

MELMAN P STEVEN
 Form 4
 February 02, 2006

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

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]

3. Date of Earliest Transaction (Month/Day/Year)
 01/31/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP Investor Relations

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 01/31/2006 | | M | | 10,000 A \$ 6.39 | 179,967 ⁽¹⁾ | D |
| Common Stock | 01/31/2006 | | S | | 10,000 D \$ 17.01 | 169,967 | D |
| Common Stock | 01/31/2006 | | M | | 7,500 A \$ 12.87 | 177,467 | D |
| Common Stock | 01/31/2006 | | S | | 7,500 D \$ 17.05 | 169,967 | D |
| Common Stock | 01/31/2006 | | M | | 37,500 A \$ 12.87 | 207,467 | D |

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| | | | | | | | |
|--------------|------------|---|--------|---|-----------|---------|---|
| Common Stock | 01/31/2006 | S | 37,500 | D | \$ 17.1 | 169,967 | D |
| Common Stock | 01/31/2006 | M | 10,000 | A | \$ 12.87 | 179,967 | D |
| Common Stock | 01/31/2006 | S | 10,000 | D | \$ 17.125 | 169,967 | D |
| Common Stock | 01/31/2006 | M | 5,000 | A | \$ 12.87 | 174,967 | D |
| Common Stock | 01/31/2006 | S | 5,000 | D | \$ 17.15 | 169,967 | D |

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

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(9-02)

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 Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| 2001 Stock Plan Option (Right to Buy) | \$ 12.87 | 01/31/2006 | | M | 7,500 | (2) 05/06/2012 | Common Stock | 7,500 | |
| 2001 Stock Plan Option (Right to Buy) | \$ 12.87 | 01/31/2006 | | M | 37,500 | (2) 05/06/2012 | Common Stock | 37,500 | |
| 2001 Stock Plan Option | \$ 12.87 | 01/31/2006 | | M | 10,000 | (2) 05/06/2012 | Common Stock | 10,000 | |

(Right to Buy)

| | | | | | | | | |
|---|----------|------------|---|-------|-----|------------|-----------------|-------|
| 2001 Stock Plan Option (Right to Buy) | \$ 12.87 | 01/31/2006 | M | 5,000 | (2) | 05/06/2012 | Common Stock | 5,000 |
|---|----------|------------|---|-------|-----|------------|-----------------|-------|

(Right to Buy)

| | | | | | | | | |
|---|---------|------------|---|--------|------------|------------|-----------------|--------|
| 2001 Stock Plan Option (Right to Buy) | \$ 6.39 | 01/31/2006 | M | 10,000 | 04/21/2004 | 04/20/2013 | Common Stock | 10,000 |
|---|---------|------------|---|--------|------------|------------|-----------------|--------|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MELMAN P STEVEN 333 WEST SAN CARLOS STREET SUITE 700 SAN JOSE, CA 95110 | | | VP Investor Relations | |

Signatures

/s/ P. Steven
Melman 02/01/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * 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).
- (1) Includes 335 shares of Common Stock that were purchased on December 31, 2005 under the PDFS Employee Stock Purchase Plan.
The original stock option grant awarded on May 7, 2002 granted the Reporting Person the right to buy 80,000 shares of common stock of
- (2) PDFS (the "Total Shares"). 20,000 of the Total Shares vested on May 7, 2003 and 1/48th of the Total Shares continued to vest on the 7th day of each month thereafter. Currently 73,332 shares of the Total Shares are exercisable.

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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