

MCDADE MARK  
Form 4  
January 10, 2007

**FORM 4**

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

OMB APPROVAL

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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 \*  
MCDADE MARK

(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)  
01/08/2007

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)  
CEO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	01/08/2007		M		10,000 A \$ 8.3	63,137	D
Common Stock	01/08/2007		S <sup>(1)</sup>		1,300 D \$ 20.36	61,837	D
Common Stock	01/08/2007		S <sup>(1)</sup>		700 D \$ 20.3642	61,137	D
Common Stock	01/08/2007		S <sup>(1)</sup>		2,000 D \$ 20.4	59,137	D
Common Stock	01/08/2007		S <sup>(1)</sup>		800 D \$ 20.41	58,337	D

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Common Stock	01/08/2007	S <sup>(1)</sup>	100	D	\$ 20.43	58,237	D
Common Stock	01/08/2007	S <sup>(1)</sup>	2,000	D	\$ 20.44	56,237	D
Common Stock	01/08/2007	S <sup>(1)</sup>	1,000	D	\$ 20.45	55,237	D
Common Stock	01/08/2007	S <sup>(1)</sup>	1,000	D	\$ 20.46	54,237	D
Common Stock	01/08/2007	S <sup>(1)</sup>	1,000	D	\$ 20.47	53,237	D
Common Stock	01/08/2007	S <sup>(1)</sup>	100	D	\$ 20.51	53,137	D
Common Stock	01/09/2007	M	10,000	A	\$ 8.3	63,137	D
Common Stock	01/09/2007	S <sup>(1)</sup>	800	D	\$ 20.25	62,337	D
Common Stock	01/09/2007	S <sup>(1)</sup>	2,200	D	\$ 20.26	60,137	D
Common Stock	01/09/2007	S <sup>(1)</sup>	2,000	D	\$ 20.28	58,137	D
Common Stock	01/09/2007	S <sup>(1)</sup>	2,200	D	\$ 20.3	55,937	D
Common Stock	01/09/2007	S <sup>(1)</sup>	2,000	D	\$ 20.36	53,937	D
Common Stock	01/09/2007	S <sup>(1)</sup>	800	D	\$ 20.38	53,137	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code V	(A) (D)		Title

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					Date Exercisable	Expiration Date		Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 8.3	01/08/2007	M	10,000	<u>(2)</u>	10/24/2012	Common Stock	10,000
Employee Stock Option (right to buy)	\$ 8.3	01/09/2007	M	10,000	<u>(2)</u>	10/24/2012	Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MCDADE MARK C/O PDL BIOPHARMA, INC 34801 CAMPUS DRIVE FREMONT, CA 94555	X		CEO	

## Signatures

/s/ Francis Sarena by Francis Sarena, Attorney- in- Fact for Mark  
McDade

01/10/2007

\_\_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) Sale was made pursuant to a 10b5-1 plan established by the reporting person.

(2) This option had fully vested prior to the transaction date. 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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