

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* MELMAN P STEVEN (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]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) VP Investor Relations
	3. Date of Earliest Transaction (Month/Day/Year) 10/30/2006	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

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	(A) or (D)	Price			
Common Stock	10/30/2006		M		200	A	\$6.39	171,707 ⁽¹⁾	D	
Common Stock	10/30/2006		S		200	D	\$13.8	171,507	D	
Common Stock	10/30/2006		M		1,414	A	\$6.39	172,921	D	
Common Stock	10/30/2006		S		1,414	D	\$13.81	171,507	D	
Common Stock	10/30/2006		M		100	A	\$6.39	171,607	D	
Common Stock	10/30/2006		S		100	D	\$13.82	171,507	D	
Common Stock	10/30/2006		M		200	A	\$6.39	171,707	D	
Common Stock	10/30/2006		S		200	D	\$13.83	171,507	D	
Common Stock	10/30/2006		M		1,100	A	\$6.39	172,607	D	
Common Stock	10/30/2006		S		1,100	D	\$13.84	171,507	D	
Common Stock	10/30/2006		M		12,900	A	\$6.39	184,407	D	
Common Stock	10/30/2006		S		12,900	D	\$13.85	171,507	D	
Common Stock	10/30/2006		M		600	A	\$6.39	172,107	D	
Common Stock	10/30/2006		S		600	D	\$13.86	171,507	D	
Common Stock	10/30/2006		M		915	A	\$6.39	172,422	D	
Common Stock	10/30/2006		S		915	D	\$13.87	171,507	D	
Common Stock	10/30/2006		M		1,265	A	\$6.39	172,772	D	
Common Stock	10/30/2006		S		1,265	D	\$13.88	171,507	D	
Common Stock	10/30/2006		M		1,285	A	\$6.39	172,792	D	
Common Stock	10/30/2006		S		1,285	D	\$13.89	171,507	D	
Common Stock	10/30/2006		M		1,835	A	\$6.39	173,342	D	
Common Stock	10/30/2006		S		1,835	D	\$13.9	171,507	D	
Common Stock	10/30/2006		M		900	A	\$6.39	172,407	D	
Common Stock	10/30/2006		S		900	D	\$13.91	171,507	D	
Common Stock	10/30/2006		M		520	A	\$6.39	172,027	D	
Common Stock	10/30/2006		S		520	D	\$13.96	171,507	D	

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	(A) or (D)	Price			
Common Stock	10/30/2006		M		100	A	\$6.39	171,607	D	
Common Stock	10/30/2006		S		100	D	\$13.97	171,507	D	

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)				6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
2001 Stock Plan Option (right to buy)	\$14.04	11/01/2006		A		21,000		(2)	10/31/2016	Common Stock	21,000	\$0.00	21,000	D	

Explanation of Responses:

- Includes 1,540 shares that were purchased on June 30, 2006 under the PDFS Employee Stock Purchase Plan.
- Of the total shares subject to the option (the "Total Shares") 25% vest on November 1, 2007 and 1/48th of the Total Shares vest on the 1st 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 November 1, 2006.

/s/ P. Steven Melman 11/01/2006

** Signature of Reporting Person Date

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

* 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).

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

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 Number.