

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): January 20, 2011

**PDL BioPharma, Inc.**

(Exact name of Company as specified in its charter)

000-19756

(Commission File Number)

Delaware  
(State or Other Jurisdiction of  
Incorporation)

94-3023969  
(I.R.S. Employer Identification No.)

**932 Southwood Boulevard  
Incline Village, Nevada 89451**

(Address of principal executive offices, with zip code)

**(775) 832-8500**

(Company's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

*Appointment of Caroline Krumel, Vice President of Finance and Principal Accounting Officer*

On January 20, 2011, the Board of Directors of PDL BioPharma, Inc. (the “Company”) appointed Caroline Krumel as Vice President of Finance and Principal Accounting Officer, effective January 31, 2011.

In connection with joining the Company, Ms. Krumel entered into an employment offer letter (the “Offer Letter”) with the Company, effective January 6, 2011, to join the Company on January 17, 2011, pending the departure of our current Vice President of Finance and Principal Accounting Officer and Ms. Krumel’s appointment by the Board of Directors.

Before joining the Company, Ms. Krumel most recently served as Vice President, Finance from 2007 to 2010 at VaxGen Inc., a public company focused on the development of vaccinations until a merger transaction with diaDexus, Inc. in 2010. From 2006 to 2007, Ms. Krumel worked for Frank, Rimerman + Co. LLP, one of the largest locally-owned providers of accounting and consulting services in Northern California, as a Senior Associate, where she delivered accounting services for various companies. Prior to 2006, Ms. Krumel worked at Santa Clara University in the Department of Accounting (academic), where she was instrumental in increasing student enrollment in the department’s advanced accounting certificate program.

Ms. Krumel, age 46, is a certified public accountant and holds a Master of Public Management from the University of Maryland at College Park and a Bachelor of Arts in Political Science with honors from the University of North Carolina at Chapel Hill.

Pursuant to the Offer Letter, Ms. Krumel is an at-will employee with an annual salary of \$230,000. Ms. Krumel’s annual target bonus opportunity will be equal to 30% of her annual base salary, with the actual amount earned dependent upon Company and individual performance. The Company will provide a housing allowance of \$3,000 per month for the duration of Ms. Krumel’s employment. In addition, the Company agreed to reimburse Ms. Krumel up to \$10,000 for expenses related to moving proximate to our headquarters in Incline Village, Nevada.

If Ms. Krumel’s employment is terminated by the Company without “Cause,” as defined in the Offer Letter, or she resigns for “Good Reason,” as defined in the Offer Letter, Ms. Krumel will receive a lump sum cash payment equal to 50% of the sum of her annual base salary and target bonus conditioned on her signing a release of all claims against the Company.

The Offer Letter is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference. The foregoing description of the Offer Letter is qualified in its entirety by reference to Exhibit 10.1.

*Departure of Karen Wilson, Vice President of Finance and Principal Accounting Officer*

Karen Wilson, our Vice President of Finance and Principal Accounting Officer, will be leaving the Company on January 28, 2011, to return to California. Ms. Wilson, who joined the Company in April 2009, was instrumental in helping the Company accomplish many transition-related goals relating to both the spin-off of Facet Biotech Corporation and the Company’s relocation to Nevada. Ms. Wilson has made a number of significant contributions to the Company, including the winding-up of certain pre-2009 activities and helping establish the infrastructure necessary to facilitate the Company’s accounting and financial reporting going forward. The Company thanks Karen for her numerous contributions and wishes her continued success in her future ventures.

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**Item 9.01 Financial Statements and Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
10.1	Offer Letter between the Company and Caroline Krumel, dated January 6, 2011
99.1	Press Release, dated January 25, 2011

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDL BIOPHARMA, INC.  
(Company)

By: /s/ Christopher Stone

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Christopher Stone  
Vice President, General Counsel and Secretary

Dated: January 25, 2011

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**EXHIBIT INDEX**

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10.1	Offer Letter between the Company and Caroline Krumel, dated January 6, 2011
99.1	Press Release, dated January 25, 2011

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January 6, 2011

Ms. Caroline Krumel

Dear Caroline:

On behalf of PDL BioPharma, Inc. ('PDL' or 'we'), I am pleased to extend to you an employment offer for the position of Vice President of Finance and Principal Accounting Officer reporting to PDL's Chief Financial Officer (the 'CFO'). Your employment with PDL will begin on January 17, 2011 (the 'Employment Date').

