

# PDL BIOPHARMA, INC.

## **FORM 8-K** (Current report filing)

Filed 09/11/17 for the Period Ending 09/11/17

Address	932 SOUTHWOOD BLVD INCLINE VILLAGE, NV, 89451
Telephone	775-832-8500
CIK	0000882104
Symbol	PDLI
SIC Code	2836 - Biological Products, Except Diagnostic Substances
Industry	Biotechnology & Medical Research
Sector	Healthcare
Fiscal Year	12/31

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

**FORM 8-K**

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): September 11, 2017

**PDL BioPharma, Inc.**

(Exact name of Company as specified in its charter)

000-19756  
(Commission File Number)

Delaware  
(State or Other Jurisdiction of Incorporation)

94-3023969  
(I.R.S. Employer Identification No.)

**932 Southwood Boulevard  
Incline Village, Nevada 89451**  
(Address of principal executive offices, with zip code)

**(775) 832-8500**  
(Company's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

*Appointment of Dominique Monnet, President*

On September 11, 2017, PDL BioPharma, Inc. (the Company) announced its appointment of Dominique Monnet as President of the Company, effective September 11, 2017.

Mr. Monnet, age 59, brings over 30 years of international business experience in the biotechnology / pharmaceutical industry. He will report into PDL's chief executive officer, John McLaughlin. Mr. Monnet served as senior vice president and chief marketing officer of Alexion Pharmaceuticals, Inc. in 2014-2015 where he was responsible for commercial operations in the United States and Latin America and oversaw new products and global business operations functions. From 2002 to 2013 Mr. Monnet was a senior executive at Amgen Inc. (Amgen) where he served in a number of key commercial leadership positions in the United States and internationally. As vice president and general manager for Amgen's Inflammation Business Unit in 2011 to 2013, he was responsible for accelerating the growth of the Enbrel<sup>®</sup> franchise in the highly competitive U.S. market. Prior to this, Mr. Monnet served as vice president and head of Amgen's Global Marketing and Commercial Development, where he led the marketing strategy and new product launches in a wide range of therapeutic areas. From 2002 through 2006, Mr. Monnet was based in Zug, Switzerland, where he served as Amgen's vice president of International Marketing and Business Operations, building Amgen's international commercial capability and leading the creation of its successful international franchises in oncology and nephrology. Before joining Amgen, Mr. Monnet held positions of increasing responsibility in line commercial management and global marketing over 19 years at Schering-Plough - including General Manager of its affiliate in the United Kingdom and Republic of Ireland -- Ciba-Geigy and Alza Corporation. Mr. Monnet holds a business degree from EDHEC Business School in Lille, France, and an MBA from INSEAD in Fontainebleau, France.

In connection with joining the Company, Mr. Monnet entered into an employment offer letter with the Company (the Offer Letter). Pursuant to the Offer Letter, Mr. Monnet is an at-will employee. Mr. Monnet's base salary will be \$500,000 and his annual target bonus opportunity is equal to 75% of his annual base salary, with the actual bonus amount earned dependent upon Company and individual performance. The Company extended Mr. Monnet a housing allowance of \$4,000 per month for five years and will reimburse Mr. Monnet up to \$10,000 for his actual moving expenses, transportation and incidental expenses related to moving proximate to the Company's headquarters in Incline Village, Nevada.

As an inducement material to the decision by Mr. Monnet to accept employment with the Company, the compensation committee of the board of directors of the Company approved the grant of inducement awards to Mr. Monnet as employment inducement awards pursuant to NASDAQ Listing Rule 5635(c)(4) (the Inducement Awards). Effective September 11, Mr. Monnet was granted stock options to purchase 961,000 shares of the Company's common stock at an exercise price equal to the closing price per share of the Company's common stock on the date of grant. One-half of the stock options will vest over a four-year period, subject to Mr. Monnet's continued service with the Company through the applicable vesting dates. The remaining options will vest based on certain performance objectives related to increases in the price of our common stock, subject to Mr. Monnet's continued service with the Company through the applicable vesting dates. The stock options granted to Mr. Monnet are evidenced by a Nonstatutory Inducement Stock Option Grant Notice and Nonstatutory Inducement Stock Option Agreement (the Inducement Option Agreement). Mr. Monnet will also be granted 240,200 shares of restricted stock, which shares will vest in three equal installments on each of December 12, 2018, 2019 and 2020. The restricted stock will be granted to Mr. Monnet on the date we file a Registration Statement on Form S-8 with the Securities and Exchange Commission with respect to the Inducement Awards. The restricted stock granted to Mr. Monnet will be evidenced by an Inducement Restricted Stock Grant Notice and Inducement Restricted Stock Agreement (the Inducement Restricted Stock Agreement and, together with the Inducement Option Agreement, the Inducement Award Agreements). In addition, the Inducement Awards granted to Mr. Monnet will be subject to accelerated vesting in connection with certain qualifying terminations of service or a change in control of the Company, as described in the Inducement Award Agreements and his Severance Agreement. The foregoing description of the Inducement Awards granted to Mr. Monnet does not purport to be complete and is qualified in its entirety by reference to the full text of the Inducement Award Agreements, which the Company expects to file as exhibits to the Registration Statement on Form S-8 to be filed with respect to the Inducement Awards.

