

PIXELWORKS INC
Form 4
February 17, 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 *
ZHANG HONGMIN

(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)
Vice President, Technology

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)	12,609	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)	Amount of Shares
Non-Qualified Stock Option (right to buy)	\$ 5.02	02/15/2006		A	70,000	(1) 02/15/2016	Common Stock	70,000
Non-Qualified Stock Option (right to buy)	\$ 8.249					(2) 06/03/2012	Common Stock	6,000
Non-Qualified Stock Option (right to buy)	\$ 9.22					(3) 10/01/2013	Common Stock	150,000
Non-Qualified Stock Option (right to buy)	\$ 9.48					(4) 03/04/2015	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 10.25					(5) 01/15/2012	Common Stock	275,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ZHANG HONGMIN 8100 SW NYBERG RD. TUALATIN, OR 97062			Vice President, Technology	

Signatures

Hongmin Zhang 02/16/2006
 **Signature of Date
 Reporting Person

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).
- The options become exercisable on a monthly basis over a 4-year period which commences February 15, 2006, as follows:
- (1) 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 on a monthly basis over a 4-year period which commenced on June 30, 2002, as follows: 10% exercisable as of June 30, 2003, 20% exercisable as of June 30, 2004, 30% exercisable as of June 30, 2005 and 40% exercisable as of June 30, 2006.

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June 30,2006.

- The option becomes exercisable on a monthly basis over a four year period which commences on October 31, 2003 as follows: 10% exercisable as of October 31, 2004, 20% exercisable as of October 31, 2005, 30% exercisable as of October 31, 2006, and 40% exercisable as of October 31, 2007.
- (3)

- 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.
- (4)

- The options become exercisable over a 4-year period which commenced on January 31, 2002, as follows: 40% exercisable as of January 31, 2003, beginning February 28, 2003 options vest monthly with a total of 30% exercisable as of January 31, 2004, 20% exercisable as of January 31, 2005 and 10% exercisable as of January 31,2006.
- (5)

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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