

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Stone Christopher Lewis</u> (Last) (First) (Middle) <u>C/O PDL BIOPHARMA, INC.</u> <u>932 SOUTHWOOD BLVD.</u> (Street) <u>INCLINE VILLAGE NV 89451</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>PDL BIOPHARMA, INC. [PDLI]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP, Gen. Counsel & Secretary</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>06/08/2018</u>	

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			

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option (right to buy)	\$2.94	06/08/2018 ⁽¹⁾		A		700,500		(2)	08/28/2027	Common stock	700,500	\$0	700,500	D	

Explanation of Responses:

- The stock options were approved by the compensation committee of the issuer's board of directors effective August 29, 2017, subject to stockholder approval of an amendment to the issuer's equity plan pursuant to which the stock option was granted. The issuer's stockholders approved the amendment on June 8, 2018.
- The stock options will vest as follows: (a) 25% of the shares subject to the option shall vest on August 28, 2018; (b) 25% of the shares subject to the option shall vest on a monthly basis pro rata over the thirty-six (36) months following August 28, 2018; (c) 25% of the shares subject to the option shall vest upon the price of the issuer's common stock closing above \$3.91 for twenty (20) consecutive trading days; and (d) 25% of the shares subject to the option shall vest upon the price of the issuer's common stock closing above \$4.41 for twenty (20) consecutive trading days, provided that the recipient's continuous service has not terminated prior to the applicable vesting date, subject to earlier vesting upon a change in control and certain qualifying terminations of employment provided in the severance agreement between the issuer and the recipient.

Remarks:

/s/ Nathan N. Kryszak,
Attorney-in-Fact for
Christopher Lewis Stone 06/12/2018
 ** 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.