

DATE: December 9, 2009

TO: Members

RE: **\*\*\*\*\*UPDATE - FINAL DOLLAR AMOUNT DETERMINED\*\*\*\*\***  
**PDL BioPharma, Inc. ("PDLI & adj. PDI/XIJ/LYO/XDO/YOJ")**

From: Scott Speer

PDL BioPharma, Inc. ("PDLI & adj. PDI/XIJ/LYO/XDO/YOJ") declared a special cash dividend of **\$1.67 (FINAL AMOUNT)** per share on its outstanding common stock. The special cash dividend has a record date of December 1, 2009 and a payable date of December 15, 2009. The ex-distribution date was Friday, November 27, 2009.

NOTE: PDL BioPharma, Inc. options were adjusted as indicated below pursuant to the new cash dividend adjustment policy effective for dividends declared after February 1, 2009.

#### **Contract Adjustment for the Special Cash Dividend**

Pursuant to OCC rules (Article VI, Section 11), all outstanding PQI/XNJ & adj. LYO/XDO/YOJ option series were adjusted/further adjusted to reflect this special cash dividend on Friday, November 27, 2009, at 8:30 A.M. Chicago time as follows:

- A) The PQI/XNJ series were adjusted to require the receipt or delivery of: **(A) 100 shares of PDL BioPharma, Inc. ("PDLI"); plus (B) \$167.00 cash.** The PQI/XNJ option symbols changed to PDI or XIJ, as the case may be. Premiums for the adjusted PDI/XIJ options continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1.00 equals \$100.
- B) The further adjusted LYO/XDO series were further adjusted to require the per-contract delivery or receipt of: **(A) 100 shares of PDL BioPharma, Inc. ("PDLI"); plus (B) 20 shares of Facet Biotech Corporation ("FACT"); plus (C) \$217.00 cash (\$167.00 + \$50.00).** The LYO/XDO option symbols and strike prices remain the same. Premiums and strike-price amounts for the further adjusted LYO/XDO options continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1.00 equals \$100.
- C) The further adjusted YOJ series were further adjusted to require the per-contract delivery or receipt of: **A) 100 shares of PDL BioPharma, Inc. ("PDLI"); plus (B) 20 shares of Facet Biotech Corporation ("FACT"); plus (C) \$642.00 cash (\$167.00 + \$475.00).** The YOJ option symbol and strike prices remain the same. Premiums and strike-price amounts for the further adjusted YOJ options continue to be calculated on the basis of a multiplier of 100, i.e., for premium and strike-price extensions, 1.00 equals \$100.

[Any FLEX series that may exist were adjusted in a similar manner to the standardized option.]

---

Questions regarding this memo can be addressed to Options Industry Services at 1-888-OPTIONS (1-888-678-4667). CBOE contract adjustment memos can also be accessed from CBOE.com at the following web address:

<http://www.cboe.com/ContractAdjustments>