

PDF SOLUTIONS INC
Form 4
November 14, 2006

FORM 4

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
MALIK ZIA

(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)
11/10/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP of Sales

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 11/10/2006 | | M | | 10,000 | A | \$ 9.66 |
| Common Stock | 11/10/2006 | | S | | 10,000 | D | \$ 14.00 |
| Common Stock | 11/10/2006 | | M | | 2,177 | A | \$ 9.66 |
| Common Stock | 11/10/2006 | | S | | 2,177 | D | \$ 14.10 |
| Common Stock | 11/13/2006 | | M | | 5,000 | A | \$ 9.66 |

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Common Stock 11/13/2006 S 5,000 D \$ 14.45 0 D

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

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(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 (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 of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| 2001 Stock Plan Option (Right to Buy) | \$ 9.66 | 11/10/2006 | | M | 10,000 | ⁽¹⁾ 09/02/2014 | Common Stock | 10,000 |
| 2001 Stock Plan Option (Right to Buy) | \$ 9.66 | 11/10/2006 | | M | 2,177 | ⁽¹⁾ 09/02/2014 | Common Stock | 2,177 |
| 2001 Stock Plan Option (Right to Buy) | \$ 9.66 | 11/13/2006 | | M | 5,000 | ⁽¹⁾ 09/02/2014 | Common Stock | 5,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|-------------|-------|
| | Director | 10% Owner | Officer | Other |
| | | | VP of Sales | |

MALIK ZIA
333 WEST SAN CARLOS STREET
SUITE 700
SAN JOSE, CA 95110

Signatures

/s/ P. Steven Melman, Attorney-in-Fact for Zia
Malik

11/14/2006

__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) 12/36ths of the total shares subject to the option (the "Total Shares") vested on September 3, 2005 and 1/36th of the Total Shares continue to vest monthly on the 3rd day of each month thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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