

PDL BIOPHARMA, INC.
 Form 4
 June 16, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
 DAWES KAREN A

(Last) (First) (Middle)

C/O PDL BIOPHARMA,
 INC., 34801 CAMPUS DRIVE

(Street)

FREMONT, CA 94555

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 06/14/2006

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)	Price			
				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)	\$ 17.29	06/14/2006	A	15,000					<u>(1)</u>	06/14/2013	Common Stock	15,000
Stock Option (right to buy)	\$ 17.29	06/14/2006	A	3,000					<u>(2)</u>	06/14/2013	Common Stock	3,000
Stock Option (right to buy)	\$ 17.29	06/14/2006	A	3,000					<u>(2)</u>	06/14/2013	Common Stock	3,000
Stock Option (right to buy)	\$ 17.29	06/14/2006	A	3,000					<u>(2)</u>	06/14/2013	Common Stock	3,000
Stock Option (right to buy)	\$ 17.29	06/14/2006	A	3,000					<u>(2)</u>	06/14/2013	Common Stock	3,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DAWES KAREN A C/O PDL BIOPHARMA, INC. 34801 CAMPUS DRIVE FREMONT, CA 94555		X		

Signatures

/s/ George Jue by George Jue, Attorney in Fact for Karen A. Dawes

 **Signature of Reporting Person

06/16/2006

 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 vests with respect to 1/12 of the shares per month over one year after the date of grant. Only vested options are exercisable.

(2) This option vests with respect to 1/12 of the shares per month over one year beginning July 1, 2006. Only vested options are exercisable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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