

PIXELWORKS, INC
Form 4
August 03, 2006

FORM 4

**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).

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 *
GIBSON C SCOTT

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/03/2006

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

TUALATIN, OR 97062

(City) (State) (Zip)

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

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/03/2006		P	V Amount (A) or (D) Price \$ 15,000 A 2.242	15,000	D	
Common Stock					13,000	I	by Spouse

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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25% becomes exercisable on the first anniversary of the date of grant, with the remaining 75% becoming exercisable ratably on a monthly basis beginning the day after the first anniversary and ending on the fourth anniversary of the date of grant.

- (2) The options become exercisable over a 4-year period, as follows: 5,625 shares exercisable as of May 23, 2004, 468.75 shares exercisable every month thereafter for 36 months.
- (3) The option becomes exercisable over a 4-year period which commenced on May 24, 2005, as follows: 2,500 shares exercisable as of May 24, 2006, 208.3 shares exercisable every month thereafter for 36 months through May 24, 2009.
- (4) The options become exercisable over a 4-year period which commenced on May 31, 2002, as follows: 13,750 shares exercisable as of May 31, 2003, 1,145.8 shares become exercisable every month thereafter for 36 months.
- (5) The options become exercisable over a 4-year period, as follows: 5,625 shares exercisable as of May 25, 2005, 468.75 shares exercisable every month thereafter for 36 months.

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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