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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**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):  
April 22, 2009

**PDL BioPharma, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-19756**  
(Commission  
File No.)

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

**932 Southwood Boulevard  
Incline Village, Nevada 89451**  
(Address of principal executive offices)

Registrant's telephone number, including area code: (775) 832-8500

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant 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.**

(c) PDL BioPharma, Inc. (the “Company,” “PDL” or “we”) entered into an employment offer letter with Karen Wilson effective on April 22, 2009 (the “Offer Letter”) pursuant to which Ms. Wilson agreed to join the Company as Vice President of Finance and Principal Accounting Officer, effective April 22, 2009 (the “Employment Date”).

Most recently, from 2005 to 2009, Ms. Wilson served as a principal at the consulting firm Wilson Crisler LLC. Previously, from 2001 to 2004, she was chief financial officer of ViroLogic, Inc. (now Monogram Biosciences, Inc.), a life science company focused on developing and commercializing innovative products to help guide and improve the treatment of infectious diseases, cancer and other serious diseases.

Prior to joining ViroLogic, Ms. Wilson served as chief financial officer and vice president of operations for Novare Surgical Systems, Inc., a medical device manufacturer, from 1999 to 2001. Early in her career, Ms. Wilson worked for Deloitte & Touche LLP, a professional services firm, most recently as senior manager serving a diverse list of global clients in both the medical and technology fields. Wilson is a certified public accountant and received a B.S. in Business from the University of California at Berkeley.

Pursuant to the Offer Letter, we will employ Ms. Wilson as an at-will employee, with an annual base salary of \$250,000. Ms. Wilson’s annual target bonus opportunity will be equal to 35% of her annual base salary, with the actual amount earned dependent upon Company and individual performance.

Effective 15 days following the Employment Date, PDL will grant Ms. Wilson a special retention incentive award (the “Special Retention Incentive”) comprised of two components: (i) the right to receive \$175,000 in cash, and (ii) a number of unvested restricted shares of PDL common stock with a Grant Value equal to \$75,000. For this purpose, “Grant Value” means the average of the closing prices of PDL’s common stock for the first ten trading days following the Employment Date. Subject to Ms. Wilson’s continued employment, the Special Retention Incentive will vest and become payable upon the earlier to occur of (i) December 19, 2010 or (ii) a merger or sale of PDL or a sale of all or substantially all of PDL’s assets, or any securitization or other monetization of all or substantially all of PDL’s assets.

If Ms. Wilson’s employment is terminated by us without “Cause,” as defined in the Offer Letter, or she resigns for “Good Reason,” as defined in the Offer Letter, but prior to her entitlement to the Special Retention Incentive, Ms. Wilson will receive a lump sum cash payment equal to 25% of the sum of her annual base salary and target bonus conditioned on her signing a release of all claims against PDL.

We have also agreed to provide assistance to Ms. Wilson to rent housing in Nevada proximate to our corporate headquarters and pay her a housing allowance of \$3,500 per month for one year from the Employment Date. Under the Offer Letter, PDL has agreed to consider extending such housing assistance prior to the first anniversary date of the Employment Date. In addition, we agreed to reimburse Ms. Wilson up to \$5,000 for moving expenses.

The Offer Letter is attached hereto 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.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter between PDL BioPharma, Inc. and Karen Wilson effective April 22, 2009.

**SIGNATURE**

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

Date: April 28, 2009

**PDL BioPharma, Inc.**

By: /s/ Christopher Stone  
Christopher Stone  
Vice President, General Counsel and Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
10.1	Offer Letter between PDL BioPharma, Inc. and Karen Wilson effective April 22, 2009.

April 17, 2009

Ms. Karen Wilson

Dear Karen:

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 April 22, 2009 (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 \$250,000 annually, less applicable taxes and withholdings, and will be payable in accordance PDL's payroll procedures. Your annual target bonus will be set at thirty-five percent (35%) 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.

Effective fifteen (15) days following the Employment Date, PDL will grant you a special retention incentive award (the 'Special Retention Incentive') comprising two components: (i) the right to receive \$175,000 in cash; and (ii) a number of unvested restricted shares of PDL common stock with a Grant Value equal to \$75,000. For this purpose, 'Grant Value' means the average of the closing prices of PDL's common stock for the first ten (10) trading days following the Employment Date. Subject to your continued employment, the Special Retention Incentive will vest and become payable upon the earlier to occur of (i) December 19, 2010, or (ii) a Monetization Event. For purposes of this Offer Letter, 'Monetization Event' means (i) a merger or sale of PDL or a sale of all or substantially all of PDL's assets, or (ii) any securitization or other monetization of all or substantially all of PDL's assets. In the event any dividends or other distributions are paid on PDL's common stock following the grant of the Special Retention Incentive but prior to the vesting and payment thereof, the amount of the dividends or other distributions payable on the restricted stock component of the Special Retention Incentive shall be withheld, credited to an account in your name, and shall vest and become payable if and when the Special Retention Incentive vests and becomes payable.

If you are terminated without Cause or resign for Good Reason, but prior to your entitlement to the Special Retention Incentive, you will receive, a lump sum cash payment equal to twenty-five percent (25%) 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.

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 corporate officer or other employee rather than directly to 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.

Because PDL is re-domiciling PDL in Nevada and because of the difficulties in selling a home in the Bay Area at an acceptable price, PDL will provide assistance to you to rent housing in Nevada proximate to PDL's offices. PDL will pay you a housing allowance of \$3,500 per month for one year from the Employment Date and PDL agrees to consider extending such assistance prior to the first anniversary date of the Employment Date. In addition, to defray your moving expenses, PDL will reimburse you for such expenses up to \$5,000.

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 the PDL Executive Retention and Severance Plan or 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.

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.

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 Larson

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Christine Larson  
Vice President & CFO  
PDL BioPharma, Inc.

Accepted by:

/s/ Karen Wilson

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Karen Wilson  
Date: April 22, 2009