In connection with his employment, Mr. Monnet will enter into the Company's standard form of severance agreement (filed with the Securities and Exchange Commission as Exhibit 10.1 to Current Report on Form 8-K on May 26, 2011) (the Severance Agreement). If Mr. Monnet's employment is terminated by the Company without "Cause" or he resigns for "Good Reason," as those terms are defined in the Severance Agreement, Mr. Monnet will receive (a)(i) a lump sum cash payment equal to 100% of the sum of his annual base salary, (ii) 100% of his annual target bonus for the year in which separation occurs and (iii) 12 months of COBRA benefits and (b)(i) any unvested cash payments and equity awards under any long-term incentive plan in effect at the date of separation shall ratably accelerate, vest and pay in proportion to the time lapsed during the

vesting period, as increased by any adjustments and milestones earned by the time of payment, and (ii) any accrued and unpaid dividends and interest on the then unvested equity awards shall vest and pay; provided that such payments will be contingent upon his signing a release of all claims against the Company.

The Offer Letter is attached as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference. The foregoing description of the Offer Letter is qualified in its entirety by reference to Exhibit 10.1.

There are no family relationships between Mr. Monnet and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

**Item 8.01 Other Events.**

On September 11, 2017, the Company issued a press release announcing Mr. Monnet's appointment and the Inducement Awards. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

<b>Exhibit No.</b>	<b>Description</b>
10.1	<a href="#">Offer Letter between the Company and Dominique Monnet, executed August 31, 2017</a>
99.1	<a href="#">Press Release</a>

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## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDL BIOPHARMA, INC.  
(Company)

By: /s/ John P. McLaughlin  
John P. McLaughlin  
Chief Executive Officer

Dated: September 11, 2017

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## Exhibit Index

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10.1	<a href="#">Offer Letter between the Company and Dominique Monnet, executed August 31, 2017</a>
99.1	<a href="#">Press Release</a>

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PDL BioPharma, Inc  
932 Southwood Blvd.  
Incline Village, NV 89451  
tel: 775 832 8500  
fax: 775 832 8501  
[www.pdl.com](http://www.pdl.com)

August 30, 2017

Mr. Dominique Monnet  
30124 Mulholland Hwy  
Cornell, CA 91301

Dear Dominique:

On behalf of PDL BioPharma, Inc. (“PDL” or “we”), I am pleased to extend to you an employment offer for the position of President. Your proposed start date is September 11, 2017 (“Start Date”). You will report to PDL’s Chief Executive Officer (“CEO”). You would be expected to work full time at our principal place of business at 932 Southwood Boulevard, Incline Village, Nevada 89451.

You agree that you will devote your full business time and efforts to PDL. You agree that you will not engage in any other business or serve in any position with, or as a consultant or adviser to, any other corporation or entity (including as a member of such corporation’s or entity’s board of directors or other governing or advising body), without the prior written consent of PDL’s CEO. Notwithstanding the foregoing, but only for so long as such activities in the aggregate do not materially interfere with your duties hereunder or create a business or fiduciary conflict, you will not be prohibited from (i) participating in charitable, civic, educational, professional, community or industry affairs (including membership on boards of directors), (ii) managing your passive personal investments, and (iii) continuing your service in the positions that you held as of the date of this Offer Letter, which positions you have disclosed to the CEO, provided that any such service obligation is not materially increased beyond what you have disclosed.

