

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**

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* <u>MICHAELS KIMON</u>  (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 <u>PDF SOLUTIONS INC [ PDFS ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  <input checked="" type="checkbox"/> Director 10% Owner  <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Co-VP of Client Services</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>12/28/2006</u>	
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	12/28/2006		s <sup>(1)</sup>		100	D	\$14.85	1,440,376	D	
Common Stock	12/28/2006		S		200	D	\$14.87	1,440,176	D	
Common Stock	12/28/2006		S		200	D	\$14.88	1,439,976	D	
Common Stock	12/28/2006		S		500	D	\$14.89	1,439,476	D	
Common Stock	12/28/2006		S		1,000	D	\$14.9	1,438,476	D	
Common Stock	12/28/2006		S		1,000	D	\$14.91	1,437,476	D	
Common Stock	12/28/2006		S		200	D	\$14.92	1,437,276	D	
Common Stock	12/28/2006		S		200	D	\$14.93	1,437,076	D	
Common Stock	12/28/2006		S		200	D	\$14.94	1,436,876	D	
Common Stock	12/28/2006		S		300	D	\$14.95	1,436,576	D	
Common Stock	12/28/2006		S		200	D	\$14.96	1,436,376	D	
Common Stock	12/28/2006		S		500	D	\$14.97	1,435,876	D	
Common Stock	12/28/2006		S		100	D	\$14.99	1,435,776	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		Date Exercisable	Expiration Date					

**Explanation of Responses:**

1. All sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 Sales Plan dated August 22, 2006 between Mr. Michaels and his broker.

**Remarks:**

/s/ P. Steven Melman,  
Attorney-in-Fact for Kimon     12/28/2006  
Michaels

\*\* 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.**