
**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): March 15, 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))
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Item 8.01 Other Events.

On March 15, 2010, PDL BioPharma, Inc. (the “Company”) issued a press release specifying the adjustment of the conversion rates of its outstanding convertible notes and clarifying the federal income tax characteristics of the stock distribution of Facet Biotech Corporation common stock in December 2008. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Cautionary Statements

The Company’s statements herein and in the attached press release regarding its intentions with respect to the cash special dividend payment 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. Important factors that could impair the value of the Company’s royalty assets and limit the Company’s ability to pay dividends are disclosed in the risk factors contained in the Company’s 2009 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2010. 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.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, Dated March 15, 2010 Regarding Conversion Rate Adjustment and Facet Stock Distribution Value

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 LARSON
Christine Larson
Vice President and Chief Financial Officer

Dated: March 15, 2010

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press Release, Dated March 15, 2010 Regarding Conversion Rate Adjustment and Facet Stock Distribution Value

**Contacts:**

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PDL BioPharma Announces Conversion Rate Adjustments to Convertible Notes

- Company Clarifies Facet Stock Distribution Value -

INCLINE VILLAGE, NV, March 15, 2010 — PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced adjustments to the conversion rates for its 2.00% Convertible Senior Notes due February 15, 2012 (the “2012 Notes”) and its 2.75% Convertible Subordinated Notes due August 16, 2023 (the “2023 Notes”) effective March 16, 2010 in connection with the special dividend to be paid on April 1, 2010 to all stockholders who own shares of PDL on March 15, 2010, the Record Date.

The conversion rate for the 2012 Notes, as adjusted, is 128.318 shares of common stock per \$1,000 principal amount or \$7.79 per share. The conversion rate for the 2012 Notes was previously 119.294 shares of common stock per \$1,000 principal amount of the 2012 Notes. In connection with a cash dividend, the conversion rate is increased by multiplying the previous conversion rate by a fraction, the numerator of which is the average closing price of PDL’s common stock for the five consecutive trading days immediately preceding the ex-dividend date for the cash dividend, and the denominator of which is the difference of such average closing price less the dividend amount.

The conversion rate for the 2023 Notes, as adjusted, is 177.1594 shares of common stock per \$1,000 principal amount or \$5.64 per share. The conversion rate for the 2023 Notes was previously 164.7254 shares of common stock per \$1,000 principal amount of the 2023 Notes. In connection with a cash dividend, the conversion rate is increased by multiplying the previous conversion rate by a fraction, the numerator of which is the average closing price of PDL’s common stock for the ten consecutive trading days immediately preceding the record date for the cash dividend and the denominator of which is the difference of such average closing price less the dividend amount. In determining the ten-day average closing price, the closing price is adjusted upward by the amount of the dividend for the days on which the stock traded ex-dividend.

Company Clarifies Facet Stock Distribution Value

In December 2008, PDL made a stock distribution of one share of common stock of Facet Biotech Corporation (Facet) for every five shares of PDL common stock. The value of the stock distribution is \$13.00 per share of Facet. The federal income tax characteristics of the stock distribution paid per share of PDL common stock are presented below.

<u>Per Share Data:</u>	<u>Distribution</u>	<u>Dividend</u>	<u>Return of Basis</u>
Facet Stock Distribution *	\$ 2.60	\$ 0.86	\$ 1.74

* Based on closing stock price of Facet shares on December 19, 2008 of \$13.00 per share for every five shares of PDL or \$2.60 per PDL 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 and also may receive royalty payments on additional humanized antibody products launched before patent expiry 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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