

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): August 4, 2008

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 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On August 6, 2008, PDF Solutions, Inc. (the “Company”) received notice from the staff of the Nasdaq Stock Market (“Nasdaq”) indicating that, due to the August 4, 2008 resignation of Susan H. Billat as a member of the Company’s Board of Directors (including her position as a member of the Board’s Audit Committee), the Company was not currently in compliance with Nasdaq Marketplace Rule 4350(d)(2) which requires listed companies to have at least three members on the Board’s Audit Committee, and Nasdaq Marketplace Rule 4350(c)(1) which requires listed companies to have a majority of independent board members on their Board of Directors. As a result of Ms. Billat’s resignation, the Board’s Audit Committee currently has two members and the Company’s Board of Directors does not have a majority of independent directors. However, consistent with Marketplace Rule 4350(d)(4), Nasdaq will provide the Company with a cure period until the earlier of the date of the Company’s next annual meeting of the stockholders and August 4, 2009.

In accordance with Marketplace Rule 4803(a), on August 8, 2008, the Company issued a press release announcing the Company’s receipt of the Nasdaq listing standards notice, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K.

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

On August 4, 2008, Susan H. Billat resigned as a director of the Company to spend more time with her family. Ms. Billat’s resignation was not as a result of a disagreement with the Company on any matter relating to its operations, policies or practices.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated August 8, 2008.

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: August 8, 2008

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated August 8, 2008.

News Release

Investor Relations Contact:
Steven Melman, VP, Investor Relations
PDF Solutions, Inc.
Tel: (408) 938-6445
Email: steve.melman@pdf.com

Investor Relations Contact:
Sonia Segovia, IR Coordinator
PDF Solutions, Inc.
Tel: (408) 938-6491
Email: sonia.segovia@pdf.com

**PDF Solutions® Receives Notice Pursuant
to Nasdaq Marketplace Rule 4803(a)**

Sue Billat Resigns from Board to Spend More Time with Family

SAN JOSE, Calif.—August 8, 2008—PDF Solutions, Inc. (Nasdaq: PDFS), the leading provider of yield improvement technologies and services for the integrated circuit (IC) manufacturing process life cycle, today announced that the Company received a letter on August 6, 2008 from the staff of the Nasdaq Stock Market stating that the Company is not currently in compliance with Nasdaq Marketplace Rule 4350(d)(2), which requires listed companies to have at least three members on the Board's Audit Committee, and Nasdaq Marketplace Rule 4350(c)(1), which requires listed companies to have a majority of independent board members. Such notice was the result of the August 4, 2008 resignation of Susan H. Billat from the Board of Directors (including her position as a member of the Board's Audit Committee) to spend more time with her family. Her resignation was not as a result of a disagreement with the Company on any matter relating to its operations, policies or practices. Ms. Billat's resignation has temporarily reduced PDF Solution's Audit Committee to two members and results in less than a majority of independent directors on the Company's Board of Directors. Nasdaq has requested that the Company regain compliance with these Nasdaq rules no later than the earlier of PDF's next annual meeting of stockholders or August 4, 2009.

Ms. Billat has served on the PDF Solutions Board of Directors since September 2003. "We thank Sue for her contribution to the growth of PDF Solutions over the last 5 years and wish her well in her future endeavors," stated John Kibarian, PDF Solutions Chief Executive Officer and President.

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About PDF Solutions:

PDF Solutions, Inc. (NASDAQ: PDFS) is the leading provider of yield improvement technologies and services for the IC manufacturing process life cycle. PDF Solutions offers solutions that are designed to enable clients to lower costs of IC design and manufacture, enhance time to market, and improve profitability by addressing design and manufacturing interactions from product design to initial process ramps to mature manufacturing operations. PDF Solutions' Characterization Vehicle® (CV®) test chips provide the core modeling capabilities, and are used by more leading manufacturers than any other test chips in the industry. PDF Solutions' industry leading yield management system software, *dataPOWER*®, and fault detection and classification software, *mæstria*®, enhance yield improvement and production control activities at leading fabs around the world. Headquartered in San Jose, Calif., PDF Solutions operates worldwide with additional offices in China, Europe, Japan, Korea, Singapore, and Taiwan. For the company's latest news and information, visit <http://www.pdf.com/>.

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