

PDF SOLUTIONS INC

Form 4

November 01, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

1. Name and Address of Reporting Person *
MELMAN P STEVEN

(Last) (First) (Middle)

**333 WEST SAN CARLOS
STREET, SUITE 700**

(Street)

SAN JOSE, CA 95110

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
PDF SOLUTIONS INC [PDFS]

3. Date of Earliest Transaction
(Month/Day/Year)
10/30/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

VP Investor Relations

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	10/30/2006		M	200	A \$ 6.39	171,707 ⁽¹⁾	D
Common Stock	10/30/2006		S	200	D \$ 13.8	171,507	D
Common Stock	10/30/2006		M	1,414	A \$ 6.39	172,921	D
Common Stock	10/30/2006		S	1,414	D \$ 13.81	171,507	D
Common Stock	10/30/2006		M	100	A \$ 6.39	171,607	D

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Common Stock	10/30/2006	S	100	D	\$ 13.82	171,507	D
Common Stock	10/30/2006	M	200	A	\$ 6.39	171,707	D
Common Stock	10/30/2006	S	200	D	\$ 13.83	171,507	D
Common Stock	10/30/2006	M	1,100	A	\$ 6.39	172,607	D
Common Stock	10/30/2006	S	1,100	D	\$ 13.84	171,507	D
Common Stock	10/30/2006	M	12,900	A	\$ 6.39	184,407	D
Common Stock	10/30/2006	S	12,900	D	\$ 13.85	171,507	D
Common Stock	10/30/2006	M	600	A	\$ 6.39	172,107	D
Common Stock	10/30/2006	S	600	D	\$ 13.86	171,507	D
Common Stock	10/30/2006	M	915	A	\$ 6.39	172,422	D
Common Stock	10/30/2006	S	915	D	\$ 13.87	171,507	D
Common Stock	10/30/2006	M	1,265	A	\$ 6.39	172,772	D
Common Stock	10/30/2006	S	1,265	D	\$ 13.88	171,507	D
Common Stock	10/30/2006	M	1,285	A	\$ 6.39	172,792	D
Common Stock	10/30/2006	S	1,285	D	\$ 13.89	171,507	D
Common Stock	10/30/2006	M	1,835	A	\$ 6.39	173,342	D
Common Stock	10/30/2006	S	1,835	D	\$ 13.9	171,507	D
Common Stock	10/30/2006	M	900	A	\$ 6.39	172,407	D
Common Stock	10/30/2006	S	900	D	\$ 13.91	171,507	D
Common Stock	10/30/2006	M	520	A	\$ 6.39	172,027	D
	10/30/2006	S	520	D		171,507	D

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Common Stock					\$ 13.96		
Common Stock	10/30/2006		M	100	A	\$ 6.39	171,607 D
Common Stock	10/30/2006		S	100	D	\$ 13.97	171,507 D

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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
2001 Stock Plan Option (right to buy)	\$ 14.04	11/01/2006		A	21,000	(2) 10/31/2016	Common Stock	21,000

Reporting Owners

Reporting Owner Name / Address	Relationships
MELMAN P STEVEN 333 WEST SAN CARLOS STREET SUITE 700 SAN JOSE, CA 95110	Director 10% Owner Officer Other VP Investor Relations

Signatures

/s/ P. Steven
Melman 11/01/2006
Date

__Signature of
Reporting Person

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).
- (1) Includes 1,540 shares that were purchased on June 30, 2006 under the PDFS Employee Stock Purchase Plan.
- (2) Of the total shares subject to the option (the "Total Shares") 25% vest on November 1, 2007 and 1/48th of the Total Shares vest on the 1st day of each month thereafter, provided that the reporting person remains an employee or consultant of PDFS.

Remarks:

This Form 4 is the first of two Form 4 reports filed on November 1, 2006.

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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