

PDF SOLUTIONS INC  
Form 4  
November 01, 2006

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

OMB APPROVAL

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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

(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  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP Investor Relations

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 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)
			Code	V Amount (A) or (D) Price			
Common Stock	10/30/2006		M	200 A \$ 6.39	171,707 <sup>(1)</sup>	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

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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(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	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	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			
	Director	10% Owner	Officer	Other
MELMAN P STEVEN 333 WEST SAN CARLOS STREET SUITE 700 SAN JOSE, CA 95110			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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