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): November 5, 2013

PDL BIOPHARMA, INC.

(Exact name of Company as specified in its charter)

000-19756
(Commission File Number)

Delaware	94-3023969
(State or Other Jurisdiction of Incorporation)	(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 1.01 Entry into a Material Definitive Agreement.

On November 5, 2013, PDL BioPharma, Inc. (the Company) entered into a credit agreement (the Credit Agreement) with Direct Flow Medical, Inc. (Borrower), under which the Company made available to Borrower up to $50 million to be used by Borrower to refinance its existing credit facility and fund the commercialization of its transcatheter aortic valve system used to treat aortic stenosis. Of the $50 million available to Borrower, an initial $35 million (Tranche One), net of fees, was funded by the Company at close of the transaction.

Upon the attainment of a specified revenue milestone to be accomplished no later than December 31, 2014 (the Tranche Two Milestone), the Company will loan to Borrower an additional $15 million (Tranche Two and together with Tranche One, the Loans), net of fees. Until the occurrence of the Tranche Two Milestone, outstanding borrowings under Tranche One bear interest at the rate of 15.5% per annum, payable quarterly in arrears. Upon occurrence of the Tranche Two Milestone, the interest rate of the Loans will decrease to 13.5%.

Principal repayment will commence on the twelfth interest payment date, September 30, 2016. The principal amount outstanding at commencement of repayment will be repaid in equal installments until final maturity of the Loans.

The Loans will mature on November 5, 2018. Borrower may elect to prepay the Loans at any time, subject to a prepayment penalty that decreases over the life of the Loans.

The obligations under the Credit Agreement are secured by a pledge of substantially all of the assets of Borrower and any of its subsidiaries.

The Credit Agreement contains customary affirmative covenants and other affirmative covenants agreed to by the parties, including with respect to the provision of annual and quarterly reports, maintenance of property and insurance compliance with laws and contractual obligations and payment of taxes. The Credit Agreement contains customary negative covenants and other negative covenants agreed to by the parties, including restrictions on the incurrence of indebtedness, the granting of liens, making restricted payments and investments, entering into affiliate transactions and transferring assets.

The Credit Agreement also provides for a number of customary events of default, including payment, bankruptcy, covenant, representation and warranty and judgment defaults.

The Company had no relationship with Borrower, material or otherwise, prior to entering into the Credit Agreement.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure set forth in Item 1.01 of this Current Report is incorporated by reference into this Item 2.03.

Item 8.01 Other Events.

On November 5, 2013, the Company issued a press release announcing its execution of the Credit Agreement. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Cautionary Statements

This filing, the press release and the Company's statements herein and in the attached press release include and 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. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors that could impair the Company's royalty assets or business and limit the Company's ability to pay dividends, purchase income generating assets and take other corporate actions are disclosed in the "Risk Factors" contained in the Company's 2012 Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2013, and updated in subsequent filings. 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.

Exhibit No.	Description
99.1	Press Release

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/ John P. McLaughlin
John P. McLaughlin
President and Chief Executive Officer

Dated: November 5, 2013

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release

Exhibit 99.1

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PDL BioPharma to Provide up to $50 Million Financing to Direct Flow Medical

INCLINE VILLAGE, Nev., November 5, 2013, PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced that the company has entered into a debt financing transaction with Direct Flow Medical, Inc. (DFM), a transcatheter heart valve innovator focused on improving patient outcomes. PDL will provide a total of up to $50 million to DFM to be used to refinance its existing credit facility and fund the commercialization of its transcatheter aortic valve system used to treat aortic stenosis. An initial $35 million was provided at the close of the transaction, with the remaining $15 million to be funded upon the achievement of a specified milestone.

"We are pleased to be able to provide this funding to DFM and believe that their transcatheter aortic valve system, which is already commercially available in Europe, has the ability to significantly improve outcomes for the many patients undergoing this cardiac procedure each year," said John P. McLaughlin, president and chief executive officer of PDL. "This financing with DFM represents the third income-generating transaction signed by PDL in recent weeks."

About Direct Flow Medical® Transcatheter Aortic Valve System

The benefits of the Direct Flow Medical Transcatheter Aortic Valve System are enabled by its design, which features a distinctive, metal-free frame. Rather than a metal stent, the Direct Flow Medical System incorporates a polymer frame, which is initially expanded using pressurized saline and contrast for placement, assessment and repositioning. Once optimal valve position is achieved, the saline/contrast solution is easily exchanged for a quick-curing polymer that solidifies and secures the valve in place. The unique double-ring design of the valve creates a tight seal around the annulus. The system is fully repositionable and retrievable up until polymer exchange. The metal-free design enables a low-profile (18 French), fully sheathed delivery system for all valve sizes that minimizes vascular complications and improves hemodynamic outcomes.

About Direct Flow Medical, Inc.

Founded in 2004, Direct Flow Medical, Inc. is focused on developing novel transcatheter heart valve technologies that improve patient outcomes while reducing patient complications. The company is headquartered in Santa Rosa, California, with technology and manufacturing facilities in Lake Forest, California. The Company's proprietary technology is not limited to aortic valve disease, and is readily applicable to mitral and other heart valve anatomical sites. Direct Flow Medical investors include EDF Ventures, New Leaf Venture Partners, Spray Venture Partners, Foundation Medical Partners, VantagePoint Venture Partners, ePlanet Venture Partners and strategic corporate investors. For further information, please visit the Web site at www.directflowmedical.com.

About PDL BioPharma, Inc.

PDL BioPharma manages a portfolio of patents and royalty assets, consisting primarily of its Queen et al. antibody humanization patents and license agreements with various biotechnology and pharmaceutical companies. 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 for which it receives significant royalty revenue. PDL is currently focused on intellectual property asset management, investing in new income generating assets, and maximizing value for its shareholders.

The company was formerly known as Protein Design Labs, Inc. and changed its name to PDL BioPharma, Inc. in 2006. PDL was founded in 1986 and is headquartered in Incline Village, Nevada.

In 2011, PDL initiated a strategy to bring in new income generating assets from the healthcare sector. To accomplish this goal, PDL seeks to provide non-dilutive growth capital and financing solutions to late stage public and private healthcare companies and offers immediate financial monetization of royalty streams to companies, academic institutions, and inventors. PDL successfully executed on this strategy by deploying over $125 million in 2012 and continues to pursue this strategic initiative. PDL is focused on the quality of the income generating assets and potential returns on investment.

For more information, please visit www.pdl.com.

Cautionary Statements Concerning Forward-Looking Statements
This Press Release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations or predictions of future conditions, events or results based on various assumptions and management's estimates of trends and economic factors in the markets in which we are active, as well as our business plans. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "projects", "forecasts", "may", "should", variations of such words and similar expressions are intended to identify such forward-looking statements. The forward-looking statements may include, without limitation, statements regarding product development, product potential or financial performance. The forward-looking statements are subject to risks and uncertainties, which may cause results to differ materially from those set forth in the statements. Forward-looking statements in this release should be evaluated together with the many uncertainties that affect the business of each of DFM and PDL and their markets, particularly those discussed in the risk factors and cautionary statements in filings made by PDL with the Securities and Exchange Commission. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from those projected. The forward-looking statements are representative only as of the date they are made, and neither DFM nor PDL assumes any responsibility to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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