

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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

<b>1. Name and Address of Reporting Person*</b> <u>MELMAN P STEVEN</u>  (Last) (First) (Middle) <u>333 WEST SAN CARLOS STREET</u> <u>SUITE 700</u>  (Street) <u>SAN JOSE CA 95110</u>  (City) (State) (Zip)	<b>2. Issuer Name and Ticker or Trading Symbol</b> <u>PDF SOLUTIONS INC [ PDFS ]</u>	<b>5. Relationship of Reporting Person(s) to Issuer</b> (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>VP Investor Relations</u>
	<b>3. Date of Earliest Transaction (Month/Day/Year)</b> <u>08/18/2008</u>	
<b>4. If Amendment, Date of Original Filed (Month/Day/Year)</b>		

**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)			
Common Stock							136,730 <sup>(1)</sup>	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)		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 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)	\$12.87	08/18/2008		D			20,000	(2)	05/06/2012	Common Stock	20,000	\$0.00 <sup>(3)</sup>	0	D	
Restricted Stock Right	(4)	08/18/2008		A			4,763	(5)	(5)	Common Stock	4,763	\$0.00 <sup>(3)</sup>	4,763	D	
2001 Stock Plan Option (Right to Buy)	\$14.58	08/18/2008		D			28,000	(6)	10/26/2015	Common Stock	28,000	\$0.00 <sup>(7)</sup>	0	D	
Restricted Stock Right	(4)	08/18/2008		A			6,667	(8)	(8)	Common Stock	6,667	\$0.00 <sup>(7)</sup>	6,667	D	
2001 Stock Plan Option (right to buy)	\$14.04	08/18/2008		D			21,000	(9)	10/31/2016	Common Stock	21,000	\$0.00 <sup>(10)</sup>	0	D	
Restricted Stock Right	(4)	08/18/2008		A			5,000	(11)	(11)	Common Stock	5,000	\$0.00 <sup>(10)</sup>	5,000	D	

**Explanation of Responses:**

- Includes 3,818 shares of Common Stock that were purchased under the PDF Solutions, Inc. Employee Stock Purchase Plan as follows: 1,044 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 May 7, 2003 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.
- 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 May 7, 2002. In exchange for the option, the reporting person received 4,763 restricted stock rights.
- Each restricted stock right ("RSR") represents a bookkeeping entry equal in value to one (1) share of common stock of PDF Solutions, Inc.

5. 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.

6. The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on October 27, 2006 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.

7. 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 6,667 restricted stock rights.

8. 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.

9. 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 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.

10. 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 5,000 restricted stock rights.

11. 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.

**Remarks:**

/s/ P. Steven Melman                      08/20/2008

\*\* 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.

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