

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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* <u>Brady Jodie FT</u>  (Last) (First) (Middle) <u>8100 SW NYBERG RD.</u>  (Street) <u>TUALATIN OR 97062</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>PIXELWORKS, INC [ PXLW ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Vice President, Bus Ops</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>12/04/2006</u>	
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			

**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	(A)	(D)	Date Exercisable	Expiration Date					Title
Incentive Stock Option (right to buy)	\$18.188	12/04/2006		J <sup>(1)</sup>			3,000	(2)	06/08/2010	Common Stock	3,000	\$18.188	0	D	
Non-Qualified Stock Option (right to buy)	\$2.49	12/04/2006		A			42,248	(3)	12/04/2013	Common Stock	42,248	\$2.49	42,248	D	
Non-Qualified Stock Option (right to buy)	\$5.02	12/04/2006		J <sup>(1)</sup>			80,000	(4)	02/15/2016	Common Stock	80,000	\$5.02	0	D	
Non-Qualified Stock Option (right to buy)	\$6.46	12/04/2006		J <sup>(1)</sup>			47,500	(2)	07/23/2013	Common Stock	47,500	\$6.46	0	D	
Non-Qualified Stock Option (right to buy)	\$8.249	12/04/2006		J <sup>(1)</sup>			13,317	(2)	06/03/2012	Common Stock	13,317	\$8.249	0	D	
Non-Qualified Stock Option (right to buy)	\$8.5	12/04/2006		J <sup>(1)</sup>			1,375	(2)	04/02/2011	Common Stock	1,375	\$8.5	0	D	

**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	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option (right to buy)	\$9.28	12/04/2006		J <sup>(1)</sup>			5,800	(2)	02/02/2015	Common Stock	5,800	\$9.28	0	D	
Non-Qualified Stock Option (right to buy)	\$14.84	12/04/2006		J <sup>(1)</sup>			10,000	(2)	06/21/2014	Common Stock	10,000	\$14.84	0	D	
Non-Qualified Stock Option (right to buy)	\$17.625	12/04/2006		J <sup>(1)</sup>			8,000	(2)	01/05/2011	Common Stock	8,000	\$17.625	0	D	
Incentive Stock Option (right to buy)	\$2.43							(2)	12/08/2009	Common Stock	1,500		1,500	D	

**Explanation of Responses:**

- 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 on a monthly basis at a rate of 10% in year 1, 20% in year 2, 30% in year 3 and 40% in year 4, which commences on the last day of the month the option is granted.
- 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.
- 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.

Jodie F. T. Brady

12/05/2006

\*\* 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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