PDF SOLUTIONS INC

Form 4

August 20, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

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).

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 * KIBARIAN JOHN KACHIG

(First) (Middle) (Last)

333 WEST SAN CARLOS STREET, SUITE 700

SAN JOSE, CA 95110

(City)

Security

(Instr. 3)

(Street)

(State)

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)

Person Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of 2. Transaction Date 2A. Deemed

(Month/Day/Year)

(Zip)

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8)

(Instr. 3, 4 and 5)

Following Reported (A) Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Securities Code Acquired (A) or

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

President and CEO

6. Ownership

Form: Direct

(D) or Indirect Beneficial

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person Form filed by More than One Reporting

(I)

(Instr. 4)

below)

10% Owner

Other (specify

7. Nature of

Ownership

(Instr. 4)

Indirect

Issuer

below)

5. Amount of

Securities

Owned

Beneficially

_X__ Director

Applicable Line)

X_ Officer (give title

Estimated average

burden hours per

7. Title and Amo Underlying Secur (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)		Disposed of (D) (Instr. 3, 4, and 5)					
				Code '	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nu Sha
2001 Stock Plan Option (Right to Buy)	\$ 12.87	08/18/2008		D			100,000	<u>(1)</u>	05/06/2012	Common Stock	10
Restricted Stock Right	(3)	08/18/2008		A		23,810		<u>(4)</u>	<u>(4)</u>	Common Stock	23

Reporting Owners

Reporting Owner Name / Address	Relationships						
.,	Director	10% Owner	Officer	Other			
KIBARIAN JOHN KACHIG 333 WEST SAN CARLOS STREET SUITE 700 SAN JOSE, CA 95110	X		President and CEO				

Signatures

/s/ P. Steven Melman, Attorney-in-Fact for John K. Kibarian

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).
- The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on May 7, 2003 and 1/48th (1) 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.
- Pursuant to PDF Solutions, Inc.'s offer to exchange described in Schedule TO-1 filed on June 10, 2008, as amended (the "Exchange (2) 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 23,810 restricted stock rights.
- (3) 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 (4) 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.

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