

VAN NESS W DENMAN
 Form 4
 November 12, 2009

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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 *
 VAN NESS W DENMAN

(Last) (First) (Middle)

C/O XOMA LTD., 2910 SEVENTH STREET

(Street)

BERKELEY, CA 94710

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 XOMA LTD /DE/ [XOMA]

3. Date of Earliest Transaction
 (Month/Day/Year)
 11/10/2009

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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V		
					Price		

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. SEC 1474 (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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	(A) or Disposed of (D) (Instr. 3, 4, and 5)	Date Exercisable	Expiration Date	Title
Non-Qualified Share Option (right to buy)	\$ 1.58	11/10/2009	D ⁽¹⁾	10,000	10/23/2009	10/23/2018	Common Shares
Non-Qualified Share Option (right to buy)	\$ 1.58	11/10/2009	A ⁽²⁾	10,000	10/23/2009	10/23/2018	Common Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VAN NESS W DENMAN C/O XOMA LTD. 2910 SEVENTH STREET BERKELEY, CA 94710	X			

Signatures

By: Christopher J. Margolin For: W. Denman Van Ness 11/12/2009

__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).
- (1) This transaction represents the disposition of the fully vested option pursuant to the transfer of said option from Mr. Van Ness to "The Van Ness 1983 Revocable Trust".
- (2) This transaction represents the acquisition of the fully vested option by the "The Van Ness 1983 Revocable Trust" pursuant to the transfer of said option from Mr. Van Ness to "The Van Ness 1983 Revocable Trust".

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.