#### Base Salary

Your annual base salary (as in effect from time to time, “Base Salary”) will be \$500,000, less applicable taxes and withholdings, and will be payable in accordance with PDL’s payroll procedures. Your Base Salary shall be reviewed each year but will not be subject to decrease unless such decrease is part of an overall reduction effected for executive officers of PDL.

#### Target Bonus

Initially, your annual target bonus will be set at seventy-five percent (75%) of your annual Base Salary. Initially, your bonus will be based seventy-five percent (75%) on your contribution to PDL’s achievement of its goals and objectives and twenty-five percent (25%) on your individual performance as determined by the CEO and the Compensation Committee of the Board (the “Compensation Committee”). Your 2017 bonus will be prorated based upon the date of employment. For additional details regarding the 2017 Bonus Plan, please see Attachment A. We will work together to develop your personal goals for 2017.

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### Long-Term Incentive Incentives

As of the close of business of your Start Date, PDL will grant you a Long-Term Incentive Award (the “Long-Term Incentive”) comprised of two components: (i) the option to purchase 961,000 shares of common stock of PDL at the closing price (“Strike Price”) on your Start Date (the “Stock Options”); and (ii) 240,200 unvested restricted shares of PDL common stock (the “Restricted Stock”).

The Stock Options may be exercised, in whole or in part, in accordance with the following vesting conditions: (i) 25% of the Stock Options shall vest on September 10, 2018 (subject to your continued employment through such date), (ii) 25% shall vest in pro rata amounts on a monthly basis over the next 36 months after September 10, 2018 (in each case, subject to your continued employment through such dates), (iii) 25% of the Stock Options shall vest on the first trading day after which PDL’s common stock price is 33% or more higher than the Strike Price for twenty consecutive trading days and (iv) 25% of the Stock Options shall vest on the first trading day after which PDL’s common stock price is 50% or more higher than the Strike Price for twenty consecutive trading days.

One third (1/3) of the Restricted Stock will vest and become payable upon each December 12 of 2018, 2019 and 2020 (in each case subject to your continued employment through such date).

In the event of a Change in Control, (i) the vesting of the Restricted Stock, (ii) the payment of any accrued but unpaid dividends or other distributions, plus interest (at the rate set forth above), and (iii) the vesting of the Stock Options, plus any Adjustments that the Compensation Committee determines have been earned as of the Change in Control, will accelerate and pay in connection with the Change in Control.

The Compensation Committee intends to adopt annually long-term incentive plans in which you will be eligible to participate. The Compensation Committee reserves the right to modify any or all of the terms of future long term incentive plans, including the cessation of such future long term incentive plans.

### Termination without Cause or Resignation for Good Reason

If you are terminated without Cause or resign for Good Reason, (a) you will receive a lump sum cash payment equal to (i) one hundred percent (100%) of the sum of your Base Salary in effect immediately prior to the time of separation, (ii) one hundred percent (100%) of the sum of your annual target bonus for the year in which separation occurs and (iii) twelve months of COBRA Benefits and (b)(i) any unvested cash payments and equity awards under any long-term incentive plan in effect at the date of separation shall ratably accelerate, vest and pay in proportion to the time lapsed during the vesting period, as increased by any adjustments and milestones earned by the time of payment and (ii) any accrued and unpaid dividends and interest on the then unvested equity awards shall vest and pay; provided that such payment and other benefit shall be contingent upon your signing a release of all claims against PDL in a form acceptable to PDL

For additional details regarding your severance benefits and the meanings of “Cause” and “Good Reason,” please see Attachment C.

### Housing and Relocation Assistance

PDL will provide assistance to you to rent or purchase housing in Nevada proximate to PDL’s offices. PDL will pay up to \$4,000 per month for five years in housing assistance. At the conclusion of this five year term, the Compensation Committee will evaluate the need to continue housing assistance. In addition, to defray your moving expenses, PDL will reimburse you for such expenses up to \$10,000.

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Examples of such expenses include, but are not limited to, moving of furniture, cars and other personal property; travel and hotel expenses for you and your spouse/significant other to visit to local area, and the like.

### Health and Related Benefits

Through TriNet, PDL provides a welfare benefits package, including a comprehensive medical policy and dental plan, as well as life insurance coverage, in which you will be eligible to participate in accordance with PDL guidelines. In general, PDL pays 100% of premiums for employee medical, employee dental and employee vision coverage. In addition, PDL funds between 90% and 95% of premiums for medical, dental and vision coverage for spouse, dependent, and domestic partner coverage. Exact reimbursement varies by plan selected.

