

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 1, 2013

**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 1.01 Entry into a Material Definitive Agreement.**

On October 1, 2013, PDL BioPharma, Inc. (the Company) entered into a credit agreement (the Credit Agreement) with LENSAR, Inc. (Borrower), under which the Company made available to Borrower up to \$60 million to be used by Borrower in connection with the commercialization of its currently marketed LENSAR Laser System. Of the \$60 million available to Borrower, an initial \$40 million (the First Tranche), net of fees, was funded by the Company at close of the transaction.

Upon the attainment of a specified sales milestone to be accomplished no later than September 30, 2014, the Company will fund Borrower an additional \$20 million (the Second Tranche and together with the First Tranche, the Loans). Outstanding borrowings under the Loans bear interest at the rate of 15.5% per annum, payable quarterly in arrears.

Principal repayment will commence on the thirteenth interest payment date. The principal amount outstanding at commencement of repayment will be repaid in equal installments until final maturity of the Loans.

The Loans will mature on October 1, 2018. Borrower may elect to prepay the Loans at any time, subject to a prepayment penalty that decreases over the life of the Loans.

The obligations under the Credit Agreement are secured by a pledge of substantially all of the assets of Borrower and any of its 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 Borrower, 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.

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**Item 8.01 Other Events.**

On October 1, 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.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release

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

Dated: October 2, 2013

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EXHIBIT INDEX

**Exhibit No.**

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99.1

**Description**

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Press Release

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**PDL BioPharma Provides \$60 Million in Financing to LENSAR**

INCLINE VILLAGE, Nev., October 2, 2013, PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) announced today that it closed a financing transaction with LENSAR, Inc., a leader in next-generation femtosecond laser technology for refractive cataract surgery, in which PDL will provide LENSAR with up to \$60 million of debt financing, as part of an \$87 million total financing for LENSAR.

The LENSAR Laser System provides cataract surgeons with the power to execute accurate incisions with unprecedented precision and repeatability. It provides precise capsulotomy incision size, shape and location, thereby enhancing effective intraocular lens (IOL) lens positioning and fitting for each individual patient, leading to improved patient outcomes. LENSAR is the only femtosecond laser on the market which uses a proprietary imaging, automated measurement, 3-D modeling, and treatment guidance system. The LENSAR Laser system is cleared by the FDA to perform both corneal and arcuate incisions, as well as lens fragmentation and anterior capsulotomy (with or without phacofragmentation), during cataract surgery.

The total financing of up to \$60 million was provided pursuant to a credit agreement that included an initial \$40 million in cash funded to LENSAR on October 1, 2013, and provides up to \$20 million in additional funds to LENSAR by September 30, 2014, upon the accomplishment of a specified milestone. In exchange, PDL received a security interest in all of LENSAR's assets and will receive interest on the principal amount outstanding.

Aisling Capital and additional LENSAR co-investors joined PDL in the transaction by making an additional \$27 million equity investment in LENSAR, with a portion to be funded by Aisling and other LENSAR equity investors by the end of December 2013. Combined with PDL's financing and LENSAR's most recent equity financing round, \$87 million of capital has been made available to LENSAR.

"With this financial commitment from PDL, LENSAR is now fully positioned to address the multi-billion dollar laser addressable cataract surgery market with what we believe to be a superior product," said John P. McLaughlin, president and chief executive officer of PDL. "Our financing with LENSAR fits with our strategy of focusing on investing in commercial stage products and companies with an attractive risk/return profile."

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"We are very pleased to announce this debt financing with PDL, in addition to the continued support of our equity syndicate. The PDL structure provides us with minimally dilutive capital which enables us to execute on our operating plan including the expansion of our U.S sales force," said Nick Curtis, chief executive officer of LENSAR. "We expect to be in a strong position to scale our business and expand commercially into new and existing markets."

#### **About LENSAR, Inc.**

LENSAR, Inc. is a leader in the development and commercialization of next-generation laser and advanced imaging, measurement and 3-D modeling technology for refractive cataract surgery. The LENSAR Laser System is U.S. Food and Drug Administration 510(k) cleared and CE mark approved for performing anterior capsulotomy, laser phacofragmentation, and the creation of full and partial thickness single-plane and multi-plane arc cuts/incisions in the cornea during cataract surgery for removal of the crystalline lens. For more information please visit [www.LENSAR.com](http://www.LENSAR.com).

#### **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. Today, PDL is focused on intellectual property asset management, investing in new income generating assets and maximizing value for its shareholders. For more information, please visit [www.pdl.com](http://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 LENSAR and PDL and their markets, particularly those discussed in the risk factors and cautionary statements in filings made by 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 LENSAR 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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