

PIXELWORKS, INC
Form 4
December 05, 2006

FORM 4

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

OMB APPROVAL

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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 *
Brady Jodie FT

(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)
12/04/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Vice President, Bus Ops

6. Individual or Joint/Group Filing(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 Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (D) | Price |

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)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) Code | (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title |
|---|------------------------------|------------------|------------------|---|--------|------------------|-----------------|--------------|
| | | | | (A) | (D) | | | |
| Incentive Stock Option (right to buy) | \$ 18.188 | 12/04/2006 | J ⁽¹⁾ | | 3,000 | ⁽²⁾ | 06/08/2010 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 2.49 | 12/04/2006 | A | 42,248 | | ⁽³⁾ | 12/04/2013 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 5.02 | 12/04/2006 | J ⁽¹⁾ | | 80,000 | ⁽⁴⁾ | 02/15/2016 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 6.46 | 12/04/2006 | J ⁽¹⁾ | | 47,500 | ⁽²⁾ | 07/23/2013 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 8.249 | 12/04/2006 | J ⁽¹⁾ | | 13,317 | ⁽²⁾ | 06/03/2012 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 8.5 | 12/04/2006 | J ⁽¹⁾ | | 1,375 | ⁽²⁾ | 04/02/2011 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 9.28 | 12/04/2006 | J ⁽¹⁾ | | 5,800 | ⁽²⁾ | 02/02/2015 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 14.84 | 12/04/2006 | J ⁽¹⁾ | | 10,000 | ⁽²⁾ | 06/21/2014 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 17.625 | 12/04/2006 | J ⁽¹⁾ | | 8,000 | ⁽²⁾ | 01/05/2011 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 2.43 | | | | | ⁽²⁾ | 12/08/2009 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Brady Jodie FT 8100 SW NYBERG RD. TUALATIN, OR 97062 | | | Vice President, Bus Ops | |

Signatures

Jodie F. T.
Brady

12/05/2006

__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) Option grant was voluntarily surrendered pursuant to the option exchange program. All outstanding options thereunder were canceled and a new option was granted in accordance with the terms of the option exchange program.
 - (2) The options become exercisable on a monthly basis at a rate of 10% in year 1, 20% in year 2, 30% in year 3 and 40% in year 4, which commences on the last day of the month the option is granted.
 - (3) Options become exercisable over 18 months as follows: 33.3% on June 30, 2007 and 66.7% becoming exercisable at a rate of 5.56% on a monthly basis thereafter over 12 months, or through June 30, 2008.

The options become exercisable on a monthly basis over a 4-year period which commences February 15, 2006, as follows: 10%
 - (4) 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.