FORM 4

Check this box if no longer subject to

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL							
OMB Number:	3235-0287						
Estimated average burden							
hours per response:	0.5						

Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b) Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

Name and Address of Reporting Person* MOLALICIAL IN LOUIN PETER						2. Issuer Name and Ticker or Trading Symbol PDL BIOPHARMA, INC. [PDLI]						5. Relationship of Reporting Person(s) to Issuer (Check all applicable)						
MCLAUGHLIN JOHN PETER						<u> </u>		1,111 1 , 11 1,	<u></u> [1 DE1]	ı		X Directo	or		10% Ov	vner		
-												Officer	give title		Other (s	specify		
(Last) (First) (Middle)						3. Date of Earliest Transaction (Month/Day/Year)						below)) "		below)			
C/O PDL BIOPHARMA, INC.						10/08/2008												
1400 SEAPORT BLVD						4. If Amondment Date of Original Elical (Manth /DayA/c.)												
l l					4. If Amendment, Date of Original Filed (Month/Day/Year)							6. Individual or Joint/Group Filing (Check Applicable Line)						
(Street)												,	filed by One	Repo	rtina Perso	n		
REDWOOD CA 94063												filed by More		•				
CITY												Perso		, triari	One repo	ung		
				-														
(City)	(S	tate)	(Zip)															
		Tak	ole I - Non-Der	ivativ	e Se	curities	s Ac	quired, D	isposed c	of, or Be	neficia	lly Owned	i					
1. Title of	Security (Ins	tr. 3)		nsaction											6. Ownership 7. Nature			
			Date (Mon	h/Day/Y		Execution if anv	Date,	Transact		d Of (D) (Ins	tr. 3, 4 an	4 and Securities Form: Direct (D) or Indirect (D) or Indirect (I) (Instr. 4)						
			(,	···/ [((Month/Da	y/Yea	r) 8)	-,						str. 4)	Ownership		
								Code	Amount	(A) or (D)	Price	Transac	tion(s)			(Instr. 4)		
								0000	Amount	(D)	1 1100	(Instr. 3	and 4)					
			Table II - Deriv	ative	Seci	urities	Aca	uired. Dis	sposed of	or Bene	eficially	/ Owned						
									, converti			,						
1. Title of	itle of 2. 3. Transaction 3A. Deemed 4. 5. Number 6. Date Exercisable and 7. Title and A									d Amount	8. Price of	9. Number	of	10.	11. Nature			
Derivative	Conversion	Date	Execution Date,	Transa		of	.	Expiration Date of Securities			ies	Derivative derivative		1	Ownership	of Indirect		
Security (Instr. 3)	r. 3) Price of (Month/Day/Year) Derivative		Code ((Instr.	Derivative ((Month/Day	Underlying Derivative Security		Security (Instr. 5)	Securities Beneficially		Form: Direct (D)	Beneficial Ownership				
(23 3,			'			Acquired (Instr. 3 and (A) or				' ' '	Owned Following		or Indirect (I) (Instr. 4)	(Instr. 4)				
	Security					Disposed of (D) (Instr. 3, 4 and 5)							Reported	- 1	1,,,			
											1	Transaction(n(s)					
						0, 1 0	,			1		1	l (Instr. 4)					
					l							4	(Instr. 4)					
		ı					H				Amount	-	(Instr. 4)					
		ı						Data	Expiration		or Number	-	(Instr. 4)					
	l			Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	or	_	(Instr. 4)					
Stock				Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	or Number of	-	(Instr. 4)					
Stock Option	\$8.31	10/08/2008			v		(D)	Exercisable	Date	Common	or Number of Shares				D			
Option (Right to	\$8.31	10/08/2008		Code	v	(A) 15,000	(D)	Date Exercisable	Expiration Date		or Number of		(Instr. 4)	1	D			
Option (Right to Buy)	\$8.31	10/08/2008			v		(D)	Exercisable	Date	Common	or Number of Shares				D			
Option (Right to Buy)					v	15,000	(D)	(1)	Date 10/08/2015	Common Stock	or Number of Shares	\$0	15,000					
Option (Right to Buy) Stock Option	\$8.31 \$8.31	10/08/2008			v		(D)	Exercisable	Date	Common	or Number of Shares				D D			
Option (Right to Buy)				A	v	15,000	(D)	(1)	Date 10/08/2015	Common Stock	or Number of Shares	\$0	15,000					
Option (Right to Buy) Stock Option (Right to				A	v	15,000	(D)	(1)	Date 10/08/2015	Common Stock	or Number of Shares	\$0	15,000					
Option (Right to Buy) Stock Option (Right to Buy) Stock Option				A	v	15,000	(D)	(1)	Date 10/08/2015	Common Stock Common Stock	or Number of Shares	\$0	15,000					
Option (Right to Buy) Stock Option (Right to Buy) Stock	\$8.31	10/08/2008		A	v	15,000	(D)	(1)	10/08/2015 10/08/2015	Common Stock	or Number of Shares 15,000 2,000	\$0 \$0	15,000		D			
Option (Right to Buy) Stock Option (Right to Buy) Stock Option (Right to Buy)	\$8.31	10/08/2008		A	v	15,000	(D)	(1)	10/08/2015 10/08/2015	Common Stock Common Stock	or Number of Shares 15,000 2,000	\$0 \$0	15,000		D			
Option (Right to Buy) Stock Option (Right to Buy) Stock Option (Right to	\$8.31	10/08/2008		A	v	15,000	(D)	(1)	10/08/2015 10/08/2015	Common Stock Common Stock	or Number of Shares 15,000 2,000	\$0 \$0 \$0	15,000		D			

Explanation of Responses:

- 1. This option will vest with respect to 1,250 shares on November 8, 2008 and with respect to 1,250 of the shares monthly thereafter.
- 2. This option will vest with respect to approximately 166 shares on November 8, 2008 and with respect to approximately 166 of the shares monthly thereafter.
- 3. This option will vest with respect to 125 shares on November 8, 2008 and with respect to 125 of the shares monthly thereafter.
- 4. This option will vest with respect to approximately 1,042 shares on November 8, 2008 and with respect to approximately 1,042 of the shares monthly thereafter.

Remarks:

Buy)

/s/ John P. McLaughlin

10/10/2008

** Signature of Reporting Person

Date

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

- * 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).

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

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 Number.