For a summary of these benefits and your options, please see Attachment D.

### Holidays, Vacation and Sick Leave

In 2017, full-time employees will be paid as if they worked ten (10) designated holidays. PDL also offers one (1) Unrestricted Floating Holiday during the calendar year to regular full-time employees. An Unrestricted Floating Holiday may be used at any time for any occasion, provided that the employee obtains advance management approval for the scheduled usage of the Unrestricted Floating Holiday.

In addition, each full-time employee accrues vacation time based on the number of regular hours worked. In any calendar year, you can accrue up to one hundred and sixty hours (160) hours or twenty (20) days of paid vacation time. Usage and scheduling of time off is subject to the direction and approval of your supervisor.

Finally, PDL offers sick leave when your own illness prevents you from reporting to work. Your sick leave is calculated in increments for each pay period and, like vacation time, is based upon hours worked. You can accrue up to forty-eight (48) hours or six (6) days of sick leave annually. For additional details regarding these policies, please see Attachment D.

### 401(k) Plan

Through Fidelity, PDL provides the opportunity for its employees to participate in its 401(k) Plan. Under the terms of PDL's 401(k) Plan, the company matches 100% of the employee's contribution up to 3% of their salary and matches 50% of the employee's contribution from 3% to 5% of their salary. Vesting under the 401(k) Plan is immediate. The Compensation Committee reserves the right to modify any or all of the terms of PDL's 401(k) Plan, including cessation of the 401(k) Plan.

### Company Policies

You agree to adhere to PDL's healthcare regulatory compliance program and the corporate codes, policies and guidelines in place from time to time, including those set forth on Attachment B.

### Other Important Information

Your employment with PDL will not be for a set term, and you will be an at-will employee. As a PDL employee, you will be free to resign at any time, just as we will be free to terminate your employment at any time, with or without Cause. There will be no expressed or implied agreements to the contrary.

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PDL intends that payments and benefits provided to you pursuant to this Offer Letter be exempt from or comply with all applicable requirements of Section 409A of the Internal Revenue Code of 1986, as amended. Any ambiguities in this Offer Letter shall be construed in a manner consistent with such intent.

For purposes of federal immigration law, you will be required to provide PDL documentary evidence of your identity and eligibility for employment in the United States. We will also request your authorization to complete a pre-employment background check.

To indicate your acceptance of our offer, please sign and date this Offer Letter in the space provided below and return it, along with a signed copy of the enclosed Proprietary Information and Invention Assignment Agreement, to me. By executing this Offer Letter, you hereby represent that your execution hereof and performance of your obligations hereunder do not and will not contravene or otherwise conflict with any other agreement to which you are a party or any other legal obligation applicable to you. This Offer Letter, along with the Proprietary Information and Invention Assignment Agreement, supersedes any prior representations or agreements, whether written or oral, with respect to our offer of employment to you. This Offer Letter may not be modified or amended except by a written agreement, signed by PDL and you.

We are very excited at the prospect of you joining the PDL team and look forward to your immediate contribution. I personally look forward to working with you.

Sincerely,

**PDL BioPharma, Inc.**

Accepted by:

/s/ John P. McLaughlin

/s/ Dominique Monnet

John P. McLaughlin

Dominique Monnet

Chief Executive Officer

August 31, 2017

Date

**Contacts:**

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 PDL BioPharma, Inc.  
 775-832-8500  
 Peter.Garcia@pdl.com

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 Cook Williams Communications, Inc.  
 360-668-3701  
 jennifer@cwcomm.org

### **PDL BioPharma Appoints Dominique Monnet as President**

INCLINE VILLAGE, NV, September 11, 2017 - PDL BioPharma, Inc. (PDL) (NASDAQ: PDLI) today announced that the company has appointed Dominique P. Monnet to the position of president. Mr. Monnet brings over 30 years of international business experience in the biotechnology / pharmaceutical industry. He will report into PDL's chief executive officer, John McLaughlin.

"We are thrilled to have Dominique join us in this important new role, as we continue to acquire assets for our subsidiary, Noden Pharma," stated John P. McLaughlin, chief executive officer of PDL. "Dominique's proven track record of achieving significant commercial success with other biopharmaceutical companies will benefit the current products that Noden has on the market in addition to growing the business through acquisitions."

