

Ardea Biosciences, Inc./DE
Form 4
June 21, 2012

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BAKER FELIX

(Last) (First) (Middle)

667 MADISON AVENUE, 21ST FLOOR

(Street)

NEW YORK, NY US 10065

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

Ardea Biosciences, Inc./DE [RDEA]

3. Date of Earliest Transaction (Month/Day/Year)

06/19/2012

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---------------------------|
| | | | Code | V | Amount | (A) or (D) | Price | |
| Common Stock | 06/19/2012 | | D ⁽¹⁾⁽²⁾ | | 2,302 | D | \$ 32 0 | See Footnote (1) (2) |
| Common Stock | 06/19/2012 | | D ⁽¹⁾⁽³⁾ | | 60,827 | D | \$ 32 0 | See Footnote (1) (3) (11) |
| Common Stock | 06/19/2012 | | D ⁽¹⁾⁽⁴⁾ | | 65,882 | D | \$ 32 0 | See Footnote (1) (4) (11) |
| Common Stock | 06/19/2012 | | D ⁽¹⁾⁽⁵⁾ | | 99,636 | D | \$ 32 0 | See Footnote |

| | | | | | | | | (1) (5) (11) |
|--------------|------------|--|----------------|-----------|---|---------|---|---------------------------|
| Common Stock | 06/19/2012 | | <u>D(1)(6)</u> | 1,646,964 | D | \$ 32 0 | I | See Footnote (1) (6) (11) |
| Common Stock | 06/19/2012 | | <u>D(1)(7)</u> | 4,922,226 | D | \$ 32 0 | I | See Footnote (1) (7) (11) |
| Common Stock | 06/19/2012 | | <u>D(1)(8)</u> | 116,454 | D | \$ 32 0 | I | See Footnote (1) (8) (11) |

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

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

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | A |
| Warrants | \$ 11.14 | 06/19/2012 | | <u>D(1)(4)</u> | 205 | 06/17/2009 | 12/18/2013 | Common Stock | |
| Warrants | \$ 11.14 | 06/19/2012 | | <u>D(1)(5)</u> | 998 | 06/17/2009 | 12/18/2013 | Common Stock | |
| Warrants | \$ 11.14 | 06/19/2012 | | <u>D(1)(6)</u> | 46,195 | 06/17/2009 | 12/18/2013 | Common Stock | 4 |
| Warrants | \$ 11.14 | 06/19/2012 | | <u>D(1)(7)</u> | 147,292 | 06/17/2009 | 12/18/2013 | Common Stock | 1 |
| Warrants | \$ 11.14 | 06/19/2012 | | <u>D(1)(8)</u> | 4,023 | 06/17/2009 | 12/18/2013 | Common Stock | |
| Stock Option | \$ 14.52 | 06/19/2012 | | <u>D(1)(9)</u> | 25,000 | 02/08/2010 ⁽¹⁰⁾ | 02/07/2020 | Common Stock | 2 |

(Right to Buy)

| | | | | | | | |
|-----------------------------|----------|------------|---------------------|--------|----------------------------|------------|--------------|
| Stock Option (Right to Buy) | \$ 25.97 | 06/19/2012 | D ⁽¹⁾⁽⁹⁾ | 12,500 | 01/03/2011 ⁽¹⁰⁾ | 01/02/2021 | Common Stock |
|-----------------------------|----------|------------|---------------------|--------|----------------------------|------------|--------------|

| | | | | | | | |
|-----------------------------|----------|------------|---------------------|--------|----------------------------|------------|--------------|
| Stock Option (Right to Buy) | \$ 16.47 | 06/19/2012 | D ⁽¹⁾⁽⁹⁾ | 12,500 | 01/03/2012 ⁽¹⁰⁾ | 01/02/2022 | Common Stock |
|-----------------------------|----------|------------|---------------------|--------|----------------------------|------------|--------------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BAKER FELIX 667 MADISON AVENUE, 21ST FLOOR NEW YORK, NY US 10065 | X | X | | |
| BAKER JULIAN 667 MADISON AVENUE, 21ST FLOOR NEW YORK, NY US 10065 | X | X | | |
| BAKER BROS ADVISORS LLC 667 MADISON AVENUE 21ST FLOOR NEW YORK, NY US 10065 | X | X | | |

Signatures

| | |
|--|------------|
| /s/ Felix J. Baker | 06/21/2012 |
| **Signature of Reporting Person | Date |
| /s/ Julian C. Baker | 06/21/2012 |
| **Signature of Reporting Person | Date |
| BAKER BROS. ADVISORS, LLC, Name: Scott L. Lessing, Title: President /s/ Scott L. Lessing | 06/21/2012 |
| **Signature of Reporting Person | Date |

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
 Effective June 19, 2012, pursuant to that certain Agreement and Plan of Merger, dated as of April 21, 2012, by and among Ardea Biosciences, Inc. (the "Issuer"), Zeneca Inc. ("Zeneca") and QAM Corp., a wholly owned subsidiary of Zeneca ("QAM"), QAM merged with and into the Issuer, with the Issuer continuing as the surviving corporation and as a wholly owned subsidiary of Zeneca (the "Merger"). As consideration for the Merger, the outstanding shares of common stock of the Issuer were automatically cancelled and converted into a right to receive \$32.00 per share in cash, without interest.
- (1) Pursuant to the Merger, the common stock of the Issuer directly held by FBB Associates was converted into a right to receive \$32.00 per share in cash, without interest. Julian C. Baker and Felix J. Baker are the sole partners of FBB Associates.
- (3)

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Pursuant to the Merger, the common stock of the Issuer directly held by Baker Bros. Investments, L.P. ("Baker Bros. Investments"), a limited partnership of which the sole general partner is Baker Bros. Capital, L.P. , a limited partnership of which the sole general partner is Baker Bros. Capital (GP), LLC, was converted into a right to receive \$32.00 per share in cash, without interest. Julian C. Baker and Felix J. Baker are the controlling members of Baker Bros. Capital (GP), LLC.

