

PDF SOLUTIONS INC

Form 4

August 21, 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

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
JENSEN JAMES D

(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 ____ Other (specify
below) below)

VP, Yield Aware - FDC

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				(A) or (D)	1,686 ⁽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
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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 Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nu Sha
2001 Stock Plan Option (Right to Buy)	\$ 15.01	08/18/2008		D			100,000	<u>(2)</u>	03/03/2012	Common Stock	10
2001 Stock Plan Option (Right to Buy)	\$ 12.6	08/18/2008		D			70,000	<u>(4)</u>	12/14/2013	Common Stock	70
2001 Stock Plan Option (Right to Buy)	\$ 14.58	08/18/2008		D			24,000	<u>(6)</u>	10/26/2015	Common Stock	24
2001 Stock Plan Option (right to buy)	\$ 14.04	08/18/2008		D			35,000	<u>(8)</u>	10/31/2016	Common Stock	35
Restricted Stock Right	<u>(10)</u>	08/18/2008		A		23,811		<u>(11)</u>	<u>(11)</u>	Common Stock	23
Restricted Stock Right	<u>(10)</u>	08/18/2008		A		16,668		<u>(11)</u>	<u>(11)</u>	Common Stock	16
Restricted Stock Right	<u>(10)</u>	08/18/2008		A		5,715		<u>(12)</u>	<u>(12)</u>	Common Stock	5
Restricted Stock Right	<u>(10)</u>	08/18/2008		A		8,334		<u>(13)</u>	<u>(13)</u>	Common Stock	8

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

JENSEN JAMES D
333 WEST SAN CARLOS STREET
SUITE 700
SAN JOSE, CA 95110

VP, Yield Aware - FDC

Signatures

/s/ P. Steven Melman, Attorney-in-Fact for James D.
Jensen

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 1,018 shares that were purchased on December 31, 2007 under the PDF Solutions, Inc. Employee Stock Purchase Plan.
The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on March 4, 2003 and 1/48th of the total shares vested on the 4th 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.
- (3) 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 March 4, 2002. In exchange for the option, the reporting person received 23,811 restricted stock rights.
- (4) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on December 15, 2004 and 1/48th of the total shares vested on the 15th 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.
- (5) Pursuant to the Exchange Offer on August 18, 2008, PDF Solutions, Inc. cancelled an option granted to the reporting person on December 15, 2003. In exchange for the option, the reporting person received 16,668 restricted stock rights.
- (6) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on October 27, 2006 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.
- (7) 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 5,715 restricted stock rights.
- (8) 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 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.
- (9) 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 8,334 restricted stock rights.
- (10) Each restricted stock right ("RSR") represents a bookkeeping entry equal in value to one (1) share of common stock of PDF Solutions, Inc.
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.
- (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) 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.

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.