

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

OMB  
Number: 3235-0287  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(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 below) \_\_\_\_X\_\_\_\_ Other (specify 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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities<br>Acquired (A) or<br>Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Stock                       |                                         |                                                             |                                      | (A)<br>or<br>(D)                                                           | 200,304 <sup>(1)</sup>                                                                                             | D                                                                    |                                                                   |

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)**

# Edgar Filing: PDF SOLUTIONS INC - Form 4

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities Acquired<br>(A) or Disposed of<br>(D)<br>(Instr. 3, 4, and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Amount or Number of Shares |
|-----------------------------------------------------|-----------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------------------------|-------------------------------|
| 2001<br>Stock Plan<br>Option<br>(Right to<br>Buy)   | \$ 10                                                                 | 08/18/2008                              |                                                             | D                                       | 50,000                                                                                                 | (2) 09/30/2011                                                 | Common<br>Stock                                                  | 50,000                        |
| 2001<br>Stock Plan<br>Option<br>(Right to<br>Buy)   | \$ 12.87                                                              | 08/18/2008                              |                                                             | D                                       | 30,000                                                                                                 | (4) 05/06/2012                                                 | Common<br>Stock                                                  | 30,000                        |
| 2001<br>Stock Plan<br>Option<br>(right to<br>buy)   | \$ 14.04                                                              | 08/18/2008                              |                                                             | D                                       | 45,000                                                                                                 | (6) 10/31/2016                                                 | Common<br>Stock                                                  | 45,000                        |
| 2001<br>Stock Plan<br>Option<br>(Right to<br>Buy)   | \$ 14.58                                                              | 08/18/2008                              |                                                             | D                                       | 25,000                                                                                                 | (8) 10/26/2015                                                 | Common<br>Stock                                                  | 25,000                        |
| Restricted<br>Stock<br>Right                        | (10)                                                                  | 08/18/2008                              |                                                             | A                                       | 11,906                                                                                                 | (11) (12)                                                      | Common<br>Stock                                                  | 11,906                        |
| Restricted<br>Stock<br>Right                        | (10)                                                                  | 08/18/2008                              |                                                             | A                                       | 7,144                                                                                                  | (12) (11)                                                      | Common<br>Stock                                                  | 7,144                         |
| Restricted<br>Stock<br>Right                        | (10)                                                                  | 08/18/2008                              |                                                             | A                                       | 5,954                                                                                                  | (13) (13)                                                      | Common<br>Stock                                                  | 5,954                         |
| Restricted<br>Stock<br>Right                        | (10)                                                                  | 08/18/2008                              |                                                             | A                                       | 10,715                                                                                                 | (11) (11)                                                      | Common<br>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.