

PIXELWORKS INC  
Form 4  
May 24, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
**GILL FRANK**

(Last) (First) (Middle)

01740 SW MILITARY ROAD

(Street)

PORTLAND, OR 97219

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
**05/23/2006**

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)

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) Price	15,283	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)				
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 3	05/23/2006		A		10,000		(1)	05/23/2016	Common Stock	10,000
Non-Qualified Stock Option (right to buy)	\$ 6.25							(2)	12/20/2012	Common Stock	22,500
Non-Qualified Stock Option (right to buy)	\$ 7							(3)	05/23/2013	Common Stock	22,500
Non-Qualified Stock Option (right to buy)	\$ 8.43							(4)	05/24/2015	Common Stock	10,000
Non-Qualified Stock Option (right to buy)	\$ 9.83							(5)	10/23/2011	Common Stock	22,500
Non-Qualified Stock Option (right to buy)	\$ 17.44							(6)	05/25/2014	Common Stock	27,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GILL FRANK 01740 SW MILITARY ROAD PORTLAND, OR 97219	X			

## Signatures

Frank Gill 05/24/2006

\*\*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) 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 6, 2003, 468.75 shares exercisable every month thereafter for 36 months.
- (3) 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.
- (4) 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.
- (5) The options become exercisable over a 4-year period which commenced on October 31, 2001, as follows: 5,625 shares exercisable as of October 31, 2002, 468.7 shares become exercisable every month thereafter for 36 months.
- (6) The options become exercisable over a 4-year period, as follows: 6,875 shares exercisable as of May 25, 2005, 572.91 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. 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.