

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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## Form 10-K/A

(Amendment No. 2)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2011

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from to

000-31311

(Commission file number)

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### PDF SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of  
Incorporation or Organization)

25-1701361

(I.R.S. Employer  
Identification No.)

333 West San Carlos Street, Suite 1000

San Jose, California

(Address of Principal Executive Offices)

95110

(Zip Code)

(408) 280-7900

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

**Title of each class**

Common Stock, \$0.00015 par value

**Name of each exchange on which registered**

The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

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Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act). Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer                       Accelerated filer                       Non-accelerated filer                       Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately \$121.9 million as of the last business day of the Registrant's most recently completed second quarter, based upon the closing sale price on the NASDAQ Global Market reported for such date. Shares of Common Stock held by each officer and director and by each person who owns 10% or more of the outstanding Common Stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

There were 28,546,192 shares of the Registrant's Common Stock outstanding as of April 1, 2012.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

None.

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## EXPLANATORY NOTE

PDF Solutions, Inc. (the “Company”) is filing this Amendment No. 2 (“Amendment”) to our Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission (the “SEC”) on March 15, 2012 (the “Original 10-K”), as subsequently amended with Part III information by the Form 10-K/A filed with the SEC on April 30, 2012 (the “Part III Form 10-K”), to make the following corrections in Item 11, Part III:

1. This Amendment corrects the salary, severance pay, accrued paid time off at the time of termination of employment, as well as certain premiums for COBRA coverage, paid by the Company to Ms. Joy E. Leo, our former Executive Vice President, Chief Administration Officer, and acting Chief Financial Officer. This Amendment also includes the amount received by Mr. Shahbazian, our former interim Chief Financial Officer, and Vice President, Finance, for accrued paid time off paid at the time of termination of employment. Such information was inadvertently excluded from the Part III Form 10-K.
2. This Amendment corrects the sum reflected in the “Value of the Benefit and Payment Amount Received at the Time of Resignation (\$)” column in the “Potential Payment Upon Termination of Employment” table from \$895,600 to \$780,800. Such sum was incorrect in the Part III Form 10-K.
3. This Amendment corrects the sum reflected for Lucio Lanza, the Chairman of the Board of Directors, in the “Total (\$)” column in the “Director Compensation Table.” from \$210,800 to \$210,400. Such sum was incorrect in the Part III Form 10-K.

In addition to the corrections above, this Amendment also restates Item 15 of Part IV to include new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

This Amendment does not reflect events occurring after the filing of the Original Form 10-K or Amended Form 10-K. Except for the amendments described above and included below, this Amendment does not modify or update the disclosure in the Original Form 10-K or Amended Form 10-K. Accordingly, this Amendment should be read in conjunction with the Company’s other filings made with the SEC, including the Original Form 10-K, the Part III 10-K, and any filings made subsequent to the filing of the Original 10-K.

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1. The compensation data for Mr. Shahbazian and Ms. Leo in the “Summary Compensation Table,” and the related footnotes, are amended and restated in their entirety as follows:

<b>Name &amp; Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)(1)</b>	<b>Option Awards (\$)(1)</b>	<b>All Other Compensation (\$)(2)</b>	<b>Total (\$)</b>
<b>Michael Shahbazian</b> Former Interim Chief Financial Officer, and Vice President, Finance (5)	2011	128,950	-	50,670	-	7,600(6)	187,220
	2010	-	-	-	-	-	-
	2009	-	-	-	-	-	-
<b>Joy E. Leo</b> Former Executive Vice President, Chief Administration Officer and Acting Chief Financial Officer (7)	2011	125,830	-	-	-	160,070(8)	285,900
	2010	270,000	-	-	-	200	270,200
	2009	270,000	89,400(9)	-	98,600	200	458,200

- (5) Mr. Shahbazian was appointed as our Vice President Finance and Interim Chief Financial Officer on June 17, 2011 and served through December 1, 2011.
- (6) This amount includes amounts received by the executive officer for accrued paid time off paid at the time of termination of employment.
- (7) Ms. Leo resigned as our Executive Vice President, Chief Administration Officer and Acting Chief Financial Officer effective June 17, 2011
- (8) This amount includes the portion of then current base salary paid to Ms. Leo in connection with termination of Ms. Leo’s employment as set forth under Ms. Leo’s employment offer. This also includes the amounts received for accrued paid time off at the time of termination of employment, severance payment and the premiums for COBRA coverage paid by the Company, as set forth under Ms. Leo’s employment offer.

**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.**

(a) The following documents are filed as part of this report:

(3) Exhibits

Exhibits are incorporated herein by reference or are filed with this Amendment as indicated below (numbered in accordance with Item 601 of Regulation S-K):

<b>Exhibit Number</b>	<b>Description</b>
31.01	Certification of principal executive officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of principal finance and accounting officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized, on the 24th day of May, 2012.

PDF SOLUTIONS, INC.

By: /s/ JOHN K. KIBARIAN

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John K. Kibarian  
*President and Chief Executive Officer*  
*(principal executive officer)*

By: /s/ GREGORY WALKER

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Gregory Walker  
*Vice President, Finance, and CFO*  
*(principal financial and accounting officer)*

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K/A has been signed below by the following persons on behalf of the registrant and in the capacities and dates indicated below.

<b>Date</b>	<b>Signature</b>	<b>Title</b>
May 24, 2012	_____ /S/ JOHN K. KIBARIAN John K. Kibarian	Director, President and Chief Executive Officer (principal executive officer)
May 24, 2012	_____ /S/ GREGORY WALKER Gregory Walker	Vice President, Finance and Chief Financial Officer (principal financial and accounting officer)
May 24, 2012	_____ /S/ KIMON W. MICHAELS Kimon W. Michaels	Director, Vice President, Products and Solutions
May 24, 2012	_____ * Lucio L. Lanza	Chairman of the Board of Directors
May 24, 2012	_____ * R. Stephen Heinrichs	Director
May 24, 2012	_____ * Thomas Caulfield	Director
May 24, 2012	_____ * Albert Y.C. Yu	Director

\*By: /s/ JOHN K. KIBARIAN  
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John K. Kibarian, Attorney-in-Fact

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## INDEX TO EXHIBITS

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31.02	Certification of principal financial and accounting officer Pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

## CERTIFICATIONS

I, John K. Kibarian, certify that:

1. I have reviewed this annual report on Form 10-K/A of PDF Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the period presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JOHN K. KIBARIAN

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John K. Kibarian  
President and Chief Executive Officer  
(principal executive officer)

Date: May 24, 2012

## CERTIFICATIONS

I, Gregory Walker, certify that:

1. I have reviewed this annual report on Form 10-K/A of PDF Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/S/ GREGORY WALKER

Gregory Walker

*Vice President, Finance and Chief Financial Officer  
(principal financial and accounting officer)*

Date: May 24, 2012