

PIXELWORKS, INC
Form SC 13D/A
March 07, 2014

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 7)^{1*}

PIXELWORKS, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

72581M305

(CUSIP Number)

Becker Drapkin Management, L.P.

Attn: Steven R. Becker

Attn: Matthew A. Drapkin

500 Crescent Court, Suite 230

Dallas, Texas 75201

(214) 756-6016

With a copy to:

Taylor H. Wilson

Haynes and Boone, LLP

2323 Victory Avenue, Suite 700

Dallas, Texas 75219

(214) 651-5615

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 7, 2014

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

¹ This filing constitutes Amendment No. 4 for Bradley Shisler and Amendment No. 7 for all other persons making this filing.

CUSIP No. 72581M305

(1) Names of reporting persons

Becker Drapkin Management, L.P.

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

AF, OO

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

Texas

(7) Sole voting power

Number of

shares

0

beneficially

(8) Shared voting power

owned by

each

292,822

(9) Sole dispositive power

reporting

person

0

with:

(10) Shared dispositive power

292,822

(11) Aggregate amount beneficially owned by each reporting person

292,822

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

1.3%

(14) Type of reporting person (see instructions)

IA, PN

CUSIP No. 72581M305

(1) Names of reporting persons

Becker Drapkin Partners (QP), L.P.

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

WC

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

Texas

(7) Sole voting power

Number of

shares

175,852

beneficially

(8) Shared voting power

owned by

each

0

(9) Sole dispositive power

reporting

person

175,852

(10) Shared dispositive power

with:

0

(11) Aggregate amount beneficially owned by each reporting person

175,852

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

0.8%

(14) Type of reporting person (see instructions)

PN

CUSIP No. 72581M305

(1) Names of reporting persons

Becker Drapkin Partners, L.P.

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

WC

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

Texas

(7) Sole voting power

Number of

shares

26,026

beneficially

(8) Shared voting power

owned by

each

0

(9) Sole dispositive power

reporting

person

26,026

(10) Shared dispositive power

with:

0

(11) Aggregate amount beneficially owned by each reporting person

26,026

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

0.1%

(14) Type of reporting person (see instructions)

PN

CUSIP No. 72581M305

(1) Names of reporting persons

BD Partners IV, L.P.

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

WC

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

Texas

(7) Sole voting power

Number of

shares

90,944

beneficially

(8) Shared voting power

owned by

each

0

(9) Sole dispositive power

reporting

person

90,944

with:

(10) Shared dispositive power

0

(11) Aggregate amount beneficially owned by each reporting person

90,944

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

0.4%

(14) Type of reporting person (see instructions)

PN

CUSIP No. 72581M305

(1) Names of reporting persons

BC Advisors, LLC

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

AF, OO

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

Texas

(7) Sole voting power

Number of

shares

0

beneficially

(8) Shared voting power

owned by

each

292,822

(9) Sole dispositive power

reporting

person

0

with:

(10) Shared dispositive power

292,822

(11) Aggregate amount beneficially owned by each reporting person

292,822

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

1.3%

(14) Type of reporting person (see instructions)

00

CUSIP No. 72581M305

(1) Names of reporting persons

Steven R. Becker

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

AF, OO

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

United States

(7) Sole voting power

Number of

shares

18,933¹

beneficially

(8) Shared voting power

owned by

each

292,822

(9) Sole dispositive power

reporting

person

18,933¹

with:

(10) Shared dispositive power

292,822

(11) Aggregate amount beneficially owned by each reporting person

311,755¹

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

1.4%

(14) Type of reporting person (see instructions)

IN

¹ Includes 5,000 shares of common stock of the issuer that the reporting person has the right to acquire within 60 days of the date of this Schedule 13D pursuant to stock options to acquire shares of common stock of the issuer.

