PDF SOLUTIONS INC
Form 4
August 20, 2008

FORM 4

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

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 burden hours per response...	0.5

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
BILLAT SUSAN

(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)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

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)
			Code	V	Amount	(A) or (D)	Price			

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securitie (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
2001 Stock Plan Option (right to buy)	$ 10.35	08/18/2008		D			5,000	(1)	06/05/2017	Common Stock	5,00
2001 Stock Plan Option (right to buy)	$ 10.43	08/18/2008		D			15,000	(3)	05/29/2017	Common Stock	15,0
2001 Stock Plan Option (Right to Buy)	$ 13.6	08/18/2008		D			15,000	(5)	05/23/2016	Common Stock	15,0
2001 Stock Plan Option (Right to Buy)	$ 12.33	08/18/2008		D			15,000	(7)	05/25/2015	Common Stock	15,0
2001 Stock Plan Option (Right to Buy)	$ 10.73	08/18/2008		D			30,000	(9)	09/11/2013	Common Stock	30,0
Restricted Stock Right	(11)	08/18/2008		A		7,144		(12)	(12)	Common Stock	7,14
Restricted Stock Right	(11)	08/18/2008		A		3,572		(13)	(13)	Common Stock	3,57
Restricted Stock Right	(11)	08/18/2008		A		3,572		(13)	(13)	Common Stock	3,57
Restricted Stock Right	(11)	08/18/2008		A		1,191		(13)	(13)	Common Stock	1,19
Restricted Stock	(11)	08/18/2008		A		3,572		(14)	(14)	Common Stock	3,57

Right

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BILLAT SUSAN 333 WEST SAN CARLOS STREET SUITE 700 SAN JOSE, CA 95110	X			

Signatures

/s/ P. Steven Melman, Attorney-in-Fact for Susan Billat	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) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on June 6, 2008 and 1/48th of the total shares vested on the 8th 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 June 6, 2007. In exchange for the option, the reporting person received 1,191 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 30, 2008 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.

(4) Pursuant to the Exchange Offer, on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on May 30, 2007. In exchange for the option, the reporting person received 3,572 restricted stock rights.

(5) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on May 24, 2007 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.

(6) Pursuant to the Exchange Offer, on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on May 24, 2006. In exchange for the option, the reporting person received 3,572 restricted stock rights.

(7) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on May 26, 2006 and 1/48th of the total shares vested on the 26th 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 May 26, 2005. In exchange for the option, the reporting person received 3,572 restricted stock rights.

(9) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on September 12, 2004 and 1/48th of the total shares vested on the 12th 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.

(10) Pursuant to the Exchange Offer, on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on September 12, 2003. In exchange for the option, the reporting person received 7,144 restricted stock rights.

(11) Each restricted stock right ("RSR") represents a bookkeeping entry equal in value to one (1) share of common stock of PDF Solutions, Inc.

(12)

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.

(13) 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.

(14) 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.