

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): September 10, 2010

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))

Item 8.01 Other Events.

On September 10, 2010, PDL BioPharma, Inc. (the "Company") issued a press release to clarify the effect of the September 15, 2010 redemption of the Company's outstanding 2.75% Convertible Subordinated Notes, due August 16, 2023 (the "2023 Notes"). In accordance with the terms of the 2023 Notes, the 2023 Notes will be redeemed at a redemption price of 100% of the outstanding principal amount of the 2023 Notes to be redeemed, together with accrued and unpaid interest to, but excluding, the redemption date of September 15, 2010, for a total of approximately \$1002.22 per \$1,000 principal amount of 2023 Notes. Holders of the 2023 Notes have been provided notice of the redemption by the trustee for the 2023 Notes.

Those 2023 Note holders who elect to convert their 2023 Notes into the Company's common stock on or before September 14, 2010, rather than have their 2023 Notes redeemed, will be stockholders of record for the Company's October 1, 2010 dividend payment of \$0.50 per share of common stock. Such 2023 Note holders will receive the dividend even though they will have converted their notes after the ex-dividend date of September 13, 2010. The conversion rate for the 2023 Notes is 177.1594 shares of common stock per \$1,000 principal amount or \$5.64 per share. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, Dated September 10, 2010

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 R. Larson

Christine R. Larson
Vice President and Chief Financial Officer

Dated: September 10, 2010

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release, Dated September 10, 2010

**Contacts:**

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PDL BioPharma Provides Clarification Regarding Redemption of its 2.75% Convertible Subordinated Notes

INCLINE VILLAGE, NV, September 10, 2010 – PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) affirmed that on September 15, 2010 it will redeem all of the Company's outstanding 2.75% Convertible Subordinated Notes, due August 16, 2023 (the "2023 Notes"). Holders of the 2023 Notes have been provided notice of the redemption by the trustee for the 2023 Notes.

Those 2023 Note holders who elect to convert their 2023 Notes into the Company's common stock on or before September 14, 2010, rather than have their 2023 Notes redeemed, will be stockholders of record for the Company's October 1, 2010 dividend payment of \$0.50 per share of common stock. Such 2023 Note holders will receive the dividend even though they will have converted their notes after the ex-dividend date of September 13, 2010. The conversion rate for the 2023 Notes is 177.1594 shares of common stock per \$1,000 principal amount or \$5.64 per share.

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. 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 based on patents that expire 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.

Forward-looking Statements

The foregoing statements regarding PDL's intentions with respect to the cash special dividend payment described above are forward-looking statements under the Private Securities Litigation Reform Act of 1995, and actual results could vary materially from the statements made. PDL's ability to pay the special dividend described above is subject to various risks, many of which are outside its control, including prevailing conditions in the capital markets, the continued strength of its royalty assets and other risks and uncertainties as detailed from time to time in the reports filed by PDL with the Securities and Exchange Commission.

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