

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): April 2, 2014

PIXELWORKS, INC.

(Exact name of registrant as specified in its charter)

OREGON
(State or other jurisdiction of
incorporation)

000-30269
(Commission File Number)

91-1761992
(I.R.S. Employer
Identification No.)

**224 Airport Parkway, Suite 400
San Jose, CA 95110
(408) 200-9200**
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 **Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(d) On April 2, 2014, the Board of Directors (the "Board") approved a decrease in the size of the Board from nine (9) to a total of eight (8) directors and appointed David J. Tupman as a Class II director effective immediately. Class II directors will be up for election at the 2014 Annual Meeting of Shareholders and if elected, Class II directors will serve a three-year term expiring at the earlier of the 2017 Annual Meeting of Shareholders, a successor being elected and qualified, or such member's resignation, death or removal.

Mr. Tupman, age 51, currently serves as the chief executive officer of Details Lab Inc. and provides advisory services to companies seeking to scale their organizations for high-growth, as well as execute on successful technology development and new product introductions. From 2001 to 2011, he rose from manager to vice president of hardware engineering at Apple, Inc., where he led the hardware engineering and technology teams for multiple mobile devices, including the iPhone and iPod. Previously, Mr. Tupman held various senior engineering positions at Psion Computers, and earlier at Schlumberger in England. Mr. Tupman holds a Bachelor of Engineering in Electronics from the University of Salford, England and is named as an inventor on more than 30 U.S. patents.

Mr. Tupman brings over 25 years of engineering and technology experience in the consumer electronics and industrial markets, which we believe will provide valuable insights and industry expertise to our Board.

In accordance with our Board compensation policy, Mr. Tupman was granted an initial option award to purchase 10,000 shares of our common stock upon his appointment to the Board. The option will have an exercise price equal to the closing price of our common stock on the grant date and a maximum term of six years. The option will vest with respect to 25% of the shares on the first anniversary of the grant date and ratably on a monthly basis thereafter for the next three years. Our non-employee directors, including Mr. Tupman, are eligible for certain other compensation benefits, as set forth in the Summary of Pixelworks Non-Employee Director Compensation, previously filed on November 4, 2010 with the Securities and Exchange Commission as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q.

We entered into a consulting agreement dated July 30, 2012 with Mr. Tupman pursuant to which Mr. Tupman agreed to provide strategic advisory and consulting services to us. Pursuant to this agreement, Mr. Tupman was granted 8,000 restricted stock units ("RSUs") which vested in 2013, and was also granted 15,000 RSUs in July 2013 which will vest in July 2014. The consulting agreement expires July 30, 2014 unless terminated earlier by either party upon 30 days' prior written notice or immediately by the Company in the event of any breach of the agreement by Mr. Tupman. We also currently pay \$2,000 per quarter to Details Lab Inc., of which Mr. Tupman is the Chief Executive Officer, for strategic technology development. This arrangement is separate and independent of the consulting agreement with Mr. Tupman. We are invoiced quarterly by Details Lab Inc. for these services and currently expect to continue this arrangement for the foreseeable future. The aggregate dollar value of the above transactions, including the consulting arrangement and related RSU awards, did not exceed \$120,000. There are no arrangements or understandings between Mr. Tupman and any other persons pursuant to which he was selected as a director. There are no current or proposed transactions between the Company and Mr. Tupman or his immediate family members requiring disclosure under Item 404(a) of Regulation S-K promulgated by the Securities and Exchange Commission.

Item 9.01 **Financial Statements and Exhibits.**

(d) Exhibits.

Exhibit No.	Description
10.1	Advisory Agreement between Pixelworks, Inc. and David J. Tupman dated July 30, 2012.
99.1	Press Release issued by Pixelworks, Inc. dated April 4, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PIXELWORKS, INC.
(Registrant)

Dated: April 4, 2014

/s/ Steven L. Moore

Steven L. Moore
*Vice President, Chief Financial
Officer, Secretary and Treasurer*

EXHIBIT INDEX

Exhibit No.	Description
10.1	Advisory Agreement between Pixelworks, Inc. and David J. Tupman dated July 30, 2012.
99.1	Press Release issued by Pixelworks, Inc. dated April 4, 2014

July 30th, 2012

Dear _____:

This advisory agreement ("Agreement") is entered into between you ("Consultant") and Pixelworks, Inc., an Oregon corporation (the "Company"), and sets forth the mutual agreement of the parties with respect to the provision of certain services to the Company. For good and valuable consideration, the parties hereto agree as follows:

1. **Services.** Upon request of the Company from time to time, Consultant agrees to perform the Services for the Company. The "Services" include without limitation providing insight, guidance and recommendations regarding the Company's strategies, products, customers, markets, programs and plans and responding generally to questions and requests for advice and assistance from the Company. Consultant shall perform the Services to the best of his skill and ability and at all times in a professional and ethical manner that will enhance the reputation and goodwill enjoyed by the Company. Consultant will not have an office, work-place, phone number or mailing address at the Company's facilities. Consultant will furnish any and all tools and materials necessary to perform the Services and will determine the manner of, the time required for and location of performance. Consultant will not receive detailed instructions from the Company in this regard. Consultant will at all times comply with all applicable laws, rules and regulations and Company policies.

