

PIXELWORKS INC
Form 4
February 07, 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 *
ODonnell John S

(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)
02/07/2006

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	02/07/2006		M		15,000	A	\$ 0.07
Common Stock	02/07/2006		S		15,000	D	\$ 4.55

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

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SEC 1474 (9-02)

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

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)	8. Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 0.07	02/07/2006		M	15,000	(1) (2)	Common Stock	15,000
Incentive Stock Option (right to buy)	\$ 6.58					(3) 04/22/2015	Common Stock	79,900
Non-Qualified Stock Option (right to buy)	\$ 0.07					(4) (5)	Common Stock	4,900
Non-Qualified Stock Option (right to buy)	\$ 9.25					(6) 06/14/2015	Common Stock	70,000

Reporting Owners

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

Signatures

John S
ODonnell
02/07/2006

**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).

222,397 shares are exercisable on the grant date of June 14, 2005. The remaining 5 shares become exercisable as follows: 0.5 shares (1) become exercisable every month for a 10 month period ending April 30, 2006. Options became exercisable for shares of Pixelworks common stock upon the Company's acquisition of Equator Technologies, Inc.

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- (2) 103 shares expire July 10, 2010, 28 shares expire April 18, 2012, 1,776 shares expire April 8, 2013, 186,647 shares expire April 6, 2014 and 33,848 shares expire September 15, 2014.
- 19,988 shares become exercisable as of April 30, 2006. 1,665.6 shares become exercisable every month thereafter for 36 months through
- (3) April 30, 2009. Options became exercisable for shares of Pixelworks common stock upon the Company's acquisition of Equator Technologies, Inc.
- 4,959 shares are exercisable on the grant date of June 14, 2005. The remaining 25 shares become exercisable as follows: 3.25 shares become exercisable every month for a 4 month period ending October 31, 2005 and 2 shares become exercisable every month thereafter for a 6 month period ending April 30, 2006. Options became exercisable for shares of Pixelworks common stock upon the Company's acquisition of Equator Technologies, Inc.
- (4)
- (5) 41 shares expire July 10, 2010, 578 shares expire March 29, 2011, 72 shares expire January 10, 2012, 72 shares expire July 18, 2012, 592 shares expire April 8, 2013 and 3,629 shares expire November 11, 2013.
- (6) The options become exercisable over a 4-year period which commenced on June 30, 2005, as follows: 17,513 shares exercisable as of June 30, 2006, 1,459.4 shares exercisable every month thereafter for 36 months through June 30, 2009.

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.