Cui Gang Form 4 December 06, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB Number:

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obligations

Check this box

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

may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Cui Gang

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(Last)

(First)

(Middle)

PIXELWORKS, INC [PXLW]

(Check all applicable)

ROOM 301-303, NO. 88 LANE

887. ZUCHONGZHI ROAD ZHANGJIANG HI-TECH PARK 3. Date of Earliest Transaction (Month/Day/Year)

12/04/2006

Director 10% Owner Other (specify X_ Officer (give title below)

VP, General Manager, China

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

X Form filed by One Reporting Person Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

SHANGHAI, 201203

Security

(Instr. 3)

(City) (State) (Zip) 1. Title of 2. Transaction Date 2A. Deemed

3. 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5)

(Instr. 8)

5. Amount of 6. Ownership Securities Form: Direct Beneficially (D) or Indirect Beneficial Owned (I)

Following Reported Transaction(s)

(Instr. 3 and 4)

Code V Amount (D) Price

(A)

or

Ownership (Instr. 4) (Instr. 4)

7. Nature of

Indirect

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

(Month/Day/Year)

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Conversion

3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if TransactionDerivative Securities

5. Number of

6. Date Exercisable and **Expiration Date**

7. Title and Underlying

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Security (Instr. 3)	or Exercise Price of Derivative		any (Month/Day/Year)	Code (Instr. 8)	Acquired (A) or 8) Disposed of (D) (Instr. 3, 4, and 5)		(Month/Day/Year)		(Instr. 3 and
	Security			Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 2.49	12/04/2006		A	16,700		(1)	12/04/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 2.49	12/04/2006		A	100,000		(2)	12/04/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 5.02						(3)	02/15/2016	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 6.46						<u>(4)</u>	07/23/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 8.66						<u>(5)</u>	12/02/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 9.15						(6)	07/28/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 9.22						<u>(7)</u>	10/01/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 9.48	12/04/2006		<u>J(8)</u>		25,000	<u>(9)</u>	03/04/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 10.25	12/04/2006		J <u>(8)</u>		31,800	(10)	01/15/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 14.84	12/04/2006		J <u>(8)</u>		10,000	(11)	06/21/2014	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	Other		
Cui Gang			VP, General Manager,			
ROOM 301-303, NO. 88 LANE 887			China			
ZUCHONGZHI ROAD ZHANGJIANG HI-TECH						

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PARK SHANGHAI, 201203

Signatures

Gang (Mark) Cui 12/05/2006

**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).
- Options become exercisable over 18 months as follows: 33.3% on June 30, 2007 and 66.7% becoming exercisable at a rate of 5.56% on a monthly basis thereafter over 12 months, or through June 30, 2008.
- (2) Becomes exercisable on a monthly basis over 3 years.
- 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.
- The options become exercisable monthly over a 4 year period which commenced on July 31, 2003 as follows: 10% becoming exercisable by July 31, 2004, 20% becoming exercisable by July 31, 2005, 30% becoming exercisable by July 31, 2006, and 40% becoming exercisable by July 31, 2007.
- The options become exercisable monthly over a 4 year period which commenced on December 31, 2002 as follows: 10% becoming exercisable by December 31, 2003, 20% becoming exercisable by December 31, 2004, 30% becoming exercisable by December 31, 2005, and 40% becoming exercisable by December 31, 2006.
- The options become exercisable monthly over a 4 year period which commenced on July 31, 2004 as follows: 10% becoming exercisable by July 31, 2005, 20% becoming exercisable by July 31, 2006, 30% becoming exercisable by July 31, 2007, and 40% becoming exercisable by July 31, 2008.
- The options become exercisable monthly over a 4 year period which commenced on October 31, 2003 as follows: 10% becoming exercisable by October 31, 2004, 20% becoming exercisable by October 31, 2005, 30% becoming exercisable by October 31, 2006, and 40% becoming exercisable by October 31, 2007.
- (8) Option grant was voluntarily surrendered pursuant to the option exchange program. All outstanding options thereunder were canceled and a new option was granted in accordance with the terms of the option exchange program.
- 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.
- (10) The options become exercisable over a 4-year period as follows: 15,000 on January 31, 2003; monthly vesting between February 2003 and January 2005 for a total of 30,000 shares; and monthly vesting between February 2005 and January 2006 for a total of 5,000 shares.
- The options become exercisable monthly over a 4 year period which commenced on June 30, 2004 as follows: 10% becoming (11) exercisable by June 30, 2005, 20% becoming exercisable by June 30, 2006, 30% becoming exercisable by June 30, 2007, and 40% becoming exercisable by June 30, 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.

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