

PDL BIOPHARMA, INC.  
 Form 4  
 July 17, 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 \*  
**LYONS GARY A**

(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)  
**07/16/2008**

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		
					Amount		
				(D)	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)	\$ 10.98	07/16/2008	A	15,000					(1)	07/16/2015	Common Stock	15,000
Stock Option (Right to Buy)	\$ 10.98	07/16/2008	A	1,000					(2)	07/16/2015	Common Stock	1,000
Stock Option (Right to Buy)	\$ 10.98	07/16/2008	A	1,500					(3)	07/16/2015	Common Stock	1,500
Stock Option (Right to Buy)	\$ 10.98	07/16/2008	A	25,000					(4)	07/16/2015	Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LYONS GARY A C/O PDL BIOPHARMA, INC. 1400 SEAPORT BLVD REDWOOD CITY, CA 94063	X			

## Signatures

/s/ Gary A. Lyons  
07/17/2008

\*\*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 1,250 shares on August 16, 2008 and with respect to 1,250 of the shares monthly thereafter.
- (2) This option will vest with respect to approximately 83 shares on August 16, 2008 and with respect to approximately 83 of the shares monthly thereafter.

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- (3) This option will vest with respect to 125 shares on August 16, 2008 and with respect to 125 of the shares monthly thereafter.
- (4) This option will vest with respect to approximately 1,042 shares on August 16, 2008 and with respect to approximately 1,042 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.