

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

SCHEDULE 13D  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT  
TO RULE 13d-2(a)

(Amendment No. 3)\*

Xoma Corporation

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(Name of Issuer)

**Common Stock, par value \$0.0075 per share**

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(Title of Class of Securities)

**98419J107**

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(CUSIP number)

Leo Kirby  
667 Madison Avenue, 21<sup>st</sup> Floor  
New York, NY 10065  
(212) 339-5633

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(Name, address and telephone number of person authorized to receive notices and communications)

July 19, 2012

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(Date of event which requires filing of this statement)

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

(Continued on the following pages)

(Page 1 of 3 Pages)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

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1.	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Baker Bros. Advisors, LLC		
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3.	SEC USE ONLY		
4.	SOURCE OF FUNDS* OO		
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>		
6.	CITIZENSHIP OR PLACE OF ORGANIZATION  Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: 23,127,674	
	8.	SHARED VOTING POWER: 0	
	9.	SOLE DISPOSITIVE POWER: 23,127,674	
	10.	SHARED DISPOSITIVE POWER: 0	
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 23,127,674		
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* <input type="checkbox"/>		
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 30.6%		
14.	TYPE OF REPORTING PERSON* IA		

1.	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Julian C. Baker		
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3.	SEC USE ONLY		
4.	SOURCE OF FUNDS* OO		
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>		
6.	CITIZENSHIP OR PLACE OF ORGANIZATION  United States		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: 23,127,674	
	8.	SHARED VOTING POWER 0	
	9.	SOLE DISPOSITIVE POWER: 23,127,674	
	10.	SHARED DISPOSITIVE POWER: 0	
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 23,127,674		
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* <input type="checkbox"/>		
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 30.6%		
14.	TYPE OF REPORTING PERSON* IN, HC		

1.	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  Felix J. Baker		
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3.	SEC USE ONLY		
4.	SOURCE OF FUNDS* OO		
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) <input type="checkbox"/>		
6.	CITIZENSHIP OR PLACE OF ORGANIZATION  United States		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: 23,127,674	
	8.	SHARED VOTING POWER: 0	
	9.	SOLE DISPOSITIVE POWER: 23,127,674	
	10.	SHARED DISPOSITIVE POWER: 0	
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 23,127,674		
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* <input type="checkbox"/>		
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 30.6%		
14.	TYPE OF REPORTING PERSON* IN, HC		

### Amendment No. 3 to Schedule 13D

This Amendment No. 3 to Schedule 13D amends and supplements the previously filed Schedules 13D filed by Julian C. Baker, Felix J. Baker and Baker Bros. Advisors, LLC (the "Reporting Persons"). Except as supplemented herein, such statements, as heretofore amended and supplemented, remain in full force and effect.

#### ITEM 4. Purpose of Transaction

On July 19, 2012, on recommendation by the Nominating & Governance Committee of Xoma Corporation (the "Issuer"), the Issuer's Board of Directors (the "Board") increased the size of the Board from seven (7) to eight (8) members and appointed Dr. Kelvin Neu, a Managing Director of Baker Bros. Advisors, LLC ("the Adviser"), to the Board, to serve as a representative of the Reporting Persons and the Funds (as defined below). Dr. Neu will serve until the next annual meeting of the stockholders or until his successor is elected, or until death, resignation or removal. A representative of the Reporting Persons formerly served as an observer to the Board.

Whether the Reporting Persons or their affiliates purchase any additional securities or dispose of any securities, and the amount and timing of any such transactions, will depend upon the Reporting Persons' continuing assessments of pertinent factors, including the availability of shares of Common Stock or other securities for purchase at particular price levels, the Issuer's business and prospects, other business investment opportunities, economic conditions, stock market conditions, money market conditions, the attitudes and actions of the board of directors and management of the Issuer, the availability and nature of opportunities to dispose of shares in the Issuer and other plans and requirements of the particular entities. Depending upon their assessments of these factors from time to time, the Reporting Persons or their affiliates may change their present intentions as stated above, including determining to acquire additional securities of the Issuer, including shares of Common Stock (by means of open market purchases, privately negotiated purchases, exercise of some or all of the Warrants, or otherwise) or to dispose of some or all of the securities of the Issuer, including shares of Common Stock, under their control.