"I am delighted to join the PDL team, and I look forward to partnering with Noden's leadership to build the company into a thriving specialty pharmaceutical enterprise," stated Mr. Monnet. "The current market is rich with acquisition opportunities, and PDL has put itself in an excellent financial position to be able to capitalize on these opportunities."

Mr. Monnet brings over 30 years of biotech/pharma experience to PDL BioPharma. He served as senior vice president and chief marketing officer of Alexion Pharmaceuticals in 2014-2015 where he was responsible for commercial operations in the U.S. and Latin America and oversaw new products and global business operations functions. From 2002 to 2013 he was a senior executive at Amgen Inc. where he served in a number of key commercial leadership positions in the US and internationally. As vice president and general manager for Amgen's Inflammation Business Unit in 2011-13, he was responsible for accelerating the growth of the Enbrel® franchise in the highly competitive U.S. market. Prior to this, he served as vice president and head of Amgen's Global Marketing and Commercial Development, where he led the marketing strategy and new product launches in a wide range of therapeutic areas. From 2002 through 2006, Mr. Monnet was based in Zug, Switzerland, where he served as Amgen's vice president of International Marketing and Business Operations, building Amgen's international commercial capability and leading the creation of its successful international franchises in oncology and nephrology. Before joining Amgen, Mr. Monnet held positions of increasing responsibility in line commercial management and global marketing over 19 years at Schering-Plough - including General Manager of its affiliate in the UK and Republic of Ireland -- Ciba-Geigy and Alza Corporation. Mr. Monnet holds a business degree from EDHEC Business School in Lille, France, and an MBA from INSEAD in Fontainebleau, France.

In connection with his commencement of employment, on August 28, 2017, PDL BioPharma's compensation committee of the board of directors approved the grant of inducement awards to Mr. Monnet. Effective September 11, 2017, Mr. Monnet was granted stock options to purchase 961,000 shares of PDL BioPharma's common stock, which stock options have a ten-year term and an exercise price per share equal to the closing price of PDL BioPharma's common stock on the NASDAQ Stock Market on the grant date. One-half of the stock options will vest over a four-year period, subject to Mr. Monnet's continued service with PDL BioPharma through the applicable vesting dates. The remaining options will vest based on certain performance objectives related to increases in the price of our common stock. Mr. Monnet will also be granted 240,200 shares of restricted stock, which shares will

vest in three equal installments on each of the first three anniversaries of his commencement of employment. The restricted stock will be granted to Mr. Monnet on the date we file a registration statement on Form S-8 with the Securities and Exchange Commission with respect to the inducement awards. In addition, the inducement awards granted to Mr. Monnet will be subject to accelerated vesting in connection with certain qualifying terminations of service or a change in control of PDL BioPharma, as described in his severance agreement with us. The stock option and restricted stock awards were made as an inducement that was a material component of Mr. Monnet's compensation and acceptance of employment with the Company and were granted as employment inducement awards pursuant to NASDAQ Listing Rule 5635(c)(4).

#### **About PDL BioPharma**

PDL seeks to provide a significant return for its shareholders by acquiring and managing a portfolio of companies, products, royalty agreements and debt facilities in the biotech, pharmaceutical and medical device industries. In 2012, PDL began providing alternative sources of capital through royalty monetizations and debt facilities, and in 2016, began acquiring commercial-stage products and launching specialized companies dedicated to the commercialization of these products. To date, PDL has consummated 17 such transactions, of which 10 are active and outstanding. PDL has two debt transactions outstanding, representing deployed and committed capital of \$170.0 million: CareView and kaléo; one hybrid royalty/debt transaction outstanding, representing deployed and committed capital of \$44.0 million: Wellstat Diagnostics; and five royalty transactions outstanding, representing deployed and committed capital of \$396.1 million and \$397.1 million, respectively: KYBELLA®, AcelRx, University of Michigan, Viscogliosi Brothers and Depomed. PDL's equity and loan investments in Noden represent deployed and committed capital of \$179.0 million and \$202.0 million, respectively, and its converted equity and loan investment in LENSAR represents deployed capital of \$40 million.

NOTE: PDL, PDL BioPharma, the PDL logo and the PDL BioPharma logo are trademarks or registered trademarks of, and are proprietary, to PDL BioPharma, Inc. which reserves all rights therein.