

PIXELWORKS INC
Form 4
February 17, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
ALLEY ALLEN H

(Last) (First) (Middle)
8100 SW NYBERG RD.
(Street)

TUALATIN, OR 97062

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PIXELWORKS INC [PXLW]

3. Date of Earliest Transaction
(Month/Day/Year)
02/15/2006

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)
President and Chief Executive

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) | 1,810,683 | D | |

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|-------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number of Shares |
| Non-Qualified Stock Option (right to buy) | \$ 5.02 | 02/15/2006 | | A | 50,000 | (1) | 02/15/2016 | Common Stock | 50,000 |
| Incentive Stock Option (right to buy) | \$ 0.26 | | | | | (2) | 01/20/2009 | Common Stock | 33,000 |
| Incentive Stock Option (right to buy) | \$ 16.5 | | | | | (3) | 01/02/2012 | Common Stock | 7,100 |
| Incentive Stock Option (right to buy) | \$ 22.063 | | | | | (4) | 01/02/2011 | Common Stock | 19,000 |
| Non-Qualified Stock Option (right to buy) | \$ 7.57 | | | | | (5) | 01/31/2013 | Common Stock | 100,000 |
| Non-Qualified Stock Option (right to buy) | \$ 9.48 | | | | | (6) | 03/04/2015 | Common Stock | 100,000 |
| Non-Qualified Stock Option (right to buy) | \$ 15.41 | | | | | (7) | 03/09/2014 | Common Stock | 100,000 |
| Non-Qualified Stock Option (right to buy) | \$ 16.5 | | | | | (3) | 01/02/2012 | Common Stock | 92,000 |
| Non-Qualified Stock Option (right to buy) | \$ 22.063 | | | | | (4) | 01/02/2011 | Common Stock | 30,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| ALLEY ALLEN H 8100 SW NYBERG RD. TUALATIN, OR 97062 | X | | President and Chief Executive | |

Signatures

Allen H. Alley

02/16/2006

**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) The options become exercisable on a monthly basis over a 4-year period which commences February 15, 2006, as follows: 10% exercisable as of February 15, 2007, 20% exercisable as of February 15, 2008, 30% as of February 15, 2009 and 40% exercisable as of February 15, 2010.

(2) The options become exercisable over a 4-year period which commenced on January 31, 2000, as follows: 8,438 shares exercisable as of January 31, 2000, 703 shares exercisable every month thereafter for 35 months and 707 shares exercisable on January 31, 2003.

(3) The options become exercisable on a monthly basis over a 4-year period which commenced on January 31, 2002, as follows: 10% exercisable as of January 31, 2003, 20% exercisable as of January 31, 2004, 30% exercisable as of January 31, 2005 and 40% exercisable as of January 31, 2006.

(4) The options become exercisable on a monthly basis over a 4-year period which commenced on January 31, 2001, as follows: 10% exercisable as of January 31, 2002, 20% exercisable as of January 31, 2003, 30% exercisable as of January 31, 2004 and 40% exercisable as of January 31, 2005.

(5) The options become exercisable on a monthly basis over a 4-year period which commenced on January 31, 2002, as follows: 10% exercisable as of January 31, 2003, 20% exercisable as of January 31, 2004, 30% exercisable as of January 31, 2005 and 40% exercisable as of January 31, 2006.

(6) The options become exercisable monthly over a 4-year period which commenced on March 4, 2005, with 10% becoming exercisable by March 4, 2006, 20% becoming exercisable by March 4, 2007, 30% becoming exercisable by March 4, 2008, and 40% becoming exercisable by March 4, 2009.

(7) The option becomes exercisable on a monthly basis over a four year period which commences on March 31, 2004 as follows: 10% exercisable as of March 31, 2005, 20% exercisable as of March 31, 2006, 30% exercisable as of March 31, 2007, and 40% exercisable as of March 31, 2008.

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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