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): October 31, 2013

PDL BIOPHARMA, INC.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware	94-3023969
(State or Other Jurisdiction of Incorporation)	(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)

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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))

Item 1.01 Entry into a Material Definitive Agreement.

On October 31, 2013, PDL BioPharma, Inc. (the Company) entered into a credit agreement (the Credit Agreement) with Durata Therapeutics Holding C.V. and Durata Therapeutics International B.V. (Borrowers) and Durata Therapeutics, Inc. (Parent), under which the Company made available to Borrowers up to $70 million to be used by Borrowers to refinance their existing credit facility and fund the commercial launch of dalbavancin, an intravenous antibiotic product candidate, for the treatment of patients with acute bacterial skin and skin structure infections, or ABSSSI, caused by Gram-positive bacteria, such as S. aureus, including methicillin-resistant and multi-drug resistant strains, and certain streptococcal species. Of the $70 million available to Borrowers, an initial $25 million (Tranche One), net of fees, was funded by the Company at close of the transaction.

Upon marketing approval of dalbavancin in the United States, to be accomplished no later than December 31, 2014 (the Tranche Two Milestone), the Company will fund Borrowers an additional $15 million (Tranche Two). Within 9 months after the occurrence of the Tranche Two Milestone, Borrowers may request up to a single additional $30 million borrowing (Tranche Three, and together with Tranche One and Tranche Two, the Loans). Until the occurrence of the Tranche Two Milestone, outstanding borrowings under Tranche One bear interest at the rate of 14.0% per annum, payable quarterly in arrears. Upon occurrence of the Tranche Two Milestone, the interest rate of the Loans will decrease to 12.75%.

Principal repayment will commence on the fifth interest payment date, March 31, 2015. The principal amount outstanding will be repaid quarterly over the remainder of the Loans in an increasing percentage of the principal outstanding at commencement of repayment.

The Loans will mature on October 31, 2018. Borrowers may elect to prepay the Loans at any time, subject to a prepayment penalty that decreases over the life of the Loans. The Company is entitled to receive a fee in addition to the prepayment penalty in the event that Borrowers undergoes a change in control.

The obligations under the Credit Agreement are secured by a pledge of substantially all of the assets of Borrowers and any of Parent’s subsidiaries.

The Credit Agreement contains customary affirmative covenants and other affirmative covenants agreed to by the parties, including with respect to the provision of annual and quarterly reports, maintenance of property and insurance compliance with laws and contractual obligations and payment of taxes. The Credit Agreement contains customary negative covenants and other negative covenants agreed to by the parties, including restrictions on the incurrence of indebtedness, the granting of liens, making restricted payments and investments, entering into affiliate transactions and transferring assets.

The Credit Agreement also provides for a number of customary events of default, including payment, bankruptcy, covenant, representation and warranty and judgment defaults.

The Company had no relationship with Borrowers, material or otherwise, prior to entering into the Credit Agreement.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure set forth in Item 1.01 of this Current Report is incorporated by reference into this Item 2.03.

Item 8.01 Other Events.

On November 6, 2013, the Company issued a press release announcing its execution of the Credit Agreement. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Cautionary Statements

This filing, the press release and the Company's statements herein and in the attached press release include and constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors that could impair the Company's royalty assets or business and limit the Company's ability to pay dividends, purchase income generating assets and take other corporate actions are disclosed in the "Risk Factors" contained in the Company's 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2013, and updated in subsequent filings. All forward-looking statements are expressly qualified in their entirety by such factors. We do not undertake any duty to update any forward-looking statement except as required by law.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release

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/ John P. McLaughlin
John P. McLaughlin
President and Chief Executive Officer

Dated: November 6, 2013

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release

Exhibit 99.1

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PDL BioPharma Provides $70 Million in Financing to Durata Therapeutics

INCLINE VILLAGE, Nev., November 6, 2013, PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) announced today that it closed a financing transaction with Durata Therapeutics, Inc. (NASDAQ: DRTX), a pharmaceutical company focused on the development and commercialization of novel therapeutics for patients with infectious diseases and acute illnesses. Under the credit agreement, PDL will provide Durata with up to $70 million of debt financing with a five year term and will receive interest on the principal amount outstanding and a security interest in substantially all of Durata's assets.

