

Jones Keith A  
 Form 4  
 December 17, 2009

**FORM 4**

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

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 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 \*  
 Jones Keith A

(Last) (First) (Middle)

333 WEST SAN CARLOS ST., 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)  
 12/16/2009

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 Finance & CFO

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	12/16/2009 <sup>(1)(2)(3)</sup>		A		1,167	A	② 49,930
Common Stock	12/16/2009 <sup>(1)(3)(4)</sup>		A		11,667	A	④ 61,597 <sup>(5)</sup>

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

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SEC 1474 (9-02)

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**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)	8. Amount or Number of Shares
2001 Stock Plan Option (Right to Buy)	\$ 9.59	12/16/2009 <sup>(1)</sup>		D	3,500	<sup>(6)</sup> 05/02/2014	Common Stock	3,500
2001 Stock Plan Option (Right to Buy)	\$ 8.92	12/16/2009 <sup>(1)</sup>		D	35,000	<sup>(7)</sup> 11/06/2017	Common Stock	35,000

**Reporting Owners**

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Jones Keith A 333 WEST SAN CARLOS ST. SUITE 700 SAN JOSE, CA 95110			VP Finance & CFO	

**Signatures**

/s/ Joy E. Leo, Attorney-in-Fact for Keith A.  
 Jones 12/17/2009  
 \*\*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).
- All transactions on this Form 4 report occurred immediately following the close of PDF Solutions, Inc.'s ("PDFS") offer to exchange  
 (1) described in Schedule TO-1 filed on November 17, 2009, as amended (the "Exchange Offer"). The close of the Exchange Offer occurred at 12 a.m. EST on December 16, 2009 (the "Transaction Date").  
 (2)

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Pursuant to the Exchange Offer, on the Transaction Date, PDFS cancelled an option granted to the reporting person on May 3, 2004. In exchange for the cancelled option, the reporting person received 1,167 RSRs which will vest as to 25% on March 15, 2010, 25% on September 15, 2010, 25% on March 15, 2011 and 25% on September 15, 2011, subject to the reporting person's continued service with PDFS, or an affiliate thereof, through each vesting date (the "RSR Vesting Schedule").

- (3) Each RSR represents a bookkeeping entry equal in value to 1 share of PDFS common stock that will be automatically settled in shares upon vesting of the RSR.

Pursuant to the Exchange Offer, on the Transaction Date, PDFS cancelled an option granted to the reporting person on November 7, 2007. In exchange for the cancelled option, the reporting person received 11,667 RSRs which will vest in accordance with the RSR Vesting Schedule.

- (5) This amount includes 38,027 RSRs, each of which represents a bookkeeping entry equal in value to 1 share of PDFS common stock that will be automatically settled in shares upon vesting of the RSR. This amount also includes 23,570 shares of outstanding PDFS common stock.

- (6) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on May 3, 2005 and 1/48th of the total shares vested on the 5th day of each month thereafter, subject to the reporting person's continued service with PDFS, or an affiliate thereof, through each vesting date. The options were fully vested at the time of cancellation.

- (7) The cancelled option provided for vesting as follows: 12/48ths of the total shares subject to the option vested on November 7, 2008 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 PDFS, or an affiliate thereof, through each vesting date.

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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