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PDL BIOPHARMA, INC.
Form SC 13D/A
May 31, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D
(Amendment No. 5)

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

May 31, 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

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but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	Third Point LLC	I.D. #13-3922602
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) <input type="checkbox"/> (b) <input checked="" type="checkbox"/>
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)	<input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	Delaware	
	7	SOLE VOTING POWER
	0	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
	11,400,000	
	9	SOLE DISPOSITIVE POWER
	0	
	10	SHARED DISPOSITIVE POWER
	11,400,000	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
	11,400,000	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES	

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CERTAIN SHARES*

[]

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
	9.8%
14	TYPE OF REPORTING PERSON*
	00

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	Third Point Offshore Fund, Ltd.	
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)	[]
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	Cayman Islands	
	7	SOLE VOTING POWER
		0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		7,339,400
	9	SOLE DISPOSITIVE POWER
		0

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10 SHARED DISPOSITIVE POWER

7,339,400

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
	7,339,400	
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	

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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)	[]
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	United States	

7 SOLE VOTING POWER

0

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	
		11,400,000	
	9	SOLE DISPOSITIVE POWER	
		0	
	10	SHARED DISPOSITIVE POWER	
		11,400,000	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON		
	11,400,000		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		[]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		
	9.8%		
14	TYPE OF REPORTING PERSON*		
	IN		

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	Jason Aryeh	
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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6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	United States	
	7	SOLE VOTING POWER
		0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		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*	<input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
		0.05%
14	TYPE OF REPORTING PERSON*	
		IN

This Amendment No. 5 to Schedule 13D ("Amendment No. 5") 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, Amendment No. 3 thereto filed on April 18, 2007, Amendment No. 4 thereto filed on May 22, 2007 and this Amendment No. 5, 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 "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. 5 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

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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 May 31, 2007, Third Point sent a letter to the Board of Directors of the Company (the "Board") inviting each member of the Board to contact Third Point to discuss its serious concerns regarding Mark McDade, the Chief Executive Officer of the Company, L. Patrick Gage, the Chairman of the Board, and Jeanmarie Guenot, the Company's Vice President, Corporate & Business Development. The May 31 letter was prompted in part by the lack of response to the letter sent by Third Point on May 22 to the unconflicted members of the Board, consisting of all members of the Board other than Mr. McDade and Dr. Gage.

In the May 31 letter, Third Point once again urges the Board to act in the interest of shareholders by (i) terminating Mark McDade's employment as Chief Executive Officer, (ii) adding three shareholder representatives to the PDLI Board, and (iii) retaining an investment bank to explore strategic alternatives for the Company. Additionally, Third Point requests

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that Jean-Jacques Bienaime, Chief Executive Officer of BioMarin Pharmaceutical Inc., be added to the Board along with two of the other four candidates whose names were previously provided by Third Point. Third Point urges the Board to pursue sources of information underlying Third Point's concern over what it sees as Mr. McDade's poor performance and unsuitability to lead the Company.

A copy of Third Point's May 31, 2007 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 May 31, 2007, from Third Point to the members of the Board of Directors of the Company.

[Signatures on following page]

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SIGNATURES

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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: May 31, 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. 5 TO SCHEDULE 13D
WITH RESPECT TO PDL BIOPHARMA, INC.]