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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): January 21, 2010**

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**PDL BioPharma, Inc.**

(Exact name of Company as specified in its charter)

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**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 January 21, 2010, PDL BioPharma, Inc. issued a press release regarding the allocation between dividend income and return of capital for federal income tax purposes for dividends paid in 2009. 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.*

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release, Dated January 21, 2010 Regarding 2009 Dividend Payments

**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: January 22, 2010

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**EXHIBIT INDEX**

**Exhibit  
No.**

**Description**

99.1 Press Release, Dated January 21, 2010 Regarding 2009 Dividend Payments

**Contacts:**

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**PDL BioPharma Provides Federal Income Tax Information Regarding  
2009 Dividend Payments**

**INCLINE VILLAGE, NV, January 21, 2010** – PDL BioPharma, Inc. (NASDAQ:PDLI) today announced the allocation between dividend income and return of capital for federal income tax purposes for dividends paid in 2009. In 2009, PDL made two cash distributions of \$0.50 per share of common stock on April 1, 2009 and October 1, 2009. PDL also made a third cash distribution of \$1.67 per share of common stock on December 15, 2009. For each stockholder of PDL, Form 1099-DIV provides the actual allocation of 2009 distributions paid on PDL's common stock. The federal income tax characteristics of the cash distributions paid per share of PDL common stock are presented below.

<u>Date of Payment</u>	<u>Distribution Amount</u>	<u>Dividend Income</u>	<u>Return of Capital</u>
April 1, 2009	\$ 0.50	\$ 0.42	\$ 0.08
October 1, 2009	0.50	0.42	0.08
December 15, 2009	1.67	1.41	0.26
Total	<u>\$ 2.67</u>	<u>\$ 2.25</u>	<u>\$ 0.42</u>

**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](http://www.pdl.com).

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