

PDL BIOPHARMA, INC.
 Form 4
 May 30, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
KLEIN JOSEPH III

(Last) (First) (Middle)

C/O PDL BIOPHARMA, INC., 1400 SEAPORT BLVD

(Street)

REDWOOD CITY, CA 94063

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PDL BIOPHARMA, INC. [PDLI]

3. Date of Earliest Transaction
 (Month/Day/Year)
05/28/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Beneficial Ownership (Instr. 4)
				(A) or (D)	Amount		
				Code	V		Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 9.79	05/28/2008	A	2,500					<u>(1)</u>	05/28/2015	Common Stock	2,500
Stock Option (Right to Buy) (Common Stock)	\$ 9.79	05/28/2008	A	1,500					<u>(2)</u>	05/28/2015	Common Stock	1,500
Stock Option (Right to Buy) (Common Stock)	\$ 9.79	05/28/2008	A	667					<u>(3)</u>	05/28/2015	Common Stock	667
Stock Option (Right to Buy) (Common Stock)	\$ 9.79	05/28/2008	A	1,000					<u>(4)</u>	05/28/2015	Common Stock	1,000
Stock Option (Right to Buy) (Common Stock)	\$ 9.79	05/28/2008	A	4,583					<u>(5)</u>	05/28/2015	Common Stock	4,583
Stock Option (Right to Buy) (Common Stock)	\$ 9.79	05/28/2008	A	13,750					<u>(6)</u>	05/28/2015	Common Stock	13,750

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

Director 10% Owner Officer Other

KLEIN JOSEPH III
C/O PDL BIOPHARMA, INC. X
1400 SEAPORT BLVD
REDWOOD CITY, CA 94063

Signatures

/s/ Francis Sarena by Francis Sarena, Attorney-In-Fact for Joseph
Klein III

05/30/2008

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This option will vest with respect to approximately 208 shares on June 28, 2008 and with respect to approximately 208 of the shares monthly thereafter.
- (2) This option will vest with respect to approximately 125 shares on June 28, 2008 and with respect to approximately 125 of the shares monthly thereafter.
- (3) This option will vest with respect to approximately 83 shares on October 28, 2008 and with respect to approximately 83 of the shares monthly thereafter.
- (4) This option will vest with respect to approximately 83 shares on June 28, 2008 and with respect to approximately 83 of the shares monthly thereafter.
- (5) This option will vest with respect to approximately 417 shares on August 28, 2008 and with respect to approximately 417 of the shares monthly thereafter.
- (6) This option will vest with respect to 1,250 shares on August 28, 2008 and with respect to 1,250 of the shares monthly thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.