CUSIP No. 72581M305

(1) Names of reporting persons

Matthew A. Drapkin

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

AF, OO

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

(7) Sole voting power

Number of

shares

0

beneficially

(8) Shared voting power

owned by

each

292,822

(9) Sole dispositive power

reporting

person

0

with:

(10) Shared dispositive power

292,822

(11) Aggregate amount beneficially owned by each reporting person

292,822

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

1.3%

(14) Type of reporting person (see instructions)

IN

CUSIP No. 72581M305

(1) Names of reporting persons

Bradley Shisler

(2) Check the appropriate box if a member of a group (see instructions)

(a) (b)

(3) SEC use only

(4) Source of funds (see instructions)

OO

(5) Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

(6) Citizenship or place of organization

United States

(7) Sole voting power

Number of

shares

23,561¹

beneficially

(8) Shared voting power

owned by

each

0

(9) Sole dispositive power

reporting

person

23,561¹

(10) Shared dispositive power

with:

0

(11) Aggregate amount beneficially owned by each reporting person

23,562¹

(12) Check if the aggregate amount in Row (11) excludes certain shares (see instructions) "

(13) Percent of class represented by amount in Row (11)

0.1%

(14) Type of reporting person (see instructions)

IN

¹ Includes 5,000 shares of common stock of the issuer that the reporting person has the right to acquire within 60 days of the date of this Schedule 13D pursuant to stock options to acquire shares of common stock of the issuer.

This Amendment No. 7 to Schedule 13D (this Amendment) is filed by and on behalf of each of the Reporting Persons to amend the Schedule 13D related to the Common Stock, \$0.001 par value (the Common Stock), of Pixelworks, Inc., an Oregon corporation (the Issuer) previously filed by the Reporting Persons with the Securities and Exchange Commission (the Commission) on December 15, 2011, as amended and/or supplemented by Amendment No. 1 to the Schedule 13D filed on December 29, 2011, Amendment No. 2 to the Schedule 13D filed on January 9, 2012, Amendment No. 3 to the Schedule 13D filed on February 10, 2012, Amendment No. 4 to the Schedule 13D filed on August 9, 2012, Amendment No. 5 to the Schedule 13D filed on November 20, 2013 and Amendment No. 6 to the Schedule 13D filed on February 13, 2014 (as amended, the Schedule 13D). This Amendment is filed to disclose (i) changes to beneficial ownership as a result of the disposition of shares of Common Stock by certain of the Reporting Persons, (ii) changes to beneficial ownership as a result of the forfeiture of unvested shares of restricted stock of the Issuer and the forfeiture of unvested option grants of the Issuer by certain of the Reporting Persons, and (iii) that the Reporting Persons cease to be the beneficial owners of more than five percent of the Common Stock. Each capitalized term used and not defined herein shall have the meaning assigned to such term in the Schedule 13D. Except as otherwise provided herein, each Item of the Schedule 13D remains unchanged. This Amendment constitutes an exit filing with respect to the Schedule 13D for the Reporting Persons.

Item 4. Purpose of Transaction

Pursuant to Section 6 of that certain Agreement by and among Pixelworks, Inc., an Oregon corporation (the Company), Steven R. Becker, Matthew A. Drapkin, Bradley Shisler, BC Advisors, LLC, Becker Drapkin Management, L.P., Becker Drapkin Partners (QP), L.P., Becker Drapkin Partners, L.P., and BD Partners IV, L.P., Messrs. Becker and Shisler resigned from the Board of Directors of the Issuer effective as of March 7, 2014. The resignation letter of Mr. Becker is filed as Exhibit 99.5 to this Schedule 13D and incorporated by reference herein. The resignation letter of Mr. Shisler is filed as Exhibit 99.6 to this Schedule 13D and incorporated by reference herein.

Item 5. Interest in Securities of the Issuer

Item 5 of the Schedule 13D is hereby amended and restated in its entirety as follows:

(a) The aggregate number and percentage of the class of securities identified pursuant to Item 1 beneficially owned by each Reporting Person is stated in Items 11 and 13 on the cover page(s) hereto.

Each Reporting Person declares that neither the filing of this Schedule 13D nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, the beneficial owner of any securities covered by this Schedule 13D.

Each Reporting Person may be deemed to be a member of a group with respect to the Issuer or securities of the Issuer for the purposes of Section 13(d) or 13(g) of the Act. Each Reporting Person declares that neither the filing of this Schedule 13D nor anything herein shall be construed as an admission that such person is, for the purposes of Section 13(d) or 13(g) of the Act or any other purpose, (i) acting (or has agreed or is agreeing to act) with any other person as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the Issuer or otherwise with respect to the Issuer or any securities of the Issuer or (ii) a member of any syndicate or group with respect to the Issuer or any securities of the Issuer.

(b) Number of shares as to which each Reporting Person has:

(i) sole power to vote or to direct the vote:

See Item 7 on the cover page(s) hereto.

(ii) shared power to vote or to direct the vote:
See Item 8 on the cover page(s) hereto.

