

PDF SOLUTIONS INC  
 Form 4  
 October 31, 2005

**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 \*  
**MICHAELS KIMON**

(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)  
 10/27/2005

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)  
 Co-VP of Client Services

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	10/31/2005		S		100	D	\$ 14.7
Common Stock	10/31/2005		S		200	D	\$ 14.715
Common Stock	10/31/2005		S		100	D	\$ 14.73
Common Stock	10/31/2005		S		500	D	\$ 14.734
Common Stock	10/31/2005		S		300	D	\$ 14.7467
							1,527,976
							1,527,776
							1,527,676
							1,527,176
							1,526,876

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Common Stock	10/31/2005	S	100	D	\$ 14.75	1,526,776	D
Common Stock	10/31/2005	S	500	D	\$ 14.758	1,526,276	D
Common Stock	10/31/2005	S	200	D	\$ 14.765	1,526,076	D
Common Stock	10/31/2005	S	400	D	\$ 14.77	1,525,676	D
Common Stock	10/31/2005	S	600	D	\$ 14.785	1,525,076	D
Common Stock	10/31/2005	S	8	D	\$ 14.79	1,525,068	D
Common Stock	10/31/2005	S	300	D	\$ 14.7967	1,524,768	D
Common Stock	10/31/2005	S	400	D	\$ 14.8	1,524,368	D
Common Stock	10/31/2005	S	400	D	\$ 14.805	1,523,968	D
Common Stock	10/31/2005	S	600	D	\$ 14.81	1,523,368	D
Common Stock	10/31/2005	S	400	D	\$ 14.825	1,522,968	D
Common Stock	10/31/2005	S	500	D	\$ 14.834	1,522,468	D
Common Stock	10/31/2005	S	700	D	\$ 14.84	1,521,768	D
Common Stock	10/31/2005	S	300	D	\$ 14.8433	1,521,468	D
Common Stock	10/31/2005	S	900	D	\$ 14.85	1,520,568	D
Common Stock	10/31/2005	S	100	D	\$ 14.86	1,520,468	D
Common Stock	10/31/2005	S	203	D	\$ 14.87	1,520,265	D
Common Stock	10/31/2005	S	597	D	\$ 14.88	1,519,668	D
Common Stock	10/31/2005	S	400	D	\$ 14.885	1,519,268	D
Common Stock	10/31/2005	S	300	D	\$ 14.8867	1,518,968	D
	10/31/2005	S	800	D	\$ 14.89	1,518,168	D

Common  
Stock

Common Stock	10/31/2005	S	200	D	\$ 14.9	1,517,968	D
Common Stock	10/31/2005	S	600	D	\$ 14.9033	1,517,368	D
Common Stock	10/31/2005	S	500	D	\$ 14.904	1,516,868	D

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 (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)	\$ 14.58	10/27/2005		A	24,000	<u>(1)</u> 10/26/2015	Common Stock	24,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MICHAELS KIMON 333 WEST SAN CARLOS STREET SUITE 700 SAN JOSE, CA 95110	X		Co-VP of Client Services	

## Signatures

/s/ P. Steven Melman, Attorney-in-Fact for Kimon W.  
Michaels

10/31/2005

\_\_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) Of the total shares subject to the option (the "Total Shares") 25% vest on October 27, 2006 and 1/48th of the Total Shares vest on the 27th day of each month thereafter, provided that the reporting person remains an employee or consultant of PDFS.

### Remarks:

This Form 4 is the first of two Form 4 reports filed on October 31, 2005 regarding the Reporting Person's sale of Common Stock.

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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