

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL	
OMB Number:	3235-0287
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1. Name and Address of Reporting Person* <u>MCLAUGHLIN JOHN PETER</u> (Last) (First) (Middle) <u>C/O PDL BIOPHARMA, INC.</u> <u>932 SOUTHWOOD BOULEVARD</u> (Street) <u>INCLINE VILLAGE</u> <u>NV</u> <u>89451</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>PDL BIOPHARMA, INC. [PDLI]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>President and CEO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>09/15/2009</u>	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	09/15/2009		M		13,750	A	\$5.414	61,666	D	
Common Stock	09/15/2009		M		2,291	A	\$5.414	63,957	D	
Common Stock	09/15/2009		M		916	A	\$5.414	64,873	D	
Common Stock	09/15/2009		M		11,458	A	\$5.414	76,331	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Stock Option (Right to Buy)	\$5.414 ⁽¹⁾	09/15/2009		M			13,750	(2)	10/08/2015	Common Stock 13,750	\$0.00	1,250	D	
Stock Option (Right to Buy)	\$5.414 ⁽¹⁾	09/15/2009		M			2,291	(3)	10/08/2015	Common Stock 2,291	\$0.00	209	D	
Stock Option (Right to Buy)	\$5.414 ⁽¹⁾	09/15/2009		M			916	(4)	10/08/2015	Common Stock 916	\$0.00	84	D	
Stock Option (Right to Buy)	\$5.414 ⁽¹⁾	09/15/2009		M			11,458	(5)	10/08/2015	Common Stock 11,458	\$0.00	13,542	D	

Explanation of Responses:

- The exercise price adjusted from \$8.31 per share to \$5.414 per share in connection with the spin-off of Facet Biotech Corporation.
- This option vests monthly at the rate of 1,250 per month until fully vested.
- This option vests monthly at the rate of approximately 208 shares per month until fully vested.
- This option vests monthly at the rate of approximately 83 shares per month until fully vested.
- This option vests monthly at the rate of approximately 1,042 shares per month until fully vested.

Remarks:

This Form 4 reflects only the exercise of certain stock options and not a sale of the shares received upon exercise of the options.

Christopher Stone by
Christopher Stone, Attorney-in- 09/16/2009
Fact for John P. McLaughlin

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.