

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Estimated average burden
 hours per response: 0.5

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* <u>ALLEY ALLEN H</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) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <u>05/22/2007</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock							1,810,683	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
Non-Qualified Stock Option (right to buy)	\$1.38	05/22/2007		A		10,000		(1)	05/22/2017	Common Stock	10,000	\$1.38	10,000	D	
Incentive Stock Option (right to buy)	\$0.26							(2)	01/20/2009	Common Stock	33,750		33,750	D	
Incentive Stock Option (right to buy)	\$16.5							(3)	01/02/2012	Common Stock	7,164		7,164	D	
Incentive Stock Option (right to buy)	\$22.063							(4)	01/02/2011	Common Stock	19,589		19,589	D	
Non-Qualified Stock Option (right to buy)	\$5.02							(5)	02/15/2016	Common Stock	50,000		50,000	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)	\$7.57							(6)	01/31/2013	Common Stock	100,000		100,000	D	
Non-Qualified Stock Option (right to buy)	\$9.48							(7)	03/04/2015	Common Stock	100,000		100,000	D	
Non-Qualified Stock Option (right to buy)	\$15.41							(8)	03/09/2014	Common Stock	100,000		100,000	D	
Non-Qualified Stock Option (right to buy)	\$16.5							(3)	01/02/2012	Common Stock	92,836		92,836	D	
Non-Qualified Stock Option (right to buy)	\$22.063							(4)	01/02/2011	Common Stock	30,411		30,411	D	

Explanation of Responses:

- 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.
- The options become exercisable over a 4-year period which commenced on January 31, 2000, as follows: 8,438 shares exercisable as of January 31, 2000, 703 shares exercisable every month thereafter for 35 months and 707 shares exercisable on January 31, 2003.
- 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.
- The options become exercisable on a monthly basis over a 4-year period which commenced on January 31, 2001, as follows: 10% exercisable as of January 31, 2002, 20% exercisable as of January 31, 2003, 30% exercisable as of January 31, 2004 and 40% exercisable as of January 31, 2005.
- 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 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.
- 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.
- 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.

Allen H. Alley

05/22/2007

** 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.