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PDL BIOPHARMA, INC.
Form SC 13D/A
April 18, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Amendment No. 3)

Under the Securities Exchange Act of 1934*

PDL BioPharma, Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

69329Y104

(CUSIP Number of Class of Securities)

Daniel S. Loeb
Third Point LLC
390 Park Avenue
New York, NY 10022
(212) 224-7400

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

Copies to:
Michael A. Schwartz, Esq.
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, NY 10019-6099
(212) 728-8000

April 17, 2007

(Date of Event which Requires
Filing of this Schedule)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of ss.ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box: []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the

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BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7,241,500	

9		SOLE DISPOSITIVE POWER
	0	

10		SHARED DISPOSITIVE POWER
	7,241,500	

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
	7,241,500	

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []	

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	6.3%	

14	TYPE OF REPORTING PERSON*	
	OO	

SCHEDULE 13D

CUSIP No. 69329Y104

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	Daniel S. Loeb	

2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	
		(a) []
		(b) [X]

3	SEC USE ONLY	

4	SOURCE OF FUNDS*	
	AF	

5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []	

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3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

	7	SOLE VOTING POWER
		0
	8	SHARED VOTING POWER
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		62,783
	9	SOLE DISPOSITIVE POWER
		0
	10	SHARED DISPOSITIVE POWER
		62,783

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

62,783

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.05%

14 TYPE OF REPORTING PERSON*

OO

This Amendment No. 3 to Schedule 13D ("Amendment No. 3") amends the Schedule 13D filed on March 5, 2007 (as amended by Amendment No. 1 thereto filed on March 21, 2007, Amendment No. 2 thereto filed on April 11, 2007, and this Amendment No. 3, the "Schedule 13D") and is being filed on behalf of Third Point LLC, a Delaware limited liability company (the "Management Company" or "Third Point"), Third Point Offshore Fund, Ltd., a Cayman Islands limited liability exempted company (the "Offshore Fund"), Daniel S. Loeb, an individual ("Mr. Loeb", and together with the Management Company and the Offshore Fund, the

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"Third Point Reporting Persons"), and Jason Aryeh, an individual ("Mr. Aryeh", and together with the Third Point Reporting Persons, the "Reporting Persons"). This Amendment No. 3 relates to the common stock, par value \$0.01 per share (the "Common Stock"), of PDL BioPharma, Inc., a Delaware corporation (the "Company").

The Management Company is the investment manager or adviser to a variety of hedge funds and managed accounts (such funds and accounts, including the Offshore Fund, the "Funds"). The Funds directly own the Common Stock to which this Schedule 13D relates, and Mr. Loeb and the Management Company may be deemed to have beneficial ownership over such Common Stock by virtue of the authority granted to them by the Funds to vote and to dispose of the securities held by the Funds, including the Common Stock. Mr. Aryeh may be deemed to have beneficial ownership of the shares of Common Stock directly owned by JALAA Equities, LP ("JALAA") by virtue of his ability to vote and/or to dispose of the securities held by JALAA, including the Common Stock.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended by adding the following thereto:

On April 17, 2007, Third Point sent a letter to Mark McDade, Chief Executive Officer of the Company, and to the other members of the Board of Directors of the Company (the "Board"), communicating its displeasure with the response of the Company to Mr. Loeb's previous letter of April 11. Third Point expressed its deep dissatisfaction with, among other things, the continuing failure of the Board to address the legitimate concerns of shareholders regarding the Company's corporate spending and performance, including the Company's failures to meet revenue and earnings expectations and product development timelines. In the letter, Third Point emphasized its belief that it is time for new leadership at the Company and repeated its call for the Board to terminate Mr. McDade immediately as Chief Executive Officer of the Company and to explore all options to maximize value for the benefit of the Company's shareholders. Additionally, Third Point demanded that Company founder Laurence Korn be promoted to acting Chief Executive Officer and Chairman and reiterated its request for representation on the Board. Third Point agreed in the letter to meet with the entire Board in the next two weeks, but without Mr. McDade. In the

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letter, Third Point made clear that it intends to continue its efforts to have the Board immediately remove Mr. McDade and engage an investment bank to explore strategic alternatives.

A copy of the letter is attached to this Schedule 13D as an exhibit and incorporated herein by reference in its entirety.

Item 7. Material to be Filed as Exhibits.

99.1. Letter, dated April 17, 2007, from Third Point to Mark McDade, Chief Executive Officer of the Company, and the Board of Directors of the Company.

[Signatures on following page]

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SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: April 18, 2007

THIRD POINT LLC

By: Daniel S. Loeb,
Chief Executive Officer

By: /s/ Justin Nadler

Name: Justin Nadler
Title: Attorney-in-Fact

THIRD POINT OFFSHORE FUND, LTD.

By: Daniel S. Loeb,
Director

By: /s/ Justin Nadler

Name: Justin Nadler
Title: Attorney-in-Fact

DANIEL S. LOEB

By: /s/ Justin Nadler

Name: Justin Nadler
Title: Attorney-in-Fact

/s/ Jason Aryeh

Jason Aryeh

[SIGNATURE PAGE TO AMENDMENT NO. 3 TO SCHEDULE 13D
WITH RESPECT TO PDL BIOPHARMA, INC.]