

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**OMB APPROVAL**

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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**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
 or Section 30(h) of the Investment Company Act of 1940

|  |  |  |  |  |   |  |
|--|--|--|--|--|---|--|
| 1. Name and Address of Reporting Person*   |  |  | 2. Issuer Name and Ticker or Trading Symbol                    |  | 5. Relationship of Reporting Person(s) to Issuer<br>(Check all applicable)  |  |
| DOMENIK STEPHEN L  |  |  | PIXELWORKS, INC [ PXLW ]                                       |  | <input checked="" type="checkbox"/> Director 10% Owner<br>Officer (give title below) Other (specify below)  |  |
| (Last) (First) (Middle)<br>224 AIRPORT PARKWAY<br>SUITE 400<br>(Street)<br>SAN JOSE CA 95110<br>(City) (State) (Zip) |  |  | 3. Date of Earliest Transaction (Month/Day/Year)<br>05/15/2012 |  | 6. Individual or Joint/Group Filing (Check Applicable Line)<br><input checked="" type="checkbox"/> Form filed by One Reporting Person<br>Form filed by More than One Reporting Person |  |
|  |  |  | 4. If Amendment, Date of Original Filed (Month/Day/Year)       |  |   |  |

**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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|-------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price |   |  |   |
| Common Stock                    | 05/15/2012                           |  | A                              |   | 8,000   | A          | (1)   | 104,700   | D  |   |
| Common Stock                    |                                      |  |                                |   |   |            |       | 29,881  | I  | by Spouse   |

**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 Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|-----------------|---|--|--|---|--|
|  |  |                                      |  | Code                           | V |  | Date Exercisable   | Expiration Date |   |  |  |   |  |
| Non-Qualified Stock Option (right to buy)  | \$3.05   |                                      |  |                                |   |  | (2)  | 07/29/2016      | Common Stock  | 10,000                                     | 10,000   | D   |  |

**Explanation of Responses:**

1. Each restricted stock unit represents a contingent right to receive one share of the registrant's common stock. The restricted stock units will vest in full on the first to occur of (1) the day before the next annual meeting of the registrant's shareholders that follows the grant date or (2) the first anniversary of the grant date. The restricted stock units will be paid upon vesting, subject to any election by the reporting person to defer payment of the units to a later date.

2. The option becomes exercisable over 4 year period which commenced on July 29, 2010, as follows: 2,500 shares exercisable as of July 29, 2011, 208.33 shares exercisable every month thereafter for 36 months through July 29, 2014.

By: Andrew P. Bates For: 05/16/2012  
 Stephen L. Domenik

\*\* Signature of Reporting Person Date

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

\* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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