
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of Earliest Event Reported): September 15, 2006

PDF SOLUTIONS, INC.

(Exact name of registrant as specified in its charter)

000-31311
(Commission File Number)

Delaware
(State or Other Jurisdiction of
Incorporation)

25-1701361
(I.R.S. Employer Identification No.)

**333 West San Carlos Street, Suite 700
San Jose, CA 95110**
(Address of principal executive offices, with zip code)

(408) 280-7900
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry into a Material Definitive Agreement.

On September 18, 2006, PDF Solutions, Inc. (the "Company") entered into its standard form Indemnity Agreement with Dr. Thomas Caulfield, the Company's newly elected director as described below. The agreement requires the Company to indemnify Dr. Caulfield against any liabilities that may arise by reason of his status or service as a director of the Company subject to customary exclusions and provisions, including advancement of expenses in certain circumstances. The foregoing description of the agreement is a general description only and is qualified in its entirety by reference to the Company's standard form of Indemnification Agreement, a copy of which is attached as Exhibit 10.7 to the Company's Registration Statement on Form S-1 filed on August 7, 2000, and is incorporated herein by reference.

Item 5.02. Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

(b) *Departure of Director.* Effective as of September 15, 2006, B.J. Cassin resigned from the Company's Board of Directors.

(d) *Election of Director.* Effective as of September 15, 2006, the Company's Board of Directors elected Dr. Thomas Caulfield to the Company's Board of Directors to fill the vacancy therein. Dr. Caulfield will serve as a Class I Director with a term ending on the annual meeting of the Company's stockholders that occurs after the fiscal year ending December 31, 2007 or until his successor has been duly elected and qualified.

A copy of the press release announcing this election is attached to this Form 8-K as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release dated September 18, 2006 regarding the election of Thomas Caulfield to the Registrant's Board of Directors

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDF SOLUTIONS, INC.
(Registrant)

By: /s/ Keith A. Jones
Keith A. Jones
*Vice President, Finance and
Chief Financial Officer*

Dated: September 19, 2006

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated September 18, 2006 regarding the election of Thomas Caulfield to the Registrant's Board of Directors

News Release

Investor Relations Contact:
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Investor Relations Contact:
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Dr. Thomas Caulfield Joins PDFS Board of Directors

SAN JOSE, Calif.—September 18, 2006—PDF Solutions, Inc. (Nasdaq: PDFS), the leading provider of process-design integration technologies to enhance IC manufacturability, today announced the addition of Dr. Thomas Caulfield to its Board of Directors and the resignation of B.J. Cassin.

Dr. Caulfield currently serves as Executive Vice President of Sales, Marketing & Customer Satisfaction for Novellus Systems Inc. Prior to joining Novellus in October 2005, Dr. Caulfield had been employed at IBM for 16 years, serving in several executive management positions. Most recently he served as Vice President of 300MM Semiconductor Operations and was responsible for IBM's premiere semiconductor facility in East Fishkill, New York. Prior to joining IBM, Dr. Caulfield worked at Phillips Laboratory as a senior member of the research staff and began his working career at Columbia University. Dr. Caulfield received a B.S. in Physics from St. Lawrence University and a B.S., M.S., and a Ph.D in Materials Science/Metallurgy from Columbia University.

"We are pleased to have Tom join our board at this time," stated John K. Kibarian, PDF Solutions Chief Executive Officer and President. "His in-depth industry knowledge and experience are a great opportunity for PDF Solutions as it continues defining, and leading, the process-design integration market."

Mr. Cassin had served on the PDF Solutions Board of Director since November 1995. "We thank B.J. for his contribution to the growth of PDF Solutions over the last eleven years and wish him well in his future endeavors," added Kibarian.

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About PDF Solutions:

PDF Solutions, Inc. (Nasdaq: PDFS) is the leading provider of process-design integration technologies for manufacturing integrated circuits (ICs). PDF Solutions' software, methodologies and services enable semiconductor companies to create IC designs that can be more easily manufactured using manufacturing processes that are more capable. By simulating deep sub-micron product and process interactions, the PDF solution offers clients reduced time to market, increased IC yield and performance, and enhanced product reliability and profitability. Headquartered in San Jose, Calif., PDF Solutions operates worldwide with additional offices in Europe, Japan and China. For more information, visit www.pdf.com.

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