

PDF SOLUTIONS INC

Form 4

August 20, 2008

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
JOSEPH DAVID

(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)
08/18/2008

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 ____X____ Other (specify
below) below)
Chief Strategy Officer / Acting President,
PDF Japan

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)
				(A) or (D) Code V Amount (D) Price			
Common Stock					200,304 ⁽¹⁾	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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information contained in this form are not
required to respond unless the form
displays a currently valid OMB control
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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)**

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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 Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
2001 Stock Plan Option (Right to Buy)	\$ 10	08/18/2008		D	50,000	(2) 09/30/2011	Common Stock	50,000
2001 Stock Plan Option (Right to Buy)	\$ 12.87	08/18/2008		D	30,000	(4) 05/06/2012	Common Stock	30,000
2001 Stock Plan Option (right to buy)	\$ 14.04	08/18/2008		D	45,000	(6) 10/31/2016	Common Stock	45,000
2001 Stock Plan Option (Right to Buy)	\$ 14.58	08/18/2008		D	25,000	(8) 10/26/2015	Common Stock	25,000
Restricted Stock Right	(10)	08/18/2008		A	11,906	(11) (12)	Common Stock	11,906
Restricted Stock Right	(10)	08/18/2008		A	7,144	(12) (11)	Common Stock	7,144
Restricted Stock Right	(10)	08/18/2008		A	5,954	(13) (13)	Common Stock	5,954
Restricted Stock Right	(10)	08/18/2008		A	10,715	(11) (11)	Common Stock	10,715

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

JOSEPH DAVID
333 WEST SAN CARLOS STREET
SUITE 700
SAN JOSE, CA 95110

Chief Strategy Officer Acting President,
PDF Japan

Signatures

/s/ P. Steven M. Melman, Attorney-in-Fact for David
Joseph

08/20/2008

__Signature of Reporting Person

Date

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 3,604 shares of Common Stock that were purchased under the PDF Solutions, Inc. Employee Stock Purchase Plan as follows:
830 shares purchased on December 31, 2007 and 2,774 shares purchased on July 31, 2008.
The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on October 1, 2002 and 1/48th of the total shares vested on the 1st day of each month thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an affiliate thereof through each vesting date and subject to accelerated vesting in certain circumstances.
- (2) Pursuant to PDF Solutions, Inc.'s offer to exchange described in Schedule TO-1 filed on June 10, 2008, as amended (the "Exchange Offer") on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on October 1, 2001. In exchange for the option, the reporting person received 11,906 restricted stock rights.
- (3) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on May 7, 2002 and 1/48th of the total shares vested on the 7th day of each month thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an affiliate thereof through each vesting date and subject to accelerated vesting in certain circumstances.
- (4) Pursuant to the Exchange Offer on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on May 7, 2002. In exchange for the option, the reporting person received 7,144 restricted stock rights.
- (5) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on November 1, 2007 and 1/48th of the total shares vested on the 30th day of each month thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an affiliate thereof through each vesting date and subject to accelerated vesting in certain circumstances.
- (6) Pursuant to the Exchange Offer on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on November 1, 2006. In exchange for the option, the reporting person received 10,715 restricted stock rights.
- (7) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on October 27, 2005 and 1/48th of the total shares vested on the 27th day of each month thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an affiliate thereof through each vesting date and subject to accelerated vesting in certain circumstances.
- (8) Pursuant to the Exchange Offer on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on October 27, 2005. In exchange for the option, the reporting person received 5,954 restricted stock rights.
- (9) Each restricted stock right ("RSR") represents a bookkeeping entry equal in value to one (1) share of common stock of PDF Solutions, Inc.
12.5% of the total number of rights will vest on May 15, 2009 and 12.5% will vest every six (6) months thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an eligible affiliate thereof, through each vesting date and subject to accelerated vesting in certain circumstances. The RSR will be automatically settled in shares upon vesting of the RSR.
- (10) 50% of the total number of rights will vest on May 15, 2009 and 50% will vest six (6) months thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an eligible affiliate thereof, through each vesting date and subject to accelerated vesting in certain circumstances. The RSR will be automatically settled in shares upon vesting of the RSR.
- (11) 16.7% of the total number of rights will vest on May 15, 2009 and 16.66% will vest every six (6) months thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an eligible affiliate thereof, through each vesting date and subject to accelerated vesting in certain circumstances. The RSR will be automatically settled in shares upon vesting of the RSR.
- (12) 16.7% of the total number of rights will vest on May 15, 2009 and 16.66% will vest every six (6) months thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an eligible affiliate thereof, through each vesting date and subject to accelerated vesting in certain circumstances. The RSR will be automatically settled in shares upon vesting of the RSR.
- (13) 16.7% of the total number of rights will vest on May 15, 2009 and 16.66% will vest every six (6) months thereafter, subject to the reporting person's continued service with PDF Solutions, Inc., or an eligible affiliate thereof, through each vesting date and subject to accelerated vesting in certain circumstances. The RSR will be automatically settled in shares upon vesting of the RSR.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.