Except as otherwise disclosed herein, at the present time, the Reporting Persons do not have any plans or proposals with respect to any extraordinary corporate transaction involving the Issuer or any sale of its assets, or with respect to its management, capitalization, dividend strategy, charter or by-laws, or any other change in its business or corporate structure or with respect to the delisting or deregistration of any of its securities including, without limitation, those matters described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

#### Item 5. Interest in Securities of the Issuer.

(a) and (b) Items 7 through 11 and 13 of each of the cover pages of this Amendment No. 3 are incorporated herein by reference. Set forth below is the aggregate number of shares of Common Stock of the Issuer directly held by 667, L.P., Baker Brothers Life Sciences, L.P., and 14159, L.P. (collectively, the "Funds") and beneficially owned by the Reporting Persons, including shares that may be acquired upon exercise of the warrants at an exercise price of \$1.76 per share as of the date hereof by each of the following, together with the percentage of outstanding shares of Common Stock that such number represents based upon 68,083,980 shares of Common Stock outstanding as reported on the Issuer's Form 10-Q filed with the SEC on May 8, 2012. Such percentage figures are calculated in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended.

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Holder	Shares of Common Stock	Warrants to purchase .5 shares of Common Stock as Converted to Common	Total	Percentage of Class Outstanding
667, L.P.	1,585,591	792,796	2,378,387	3.2%
Baker Brothers Life Sciences, L.P.	13,606,093	6,608,225	20,214,318	26.7%
14159, L.P.	360,231	174,738	534,969	0.7%
Total	15,551,915	7,575,759	23,127,674	30.6%

Pursuant to the Warrant to Purchase Common Stock, if at any time the beneficial ownership of the Funds and their affiliates is reduced to between 5.00% and 9.99% of the shares of Common Stock outstanding immediately after giving effect to such exercise, then the number of shares of Common Stock that may be acquired by the Funds and their affiliates upon any exercise of the Warrants will be limited to the extent necessary to ensure that, following such exercise, the total number of shares of Common Stock then beneficially owned by the Funds and their affiliates does not exceed 9.99% of the total number of then issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). If at any time the beneficial ownership of the Funds and their affiliates is reduced to 4.99% or less of the shares of Common Stock outstanding immediately after giving effect to such exercise, then the number of shares of Common Stock that may be acquired by the Funds and their affiliates upon any exercise of the Warrants will be limited to the extent necessary to ensure that, following such exercise, the total number of shares of Common Stock then beneficially owned by the Funds and their affiliates does not exceed 4.99% (the "Maximum Percentage") of the total number of then issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). At any time that the Funds and their affiliates do not beneficially own in excess of the Maximum Percentage, the Funds may, by written notice to the Issuer, from time to time increase or decrease the Maximum Percentage to any other percentage not in excess of 9.99% specified in such notice. Pursuant to the Warrant to Purchase Common Stock, any such increase will not be effective until the 61st day after such notice is delivered to the Issuer. This provision set forth in the Warrant to Purchase Common Stock will cease to apply from and after the date fourteen days prior to the fifth anniversary of the issuance date, which was March 6, 2012.

Additionally, on July 19, 2012, Kelvin Neu, a Managing Director of the Adviser, upon appointment to the Board was granted 16,800 restricted stock units, 1/3 of which vest annually beginning on August 14, 2013 and 23,200 options to purchase the common stock of the Issuer at \$3.53 per share expiring 10 years from the date of grant. These options vest in 36 equal monthly installments over 3 years beginning on August 19, 2012 through July 19, 2015. Dr. Neu may from time to time in the future receive additional securities of the Issuer as compensation for his service on the Board, consistent with other non-employee directors of the Issuer.

(c) Except as otherwise disclosed in this or any previously filed Schedule 13D, none of the Reporting Persons or their affiliates has effected any transaction in the securities of the Issuer in the past sixty days.

(d) Not applicable

(e) Not applicable.

**ITEM 7. Materials to be Filed as Exhibits.**

<b>Exhibit</b>	<b>Description</b>
Exhibit 99.1:	Agreement regarding joint filing of this statement.

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**SIGNATURES**

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

EXECUTED as a sealed instrument this 23rd day of July, 2012

**BAKER BROS.  
ADVISORS, LLC**

By: /s/ Scott L. Lessing  
Name: Scott L.  
Lessing  
Title: President

/s/ Julian C. Baker  
Julian C. Baker

/s/ Felix J. Baker  
Felix J. Baker

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JOINT FILING AGREEMENT

Pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree that only one statement containing the information required by Schedule 13D need be filed with respect to the ownership by each of the undersigned of the shares of Common Stock of Xoma Corporation.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

EXECUTED as of this 23rd day of July, 2012.

**BAKER BROS. ADVISORS, LLC**

By: /s/ Scott L. Lessing  
Name: Scott L. Lessing  
Title: President

/s/ Julian C. Baker  
Julian C. Baker

/s/ Felix J. Baker  
Felix J. Baker

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