
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): December 15, 2009

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 7.01. Regulation FD Disclosure.

On December 15, 2009, the Company announced that it has paid the previously announced \$200 million special dividend of \$1.67 per share. In addition, the Company confirmed the conversion rate adjustments for its outstanding convertible notes associated with the special dividend. The Company’s press release regarding the special dividend is attached as Exhibit 99.1 hereto.

Exhibit 99.1 contains forward-looking statements within the meaning of the federal securities laws. These statements are present expectations and are subject to the limitations listed therein and in the Company’s other SEC reports, and actual events or results may differ materially from those in the forward-looking statements.

The information in this Item 7.01, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that Section, and shall not be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.***(d) Exhibits.***

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release Dated December 15, 2009 Regarding Special Dividend Payment and Conversion Rate Adjustments to Subordinate Notes as a Result of Special Dividend.

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/ CHRISTINE LARSON
Christine Larson
Vice President and Chief Financial Officer

Dated: December 16, 2009

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1

Press Release Dated December 15, 2009 Regarding Special Dividend Payment and Conversion Rate Adjustments to Subordinate Notes as a Result of Special Dividend.

Contacts:

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PDL BioPharma Completes December 15 Special Dividend Payment

INCLINE VILLAGE, NV, December 15, 2009 — PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced that it has paid the December 15, 2009 special dividend payment of \$1.67 per share to all stockholders owning shares of PDL as of December 1, 2009. With this payment, distributions to stockholders for the year ended December 31, 2009 total \$2.67 per share. In January 2010, the Company will make a determination regarding the federal tax characteristics of the Company's 2009 cash distributions and the allocation between dividend income and return of capital for federal income tax purposes. This information will be disclosed in a press release, posted on the Company's website and reported to the Company's transfer agent for inclusion in Form 1099-DIV to be sent at the end of January to each stockholder of the Company's stock in 2009.

As previously announced, the conversion rate for the Company's 2.00% Convertible Senior Notes due February 15, 2012 was adjusted to 119.294 shares of common stock per \$1,000 principal amount, as a result of the dividend payment. The conversion rate for the 2.75% Convertible Subordinated Notes due August 16, 2023 was also adjusted to 164.7254 shares of common stock per \$1,000 principal amount.

About PDL BioPharma, Inc.

PDL BioPharma 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 today and also may receive royalty payments on additional humanized antibody products launched before patent expiry in late 2014. For more information, please visit www.pdl.com.

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