You agree that you will devote your full business time and efforts to PDL. You agree that you will not engage in any other business or serve in any position with or as a consultant or adviser to any other corporation or entity (including as a member of such corporation's or entity's board of directors or other governing or advising body), without the prior written consent of the Board. Notwithstanding the foregoing, but only for so long as such activities in the aggregate do not materially interfere with your duties hereunder or create a business or fiduciary conflict, you will not be prohibited from (i) participating in charitable, civic, educational, professional, community or industry affairs (including membership on boards of directors), (ii) managing your passive personal investments, and (iii) continuing your service in the positions that you held as of the date of this Offer Letter, which positions you have disclosed to the Board, provided that any such service obligation is not materially increased beyond what you have disclosed to us.

Your base salary (as in effect from time to time, 'Base Salary') will be \$230,000 annually, less applicable taxes and withholdings, and will be payable in accordance with PDL's payroll procedures. Your annual target bonus will be set at thirty percent (30%) of your annual Base Salary. Your bonus will be based on your contribution to PDL's achievement of its goals and objectives and your individual performance during this period as determined by the CFO and the Compensation Committee of the Board. The Compensation Committee of the Board is in the process of developing a long-term incentive plan after expiration of the former plan in December 2010 and, when finalized, you will be eligible to participate in that plan when it is adopted.

If you are terminated without Cause or resign for Good Reason you will receive, a lump sum cash payment equal to fifty percent (50%) of the sum of your annual base salary and target bonus provided that such payment shall be contingent upon your signing a release of all claims against PDL.

For purposes of this Offer Letter, 'Cause' means the occurrence of any of the following: (i) your intentional theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any PDL documents or records; (ii) your material failure to abide by the PDL's code of conduct or other written policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) your material and intentional unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of PDL (including, without limitation, your improper use or disclosure of PDL confidential or proprietary information); (iv) any willful act by you that has a material detrimental effect on PDL's reputation or business; (v) your repeated failure or inability to perform any reasonable assigned duties after written notice from the CFO of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by you of any employment, service, non-disclosure, non-competition, non-solicitation or other similar agreement between you and PDL, which breach is not cured pursuant to the terms of such agreement or within twenty (20) days of receiving written notice of such breach; (vii) your conviction (including any plea of guilty or nolo contendere) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs your ability to perform your duties with PDL. For purposes of the foregoing, no act or omission will be deemed 'willful' unless done, or omitted to be done, by you without a reasonable good faith belief that you were acting in the best interest of PDL.

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For purposes of this Offer Letter, 'Good Reason' means the occurrence of any of the following conditions without your informed written consent: (i) a material diminution in your authority, duties or responsibilities, causing your position to be of materially lesser rank or responsibility within PDL; (ii) a requirement that you report to a less senior corporate officer than the CFO; (iii) a material reduction in your Base Salary or bonus, unless reductions comparable in amount and duration are concurrently made for all other PDL officers; or (iv) any action or inaction by a PDL that constitutes, with respect to the you, a material breach of this Offer Letter.

PDL has a welfare benefits package, including a comprehensive medical policy and dental plan, as well as life insurance coverage, in which you will be eligible to participate in accordance with PDL guidelines. In addition, you will receive four weeks of paid vacation in addition to PDL's holiday schedule.

PDL will provide assistance to you to rent housing in Nevada proximate to PDL's offices. PDL will pay you a housing allowance of \$3,000 per month for the duration of your employment by PDL. In addition, to defray your moving expenses, PDL will reimburse you for such expenses up to \$10,000.

Your employment with PDL will not be for a set term, and you will be an at-will employee. As a PDL employee, you will be free to resign at any time, just as we will be free to terminate your employment at any time, with or without Cause. There will be no express or implied agreements to the contrary. By signing this Offer Letter, you agree to waive any right to participate in any other severance plan maintained by PDL from time to time.