(iii) sole power to dispose or to direct the disposition of:
See Item 9 on the cover page(s) hereto.

(iv) shared power to dispose or to direct the disposition of:
See Item 10 on the cover page(s) hereto.

The Becker Drapkin Funds, Mr. Becker and Mr. Shisler are the record and direct beneficial owners of the securities covered by this Schedule 13D.

Becker Drapkin QP has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the shares of Common Stock beneficially owned by Becker Drapkin QP (the Becker Drapkin QP Shares). Becker Drapkin QP disclaims beneficial ownership of the Becker Drapkin, L.P. Shares and the BD Partners IV Shares.

Becker Drapkin, L.P. has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the shares of Common Stock beneficially owned by Becker Drapkin, L.P. (the Becker Drapkin, L.P. Shares). Becker Drapkin, L.P. disclaims beneficial ownership of the Becker Drapkin QP Shares and the BD Partners IV Shares.

BD Partners IV has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the shares of Common Stock beneficially owned by BD Partners IV (the BD Partners IV Shares , and together with the Becker Drapkin QP Shares and the Becker Drapkin, L.P. Shares, the Becker Drapkin Funds Shares). BD Partners IV disclaims beneficial ownership of the Becker Drapkin, L.P. Shares and the Becker Drapkin QP Shares.

As general partner of the Becker Drapkin Funds, BD Management may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Becker Drapkin Funds Shares. BD Management does not own any shares of Common Stock directly and disclaims beneficial ownership of the Becker Drapkin Funds Shares.

As general partner of BD Management, BCA may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) any shares of Common Stock beneficially owned by BD Management. BCA does not own any shares of Common Stock directly and disclaims beneficial ownership of any shares of Common Stock beneficially owned by BD Management.

As co-managing members of BCA, each of Mr. Becker and Mr. Drapkin may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) any shares of Common Stock beneficially owned by BCA. Mr. Becker and Mr. Drapkin each disclaim beneficial ownership of any shares of Common Stock beneficially owned by BCA.

Mr. Becker owns (i) 13,933 shares of Common Stock (the Becker Shares) and (ii) 5,000 options to purchase Common Stock (the Options) and, in each case, which were granted to him pursuant to the 2006 Plan. Each of the Reporting Persons (other than Mr. Becker) disclaims beneficial ownership over the Becker Shares and the Options.

Mr. Shisler owns (i) 18,561 shares of Common Stock and (ii) 5,000 options to purchase Common Stock, and, in each case, which were granted to him pursuant to the 2006 Plan. On February 8, 2012, the Standstill Agreement was entered into by the Reporting Persons. As a result of the Standstill Agreement, the BD Parties and Mr. Shisler may be deemed to be a group pursuant to Rule 13d-5(b)(1) promulgated under the Act. The BD Parties each disclaim beneficial ownership of any shares of Common Stock owned by Mr. Shisler, and Mr. Shisler disclaims beneficial ownership of any shares of Common Stock owned by any other Reporting Person.

As of the date hereof, no Reporting Person owns any shares of Common Stock other than those set forth in this Item 5.

(c) Transactions in the class of securities reported on that were effected during the past sixty days or since the most recent filing of Schedule 13D, whichever is less, by the Reporting Persons are described below:

Transaction	Effecting	Shares	Shares	Price	Description
Date	Person(s)	Acquired	Disposed	Per Share	of Transaction
02/14/2014	Becker Drapkin QP		5,165	\$4.9096 (1)	Open Market Transaction
02/14/2014	Becker Drapkin, L.P.		764	\$4.9096 (1)	Open Market Transaction
02/14/2014	BD Partners IV		2,671	\$4.9096 (1)	Open Market Transaction
03/07/2014	Becker Drapkin QP		750,769	\$7.9224 (2)	Open Market Transaction
03/07/2014	Becker Drapkin, L.P.		111,111	\$7.9224 (2)	Open Market Transaction
03/07/2014	BD Partners IV		388,267	\$7.9224 (2)	Open Market Transaction
03/07/2014	Becker Drapkin QP		386,007	\$7.4347 (2)	Open Market Transaction
03/07/2014	Becker Drapkin, L.P.		57,127	\$7.4347 (2)	Open Market Transaction
03/07/2014	BD Partners IV		199,627	\$7.4347 (2)	Open Market Transaction

(1) Excluding commission of \$0.04 per share.

(2) Excluding commission of \$0.02 per share.

