 1, 1972

REQUEST FOR DISMISSAL

EXHIBIT E

Exhibit 10.152

[ABBOTT LETTERHEAD]

March 14, 1996

Mr. William L. Respess
*
CONFIDENTIAL *
Senior V.P., General Counsel
TREATMENT REQUESTED
Ligand Pharmaceuticals Inc.
9393 Towne Center Drive
San Diego, CA 92121

Dear Mr. Respess:

Abbott Laboratories hereby confirms the extension of our Research, Development and License Agreement dated July 6, 1994, for a third year (July 6, 1996 through July 5, 1997), with an amendment to Section 3.1 and Exhibit A, to set the Ligand staffing for this third year to *_____*_____* Ligand full-time equivalents and an Aggregate Annual Research Fee for Contract Year 3, therefore, as *_____*_____*. This revision reflects the discussions of our respective representatives to the Joint Research Policy Committee over the past months. This modification is intended to provide the optimum distribution of resources for achieving Research Program success.

For the convenience of future renewal discussions, Abbott also proposes to amend Section 14.3.1 to provide for "notice to be given not later than four (4) months...", with all other provisions remaining as originally provided.

If you agree with the amendments outlined above, please sign both copies of this letter amendment and return one copy to me.

Thanks very much for your assistance.

Sincerely,

Alan S. Rosenthal, M.D.
Vice President, Discovery R&D

ACCEPTED AND AGREED:
LIGAND PHARMACEUTICALS INC.

By: WILLIAM L. RESPESS

_____
William L. Respess
Senior Vice President, General Counsel and Secretary
Date 3-2996

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Certain confidential portions of this Exhibit were omitted
by means of blackout of the text (the "Mark").
This Exhibit has been filed separately with the Secretary
of the Commission without the Mark pursuant to
the Company's Application Requesting Confidential Treatment
under Rule 406 under the Securities Act.
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This schedule contains summary financial information extracted from the
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Six Months Ended June 30, 1996 unauditied and is qualified in its
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