Pursuant to the Merger, the common stock of the Issuer directly held by Baker Bros. Investments II, L.P. ("Baker Bros. Investments II"), a limited partnership of which the sole general partner is Baker Bros. Capital, L.P. , a limited partnership of which the sole general partner is Baker Bros. Capital (GP), LLC, was converted into a right to receive \$32.00 per share in cash, without interest.

- (4) Julian C. Baker and Felix J. Baker are the controlling members of Baker Bros. Capital (GP), LLC. Pursuant to the Merger, the warrants to purchase shares of the Issuer's common stock directly held by Baker Bros. Investments II were cancelled and converted into the right to receive a cash payment equal to the excess of \$32.00 over the per share exercise price of such warrants for each share of the Issuer's common stock subject to such warrants, without interest and less the amount of any required tax withholding.

Pursuant to the Merger, the common stock of the Issuer directly held by Baker Tisch Investments, L.P. ("Baker Tisch"), a limited partnership of which the sole general partner is Baker Tisch Capital, L.P. , a limited partnership of which the sole general partner is Baker Tisch Capital (GP), LLC, was converted into a right to receive \$32.00 per share in cash, without interest. Julian C. Baker and Felix J. Baker are the controlling members of Baker Tisch Capital (GP), LLC. Pursuant to the Merger, the warrants to purchase shares of the Issuer's common stock directly held by Baker Tisch were cancelled and converted into the right to receive a cash payment equal to the excess of \$32.00 over the per share exercise price of such warrants for each share of the Issuer's common stock subject to such warrants, without interest and less the amount of any required tax withholding.

- (5) Pursuant to the Merger, the common stock of the Issuer directly held by 667, L.P. ("667"), a limited partnership of which the sole general partner is Baker Biotech Capital, L.P. , a limited partnership of which the sole general partner is Baker Biotech Capital (GP), LLC, was converted into a right to receive \$32.00 per share in cash, without interest. Julian C. Baker and Felix J. Baker are the controlling members of Baker Biotech Capital (GP), LLC. Pursuant to the Merger, the warrants to purchase shares of the Issuer's common stock directly held by 667 were cancelled and converted into the right to receive a cash payment equal to the excess of \$32.00 over the per share exercise price of such warrants for each share of the Issuer's common stock subject to such warrants, without interest and less the amount of any required tax withholding.

- (6) Pursuant to the Merger, the common stock of the Issuer directly held by Baker Brothers Life Sciences, L.P. ("Life Sciences"), a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital, L.P., a limited partnership of which the sole general partner is Baker Brothers Life Sciences Capital (GP), LLC, was converted into a right to receive \$32.00 per share in cash, without interest. Julian C. Baker and Felix J. Baker are the controlling members of Baker Brothers Life Sciences Capital (GP), LLC. Pursuant to the Merger, the warrants to purchase shares of the Issuer's common stock directly held by Life Sciences were cancelled and converted into the right to receive a cash payment equal to the excess of \$32.00 over the per share exercise price of such warrants for each share of the Issuer's common stock subject to such warrants, without interest and less the amount of any required tax withholding.

- (7) Pursuant to the Merger, the common stock of the Issuer directly held by 14159, L.P. ("14159", and together with Baker Bros. Investments, Baker Bros. Investments II, Baker Tisch, 667 and Life Sciences, the "Funds"), a limited partnership of which the sole general partner is 14159 Capital, L.P. , a limited partnership of which the sole general partner is 14159 Capital (GP), LLC, was converted into a right to receive \$32.00 per share in cash, without interest. Julian C. Baker and Felix J. Baker are the controlling members of 14159 Capital (GP), LLC. Pursuant to the Merger, the warrants to purchase shares of the Issuer's common stock directly held by 14159 were cancelled and converted into the right to receive a cash payment equal to the excess of \$32.00 over the per share exercise price of such warrants for each share of the Issuer's common stock subject to such warrants, without interest and less the amount of any required tax withholding.

- (8) Pursuant to the Merger, the options to purchase shares of the Issuer's common stock held by Felix J. Baker were cancelled and converted into the right to receive a cash payment equal to the excess of \$32.00 over the per share exercise price of such options for each share of the Issuer's common stock subject to such options, without interest and less the amount of any required tax withholding.

- (9) Exercisable immediately on date of grant, subject to a right of repurchase on behalf of the Issuer that lapses 12 months following the date of grant.

- (10) Baker Bros. Advisors, LLC (the "Adviser") serves as the Investment Adviser to the Funds. In connection with the services provided by the Adviser, the Adviser receives an asset-based management fee that does not confer any pecuniary interest in the securities held by the Funds. Julian C. Baker and Felix J. Baker are principals of the Adviser. The Adviser has complete and unlimited discretion and authority with respect to the investment and voting power of the securities held by the Funds. The general partners of the Funds relinquished to the Adviser all discretion and authority with respect to the investment and voting power of the securities held by the Funds.

Remarks:

Remarks: Felix J. Baker is a director of the Issuer. For purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

Explanation of Responses:

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