

PIXELWORKS INC  
Form 4  
February 17, 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 \*  
LAU YUE JOHN

(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, Operations

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)	15,879	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 or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 5.02	02/15/2006		A	50,000	(1) 02/15/2016	Common Stock	50,000	
Incentive Stock Option (right to buy)	\$ 0.33					(2) 03/03/2009	Common Stock	36,000	
Incentive Stock Option (right to buy)	\$ 1.49					(3) 09/16/2009	Common Stock	18,000	
Incentive Stock Option (right to buy)	\$ 2.43					(4) 12/08/2009	Common Stock	7,500	
Incentive Stock Option (right to buy)	\$ 16.5					(5) 01/02/2012	Common Stock	22,300	
Non-Qualified Stock Option (right to buy)	\$ 7.57					(6) 01/31/2013	Common Stock	50,000	
Non-Qualified Stock Option (right to buy)	\$ 8.5					(7) 04/02/2011	Common Stock	40,000	
Non-Qualified Stock Option (right to buy)	\$ 9.48					(8) 03/04/2015	Common Stock	25,000	
Non-Qualified Stock Option (right to buy)	\$ 15.41					(9) 03/09/2014	Common Stock	40,000	
Non-Qualified Stock Option (right to buy)	\$ 16.5					(5) 01/02/2012	Common Stock	27,600	

## Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

LAU YUE JOHN  
8100 SW NYBERG RD.  
TUALATIN, OR 97062

Vice President, Operations

Signatures

John Yue Lau 02/16/2006

\*\*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) The options become exercisable on a monthly basis over a 4-year period which commences February 15, 2006, as follows: 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 over a 4-year period which commenced on January 31, 1999, as follows: 15,000 shares exercisable as of January 31, 2000, 1,250 shares exercisable every month thereafter for 36 months.
(3) The options become exercisable over a 4-year period which commenced on September 30, 1999, as follows: 4,500 shares exercisable as of September 30, 2000, 375 shares exercisable every month thereafter for 36 months.
(4) The options become exercisable on a monthly basis over a 4-year period which commenced on December 31, 1999, as follows: 10% exercisable as of December 31, 2000, 20% exercisable as of December 31, 2001, 30% exercisable as of December 31, 2002 and 40% exercisable as of December 31,2003.
(5) The options become exercisable on a monthly basis over a 4-year period which commenced on January 31, 2002, as follows: 10% exercisable as of January 31, 2003, 20% exercisable as of January 31, 2004, 30% exercisable as of January 31, 2005 and 40% exercisable as of January 31,2006.
(6) The options become exercisable on a monthly basis over a 4-year period which commenced on January 31, 2002, as follows: 10% exercisable as of January 31, 2003, 20% exercisable as of January 31, 2004, 30% exercisable as of January 31, 2005 and 40% exercisable as of January 31,2006.
(7) The options become exercisable on a monthly basis over a 4-year period which commenced on April 30, 2001, as follows: 10% exercisable as of April 30, 2002, 20% exercisable as of April 30, 2003, 30% exercisable as of April 30, 2004 and 40% exercisable as of April 30,2005.
(8) 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.
(9) The option becomes exercisable on a monthly basis over a four year period which commences on March 31, 2004 as follows: 10% exercisable as of March 31, 2005, 20% exercisable as of March 31, 2006, 30% exercisable as of March 31, 2007, and 40% exercisable as of March 31, 2008.

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.