LANZA LUCIO
Form 5
February 14, 2008

FORM 5

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

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

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

1. Name and Address of Reporting Person *
LANZA LUCIO

(Last) (First) (Middle)

165 UNIVERSITY AVE.,Â SUITE 200

(Street)

PALO ALTO,Â CAÂ 94301

(City) (State) (Zip)

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

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
12/31/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Reporting

(check applicable line)

_X_ 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 Indirect Beneficial Ownership (Instr. 4)
				Amount	(A) or (D)	Price			
Common Stock	05/24/2007	Â	A4(1)	35,722 (2)	A	$ (1)	110,996	D	Â
Common Stock	05/24/2007	Â	A4(1)	121,720 (3)	A	$ (1)	121,720	I	By Lanza techVentures (4)

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 of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. of D Se Be O En Is Fi (I
					(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LANZA LUCIO 165 UNIVERSITY AVE. SUITE 200 PALO ALTO,Â CAÂ 94301	Â X	Â	Â	Â

Signatures

/s/ P. Steven Melman, Attorney-in-Fact for Lucio Lanza	02/14/2008
**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) On May 24, 2007, a wholly owned subsidiary of Issuer acquired Fabbrix, Inc. pursuant to a merger agreement. The reporting person acquired a beneficial ownership interest in 157,442 shares of Issuer's common stock, plus cash, in exchange for his and Lanza techVenture's interest/common stock of Fabbrix, Inc. The value on the Issuer's common stock for purposes of the purchase price of the Fabbrix stock was calculated at $10.497 per share based on an average closing price. During the next 48 months, the reporting owner and Lanza techVentures are entitled to receive additional cash and shares of Issuer's common stock based on achievement of specific revenue goals as set forth in the merger agreement. The deemed value of the earn-out shares shall be based on closing share average price formula set forth in the merger agreement. The earn-out consideration will be payable quarterly/annually according to the relevant provisions in the merger agreement.

(2) Of these 35,722 shares, 5,358 are held in escrow and are subject to forfeiture during the 18 month period following the merger to satisfy claims arising as a result of Fabbrix's breach of any of its representations and warranties or covenants in the merger agreement.

(3) Of these 121,720 shares, 18,258 shares are held in escrow and are subject to forfeiture during the 18 month period following the merger to satisfy claims arising as a result of Fabbrix's breach of any of its representations and warranties or covenants in the merger agreement.

(4) The reporting owner is the managing director of Lanza techVentures, an early stage venture capital and investment firm which he founded in January 2001.

Note: File three copies of this Form, one of which must be manually signed. If space provided is insufficient, *see* Instruction 6 for procedure.

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