

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 28, 2007

PDL BioPharma, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-19756
(Commission File No.)

94-3023969
(I.R.S. Employer
Identification No.)

1400 Seaport Boulevard
Redwood City, California 94063
(Address of principal executive offices)

Registrant's telephone number, including area code:
(650) 454-1000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- 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 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers; Compensatory Arrangements of Certain Officers.

(b) On August 21, 2007, PDL BioPharma, Inc. (the “Company” or “we”) filed a Form 8-K disclosing that on August 19, 2007, Mark McDade determined to resign as Chief Executive Officer of the Company and as a member of the Board of Directors of the Company (our “Board”), effective no later than December 31, 2007. On October 1, 2007, Mr. McDade resigned as Chief Executive Officer of the Company and as a member of the Board, effective immediately.

(c) On September 28, 2007, our Board elected L. Patrick Gage, Ph.D., 65, who has served as a member of our Board since March 2003, as Interim Chief Executive Officer of the Company effective on the date of Mr. McDade’s resignation, or October 1, 2007. Dr. Gage will continue to serve as a member of our Board but has resigned from his position as Chairman of the Board effective September 28, 2007. Karen A. Dawes, a member of our Board since June 2003, was elected as Chairperson of the Board on September 28, 2007.

Since 2003, Dr. Gage has served as a Venture Partner with Flagship Ventures. Between 1997 and 2002, Dr. Gage held various positions at Wyeth, serving most recently as Senior Vice President, Science and Technology, and President, Wyeth Research. Prior to joining Wyeth, Dr. Gage held various positions at Genetics Institute, Inc. serving as its President after Wyeth’s acquisition of Genetics Institute. Prior to joining Genetics Institute, Dr. Gage held various positions in research management at Roche over an 18-year period. Dr. Gage is also Chairman of the Board of Directors of Neose Technologies, Inc. Dr. Gage also serves as a director or scientific advisory board member of several privately held entities and as a member of the Board of Directors of the Biotechnology Institute and The Philadelphia Orchestra Association. Dr. Gage received his B.S. in physics from the Massachusetts Institute of Technology and his Ph.D. from the University of Chicago.

The Company has not yet entered into any plan, contract or arrangement with Dr. Gage or made any grant or award to Dr. Gage in connection with Dr. Gage’s election to the position of Interim Chief Executive Officer of the Company. The Compensation Committee of the Board is in the process of evaluating a compensation package for Dr. Gage with respect to his service as Interim Chief Executive Officer.

The press release announcing the above executive changes is furnished as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

Item 8.01. Other Events.

On October 1, 2007, we announced that our Board has decided to actively seek offers for the sale of the Company as a whole or of its key assets. A copy of this press release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Press Release of PDL BioPharma, Inc. dated October 1, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 3, 2007

PDL BioPharma, Inc.

By: /s/ Andrew Guggenime
Andrew Guggenime
Senior Vice President and Chief Financial Officer



Contacts:

Corporate and Investor Relations

510-574-1406 (Investors)

650-454-2543 (Media)

PDL BIOPHARMA TO ACTIVELY SEEK SALE OF ENTIRE COMPANY OR ITS KEY ASSETS*– Executive changes announced –*

Redwood City, Calif., October 1, 2007 — PDL BioPharma, Inc. (PDL) (Nasdaq: PDLI) today announced that its board of directors has recently decided to actively seek offers for the sale of the company as a whole or of its key assets. The decision is the result of PDL's ongoing evaluation of strategic alternatives. The company will continue the previously announced process for the potential sale of its commercial products as part of the overall process. A final decision regarding the specific deal structures or transactions the company may enter into will be driven by the goal of maximizing stockholder value.

The company also announced that Mark McDade has stepped down from his position as chief executive officer and a director effective immediately. The board has elected L. Patrick Gage, Ph.D., as interim chief executive officer. Dr. Gage will continue to serve as a director of the company. The board has also elected Karen A. Dawes as chairperson of the board to replace Dr. Gage.

"Following a comprehensive review of available options, the PDL board has concluded that seeking offers for the sale of the company as a whole or of its key assets is our primary strategic focus," said Ms. Dawes, chairperson of the board. "We look forward to working with our advisors and interested parties to maximize stockholder value," she added.

"I look forward to leading the talented and dedicated employees of PDL during this time of transition to build stockholder value through increasing our operational efficiency and driving our business forward," said Dr. Gage, interim CEO.

The company further announced that the Finance Committee of the board, chaired by board member Joseph (Skip) Klein, will oversee the strategic transaction process. As stated previously, Merrill Lynch & Co. has been engaged as the company's financial advisor and has been authorized to actively seek proposals that will maximize stockholder value.

Biographies of Ms. Dawes, Dr. Gage and Mr. Klein are available in the "Corporate Governance" section of the company's website.

Forward-looking Statements

This press release contains forward-looking statements, including regarding the company's plans to actively seek offers for the sale of the company as whole or its key assets and to continue the process for the potential sale of its commercial products and the advancement of PDL's business, each of which involves risks and uncertainties. Actual results may differ materially from those, express or implied, in these forward-looking statements. Factors that may cause differences between current expectations and actual results include, but are not limited to, the following: additional developments or decisions could cause PDL to alter its strategic focus; PDL may not be able to negotiate the sale of the company or its key assets, including its commercial assets, on terms acceptable to it; the consummation of any transaction, even if on acceptable terms, could be adversely impacted or prevented by failure to satisfy closing conditions, regulatory delays or other developments; failure to retain key employees, increased competition, adverse market conditions and failure to develop, protect or license intellectual property rights could adversely impact the advancement of PDL's research efforts, drug development activities and commercial sales efforts; and PDL's success in advancing its pipeline could also be adversely affected by failure or delay of clinical development programs, including because of delays in contracting with clinical sites, enrollment rates, availability of clinical materials or safety or manufacturing issues. Other factors that may cause PDL's actual results to differ materially from those expressed or implied in the forward-looking statements in this press release are discussed in PDL's filings with the Securities and Exchange Commission (SEC), including the "Risk Factors" sections of its annual and quarterly reports filed with the SEC. Copies of PDL's filings with the SEC may be obtained at the "Investors" section of PDL's website at www.pdl.com. PDL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in PDL's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based for any reason, except as required by law, even as new information becomes available or other events occur in the future. All forward-looking statements in this press release are qualified in their entirety by this cautionary statement.

About PDL BioPharma

PDL BioPharma, Inc. is a biopharmaceutical company focused on discovering, developing and commercializing innovative therapies for severe or life-threatening illnesses. PDL currently markets and sells a portfolio of three acute-care commercial products in the United States and Canada. The company's antibody humanization technology has led to the development of many successful antibody therapies by the company's licensees, and PDL is leveraging its antibody expertise to advance the development of its own pipeline of investigational compounds. For more information, please visit <http://www.pdl.com>.

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