PDL intends that payments and benefits provided to you pursuant to this Offer Letter be exempt from or comply with all applicable requirements of Section 409A of the Internal Revenue Code of 1986, as amended. Any ambiguities in this Offer Letter shall be construed in a manner consistent with such intent.

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For purposes of federal immigration law, you will be required to provide PDL documentary evidence of your identity and eligibility for employment in the United States.

The terms of this offer are subject to satisfactory completion of a background inquiry and approval by PDL's Board of Directors. To indicate your acceptance of our offer, please sign and date this Offer Letter in the space provided below and return it, along with a signed copy of the enclosed Proprietary Information and Invention Assignment Agreement, to Christine Larson. By executing this Offer Letter, you hereby represent that your execution hereof and performance of your obligations hereunder do not and will not contravene or otherwise conflict with any other agreement to which you are a party or any other legal obligation applicable to you. This Offer Letter, along with the Proprietary Information and Invention Assignment Agreement, supersedes any prior representations or agreements, whether written or oral, with respect to our offer of employment to you. This Offer Letter may not be modified or amended except by a written agreement, signed by PDL and you.

We are very excited at the prospect of your joining PDL.

Sincerely,

**PDL BioPharma, Inc.**

/s/ Christine R. Larson

Christine R. Larson  
Vice President & CFO  
PDL BioPharma, Inc.

Accepted by:

/s/ Caroline Krumel

Caroline Krumel

January 7, 2011  
Date

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**Contacts:**

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**PDL BioPharma Appoints Caroline Krumel as Vice President of Finance  
and Thanks Karen Wilson for her Contributions**

INCLINE VILLAGE, NV, January 25, 2011 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced the appointment of Caroline Krumel, CPA to the position of vice president of finance and chief accounting officer, effective January 31, 2011. Ms. Krumel will replace Karen Wilson, who is leaving PDL to return to California.

“Caroline brings over 15 years of experience spearheading all financial functions in a variety of private and public companies,” said John McLaughlin, president and chief executive officer of PDL BioPharma. “Her financial acumen within agile corporate environments coupled with her knowledge of financial and accounting procedures make her an ideal fit for PDL as we manage our royalty assets and evaluate additional royalty purchase opportunities.”

Before joining the Company, Ms. Krumel most recently served as Vice President, Finance from 2007 to 2010 at VaxGen Inc., a public company focused on the development of vaccinations until a merger transaction with diaDexus, Inc. in 2010. From 2006 to 2007, Ms. Krumel worked for Frank, Rimerman + Co. LLP, one of the largest locally-owned providers of accounting and consulting services in Northern California, where she delivered accounting services for various companies. Prior to 2006, Ms. Krumel worked at Santa Clara University in the Department of Accounting (academic), where she was instrumental in increasing student enrollment in the department’s advanced accounting certificate program. Ms. Krumel is a certified public accountant and holds a Master of Public Management from the University of Maryland at College Park and a Bachelor of Arts in Political Science with honors from the University of North Carolina at Chapel Hill.

“On behalf of PDL,” John McLaughlin said, “I want to thank Karen for her numerous contributions and wish her continued success in her future ventures.” Ms. Wilson, who joined the Company in April 2009, was instrumental in helping the Company accomplish many transition-related goals relating to both the spin-off of Facet Biotech Corporation and the Company’s relocation to Nevada. Ms. Wilson has made a number of significant contributions to the Company, including the winding-up of certain pre-2009 activities and helping establish the infrastructure necessary to facilitate the Company’s accounting and financial reporting going forward.

**About PDL BioPharma**

PDL pioneered the humanization of monoclonal antibodies and, by doing so, enabled the discovery of a new generation of targeted treatments for cancer and immunologic diseases. PDL is focused on maximizing the value of its antibody humanization patents and related assets. The Company receives royalties on sales of a number of humanized antibody products marketed by leading pharmaceutical and biotechnology companies today based on patents which expire in late 2014. For more information, please visit [www.pdl.com](http://www.pdl.com).

NOTE: PDL BioPharma and the PDL BioPharma logo are considered trademarks of PDL BioPharma, Inc.

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