(d) No person other than the Reporting Persons has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the shares of Common Stock set forth above.

(e) As of March 7, 2014, the Reporting Persons cease to be the beneficial owners of more than five percent of the Common Stock.

Item 7. Material to be Filed as Exhibits

Item 7 of the Schedule 13D is hereby amended and restated in its entirety as follows:

The following exhibits are filed as exhibits hereto:

Exhibit	Description of Exhibit
24.1	Power of Attorney, dated November 20, 2013, signed by Steven R. Becker (incorporated by reference to Exhibit 24.1 to the Schedule 13D relating to the Common Stock of the Issuer filed on November 20, 2013 by the Reporting Persons with the SEC)
24.2	Power of Attorney, dated November 20, 2013, signed by Matthew A. Drapkin (incorporated by reference to Exhibit 24.2 to the Schedule 13D relating to the Common Stock of the Issuer filed on November 20, 2013 by the Reporting Persons with the SEC)
99.1	Joint Filing Agreement, dated August 9, 2012 (incorporated by reference to Exhibit 1 to the Schedule 13D relating to the Common Stock of the Issuer filed on August 9, 2012 by the Reporting Persons with the SEC)

- 99.2 Agreement, dated February 8, 2012, by and among Pixelworks, Inc.; Steven R. Becker; Matthew A. Drapkin; BC Advisors, LLC; Becker Drapkin Management, L.P.; Becker Drapkin Partners (QP), L.P.; Becker Drapkin Partners, L.P.; BD Partners IV, L.P. and Bradley Shisler (incorporated by reference to Exhibit 1 to the Schedule 13D relating to the Common Stock of the Issuer filed on February 10, 2012 by the Reporting Persons with the SEC)
- 99.3 Amendment No. 1 to Agreement, dated August 9, 2012, by and among Pixelworks, Inc.; Steven R. Becker; Matthew A. Drapkin, BC Advisors, LLC; Becker Drapkin Management, L.P.; Becker Drapkin Partners (QP), L.P., Becker Drapkin Partners, L.P.; BD Partners IV, L.P.; and Bradley Shisler.
- (incorporated by reference to Exhibit 1 to the Schedule 13D relating to the Common Stock of the Issuer filed on August 9, 2012 by the Reporting Persons with the SEC)
- 99.4 Form of Rule 10b5-1 Plan, dated February 13, 2014 (excluding Appendix A) (incorporated by reference to Exhibit 99.4 to the Schedule 13D relating to the Common Stock of the Issuer filed on February 13, 2014 by the Reporting Persons with the SEC)
- 99.5 Resignation Letter, dated March 7, 2014, by Steven R. Becker (included herewith)
- 99.6 Resignation Letter, dated March 7, 2014, by Bradley Shisler (included herewith)

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: March 7, 2014

BECKER DRAPKIN MANAGEMENT, L.P.

By: BC Advisors, LLC
Its: General Partner

By: /s/ Ashley Sekimoto
Name: Ashley Sekimoto
Title: Attorney-in-Fact

BECKER DRAPKIN PARTNERS (QP), L.P.

By: Becker Drapkin Management, L.P.
Its: General Partner

By: BC Advisors, LLC
Its: General Partner

By: /s/ Ashley Sekimoto
Name: Ashley Sekimoto
Title: Attorney-in-Fact

BECKER DRAPKIN PARTNERS, L.P.

By: Becker Drapkin Management, L.P.
Its: General Partner

By: BC Advisors, LLC
Its: General Partner

By: /s/ Ashley Sekimoto
Name: Ashley Sekimoto
Title: Attorney-in-Fact

BD PARTNERS IV, L.P.

By: Becker Drapkin Management, L.P.
Its: General Partner

By: BC Advisors, LLC
Its: General Partner

By: /s/ Ashley Sekimoto
Name: Ashley Sekimoto

Title: Attorney-in-Fact

BC ADVISORS, LLC

By: /s/ Ashley Sekimoto

Name: Ashley Sekimoto

Title: Attorney-in-Fact

STEVEN R. BECKER

/s/ Ashley Sekimoto
Name: Ashley Sekimoto
Title: Attorney-in-Fact

MATTHEW A. DRAPKIN

/s/ Ashley Sekimoto
Name: Ashley Sekimoto
Title: Attorney-in-Fact

BRADLEY SHISLER

/s/ Bradley Shisler

EXHIBIT INDEX

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