

PDF SOLUTIONS INC
 Form 5
 February 17, 2009

FORM 5

**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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
MICHAELS KIMON
 (Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol
PDF SOLUTIONS INC [PDFS]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Co-VP of Client Services

333 WEST SAN CARLOS STREET, SUITE 700
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2008

SAN JOSE, CA 95110
 (City) (State) (Zip)

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

6. Individual or Joint/Group Reporting
 (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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	Â	Â	Â	Â	Â	D	Â
Common Stock	Â	Â	Â	Â	63,694 (1)	I	By Spouse

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

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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 Underlying Securities (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
2001 Stock Plan Option (right to buy)	\$ 6.55	04/01/2003	Â	J	12,500	Â	Â <u>(2)</u>	03/31/2013	Common Stock	12,500
2001 Stock Plan Option (right to buy)	\$ 9.59	05/03/2004	Â	J	19,000	Â	Â <u>(2)</u>	05/02/2014	Common Stock	19,000
2001 Stock Plan Option (right to buy)	\$ 8.92	11/07/2007	Â	J	20,000	Â	Â <u>(3)</u>	11/06/2017	Common Stock	20,000
Restricted Stock Right	Â	08/19/2008	Â	J	8,664	Â	Â <u>(5)</u>	Â <u>(5)</u>	Common Stock	8,664
Restricted Stock Right	Â	08/19/2008	Â	J	1,668	Â	Â <u>(6)</u>	Â <u>(6)</u>	Common Stock	1,668
Restricted Stock Right	Â	08/19/2008	Â	J	3,334	Â	Â <u>(7)</u>	Â <u>(7)</u>	Common Stock	3,334

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MICHAELS KIMON 333 WEST SAN CARLOS STREET SUITE 700 SAN JOSE, CA 95110	Â X	Â	Â Co-VP of Client Services	Â

Signatures

/s/ Kimon
Michaels

02/14/2009

**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).
- (1) See remarks.
- (2) These options are currently fully vested and exercisable.
- (3) 12/48ths of the total number of shares subject to the option (the "Total Shares") vested on November 7, 2008 and 1/48th of the Total Shares vest on the 8th day of each month thereafter.
- (4) Each restricted stock right ("RSR") represents a bookkeeping entry equal in value to one (1) share of common stock of PDF Solutions, Inc.

50% of the total number of rights will vest on May 15, 2009 and 50% will vest six (6) months thereafter, subject to continued service with PDF Solutions, Inc., or an eligible affiliate thereof, through each vesting date and subject to accelerated vesting in certain circumstances. The Restricted Stock Right ("RSR") will be automatically settled in shares upon vesting of the RSR.
- (5) 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 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) 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 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.
- (7)

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Remarks:

This Form 5 is filed only for the purpose of updating the Reporting Person's beneficial ownership.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.