Durata's lead product candidate, dalbavancin, is an intravenous antibiotic product candidate for the treatment of patients with acute bacterial skin and skin structure infections (ABSSSI), caused by Gram-positive bacteria, such as S. aureus, including methicillin-resistant and multi-drug resistant strains, and certain Streptococcal species. A second generation, semi-synthetic lipoglycopeptide designed for 30-minute intravenous dosing on days 1 and 8, dalbavancin is intended to facilitate the treatment of patients with ABSSSI in both the in-patient and out-patient settings, reducing the length of a patient's hospital stay or avoiding hospital admission altogether and, ultimately, lowering the overall cost of care for these patients.

On September 26, 2013, Durata announced that it had submitted a New Drug Application to the U.S Food and Drug Administration seeking approval for the marketing and sale of dalbavancin. The FDA has designated dalbavancin as a Qualified Infectious Disease Product (QIDP), a new initiative designed to increase the availability of any "new antibacterial or antifungal drug for human use intended to treat serious or life-threatening infections, including those caused by an antibacterial or antifungal resistant pathogen, including novel or emerging infectious pathogens…."

The total financing of up to $70 million was provided pursuant to a credit agreement that included an initial $25 million in cash funded to Durata on October 31, 2013, and provides up to $45 million in additional funds to Durata, with $15 million of funding upon U.S. regulatory approval of dalbavancin, and the remaining $30 million funded within nine months after regulatory approval of dalbavancin, at Durata's election.

"We are pleased to provide this non-dilutive financing to Durata. Based upon our extensive due diligence, we believe that dalbavancin will be a medically and commercially significant product," said John P. McLaughlin, president and chief executive officer of PDL. "This deal with Durata marks the fourth transaction we have closed in recent weeks and, in doing so, we believe that we are securing measurable value for PDL and our stockholders."

“We are very pleased to announce this debt financing with PDL, which we believe further validates the opportunity Durata has with dalbavancin. This structure provides Durata with operating capital now and the flexibility for future funding, without diluting our existing shareholders, something we find very valuable,” said Paul R. Edick, chief executive officer of Durata. “With the strengthened balance sheet, we are able to enhance our existing pre-commercialization and planned launch activities,” Mr. Edick continued.

About Durata Therapeutics, Inc.

Durata Therapeutics is a pharmaceutical company focused on the development and commercialization of novel therapeutics for patients with infectious diseases and acute illnesses. Durata has completed two global Phase 3 clinical trials with its lead product candidate, dalbavancin, under investigation for the treatment of patients with acute bacterial skin and skin structure infections caused by susceptible Gram-positive bacteria.

About PDL BioPharma, Inc.
PDL BioPharma manages a portfolio of patents and royalty assets, consisting primarily of its Queen et al. antibody humanization patents and license agreements with various biotechnology and pharmaceutical companies. 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 for which it receives significant royalty revenue. PDL is currently focused on intellectual property asset management, investing in new income generating assets, and maximizing value for its shareholders.

The company was formerly known as Protein Design Labs, Inc. and changed its name to PDL BioPharma, Inc. in 2006. PDL was founded in 1986 and is headquartered in Incline Village, Nevada.

In 2011, PDL initiated a strategy to bring in new income generating assets from the healthcare sector. To accomplish this goal, PDL seeks to provide non-dilutive growth capital and financing solutions to late stage public and private healthcare companies and offers immediate financial monetization of royalty streams to companies, academic institutions, and inventors. PDL successfully executed on this strategy by deploying over $125 million in 2012 and continues to pursue this strategic initiative. PDL is focused on the quality of the income generating assets and potential returns on investment.

For more information, please visit www.pdl.com.

Cautionary Statements Concerning Forward-Looking Statements

This Press Release contains “forward-looking” statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management’s current expectations or predictions of future conditions, events or results based on various assumptions and management’s estimates of trends and economic factors in the markets in which we are active, as well as our business plans. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “projects”, “forecasts”, “may”, “should”, variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements may include, without limitation, statements regarding product development, product potential or financial performance. The forward-looking statements are subject to risks and uncertainties, which may cause results to differ materially from those set forth in the statements. Forward-looking statements in this release should be evaluated together with the many uncertainties that affect the business of each of Durata and PDL and their markets, particularly those discussed in the risk factors and cautionary statements in filings made by Durata and PDL with the Securities and Exchange Commission. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those projected. The forward-looking statements are representative only as of the date they are made, and neither Durata nor PDL assumes any responsibility to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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