

Stone Christopher Lewis
 Form 4
 June 12, 2018

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

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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 *
 Stone Christopher Lewis

(Last) (First) (Middle)

C/O PDL BIOPHARMA, INC., 932 SOUTHWOOD BLVD.

(Street)

INCLINE VILLAGE, NV 89451

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
 06/08/2018

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)
 VP, Gen. Counsel & Secretary

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	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)	\$ 2.94	06/08/2018 ⁽¹⁾	A	700,500					⁽²⁾	08/28/2027	Common stock	700,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Stone Christopher Lewis C/O PDL BIOPHARMA, INC. 932 SOUTHWOOD BLVD. INCLINE VILLAGE, NV 89451			VP, Gen. Counsel & Secretary	

Signatures

/s/ Nathan N. Kryszak, Attorney-in-Fact for Christopher Lewis Stone	06/12/2018
__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).

The stock options were approved by the compensation committee of the issuer's board of directors effective August 29, 2017, subject to

(1) stockholder approval of an amendment to the issuer's equity plan pursuant to which the stock option was granted. The issuer's stockholders approved the amendment on June 8, 2018.

The stock options will vest as follows: (a) 25% of the shares subject to the option shall vest on August 28, 2018; (b) 25% of the shares subject to the option shall vest on a monthly basis pro rata over the thirty-six (36) months following August 28, 2018; (c) 25% of the shares subject to the option shall vest upon the price of the issuer's common stock closing above \$3.91 for twenty (20) consecutive trading

(2) days; and (d) 25% of the shares subject to the option shall vest upon the price of the issuer's common stock closing above \$4.41 for twenty (20) consecutive trading days, provided that the recipient's continuous service has not terminated prior to the applicable vesting date, subject to earlier vesting upon a change in control and certain qualifying terminations of employment provided in the severance agreement between the issuer and the recipient.

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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