

**FORM 3**

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

OMB APPROVAL	
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**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF  
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person * Smith Jeffrey Edward  (Last) (First) (Middle) 6 BRADSON COURT  (Street) WESTFIELD, NJ 07090  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 05/15/2006	3. Issuer Name <b>and</b> Ticker or Trading Symbol PDI INC [PDII]	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chief Fin'l Officer/Treasurer	
		5. If Amendment, Date Original Filed(Month/Day/Year)  6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock (1)	7,424	D	

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

SEC 1473 (7-02)

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Stock-settled stock appreciation rights to buy (2)	(3)	05/15/2011	Common Stock	15,662	\$ 13.47	D	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Smith Jeffrey Edward 6 BRADSON COURT WESTFIELD, NJ 07090			Chief Fin'l Officer/Treasurer	

## Signatures

/s/ Jeffrey E. Smith	05/24/2006
<small>**Signature of Reporting Person</small>	<small>Date</small>

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 5(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 15, 2006, upon commencement of his employment with PDI, Inc. as its Chief Financial Officer and Treasurer, Mr. Smith was granted 7,424 restricted shares of common stock which vest on May 15, 2009.

On May 15, 2006, upon commencement of his employment with PDI, Inc. as its Chief Financial Officer and Treasurer, Mr. Smith was  
(2) granted 15,662 stock-settled stock appreciation rights to buy common stock which vest ratably over the three-year period ending May 15, 2009.

(3) The grant vests ratably over the three-year period ending May 15, 2009.

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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