2. **Compensation.** Consultant will receive no salary or other cash compensation for performing the Services. Rather, Consultant will be eligible to receive a grant for 8,000 units of restricted shares (the "RSUs") of the common stock of the Company. The Company may elect to grant Consultant additional RSUs as and if determined in the sole discretion of the Company's Board of Directors. Any RSUs will be evidenced by a written grant agreement (the "RSU Agreement") and granted subject to and under (including vesting) such RSU Agreement and the Company's 2006 Stock Incentive Plan. Any RSU grant is subject to the approval of the Company's Board of Directors and compliance with applicable securities laws. Consultant shall report all compensation received pursuant to this Agreement to any applicable taxing authorities in any applicable jurisdiction in accordance with applicable law, and pay all self-employment and other applicable taxes in connection with such compensation. Consultant agrees to indemnify and hold the Company harmless from any liability for, or assessment of, any such taxes.

3. **Expenses.** The Company will reimburse Consultant for reasonable and documented expenses incurred by Consultant in the course of performing the Services that have been approved in advance in writing by the Company, subject to compliance with Company expense policies.

4. **Service Period and Termination.** The term of the performance of the Services will be two years (the "Service Period"). Notwithstanding any other provision contained herein, the Service Period may be terminated (a) by either party at any time upon 30 days' written notice, for any reason or no reason, or (b) immediately by the Company in the event of any breach by Consultant of this Agreement. Upon any termination or expiration of the Service Period, vesting of any RSUs shall immediately cease and Consultant shall not be entitled to any compensation or other monetary payments, other than reimbursement of any expenses pursuant to this Agreement and that were incurred prior to such termination or expiration. Otherwise, the provisions of this Agreement shall survive any expiration or termination of the Service Period.

5. **Legal Relationship.** It is the express intention of the parties that Consultant's relationship with the Company be that of an independent contractor and not that of an employee. Nothing in this Agreement constitutes an offer of employment, nor shall this Agreement in any way be construed to constitute Consultant as an agent, director, officer, employee, partner, joint venturer or representative of the Company. Consultant shall have no authority to, and shall not, control any aspect of the Company's operations or incur any obligation or other liability, make any promise or representation or enter into any agreement or other commitment in the name or on behalf of the Company. Other than RSUs to the limited extent described in Section 2 above, Consultant shall not be entitled to participate in or receive any benefit available to employees of the Company, including without limitation insurance, workers' compensation, retirement and vacation benefits.

6. **Confidential Information; Non-Solicit.** Consultant will have access to Confidential Information (as defined below). Consultant agrees not to use any Confidential Information for Consultant's own use or for any purpose other than performing the Services. Consultant shall not disclose, or permit the disclosure of, any Confidential Information to any third parties, unless approved in writing by the Company. Consultant agrees to take all reasonable measures to maintain in confidence, protect the secrecy of and avoid unauthorized disclosure or use of the Confidential Information. Consultant further agrees to notify the Company in writing of any actual or suspected unauthorized disclosure or use of the Confidential Information which may come to Consultant's attention. "**Confidential Information**" means any information (whether disclosed before or after the date hereof and whether in tangible or intangible form) of the Company or any of its affiliates, customers or suppliers or of any other party doing business or associated with the Company, including but not limited to information relating to business, product or service plans, financial projections, forecasts, products, sales, customers and suppliers, employees, human resources, operations, technology, trade secrets, or know-how, methods, patents, patent applications, computer object or source code, research, inventions, processes, designs, drawings, engineering, marketing or finance. Confidential Information does not include information that Consultant can prove: (a) was in the possession of Consultant at the time of disclosure to Consultant and without any confidentiality or use restrictions; (b) becomes part of the general public knowledge other than as a direct or indirect result of any action or improper inaction of Consultant, (c) becomes available to Consultant on a non-confidential basis from a source other than the Company or its affiliates that is not subject to confidentiality or use restrictions, or (d) is independently developed by Consultant without use of or reference to Confidential Information. Notwithstanding the above, Consultant shall not have liability to the Company to the extent Confidential Information is disclosed pursuant to an order of a court or other governmental body; provided, that Consultant provides the Company with prompt written notice of such order prior to such disclosure and reasonable assistance in obtaining an order protecting the information from public disclosure or other appropriate remedy. The foregoing obligations shall survive and continue after any expiration or termination of the Service Period. In addition, during the Service Period (as defined below) and for a period of one (1) year thereafter, Consultant shall not, directly or indirectly: (a) induce, attempt to induce, or solicit any employee or consultant of the Company to alter, leave, or terminate their employment or engagement with the Company; or (b) interfere in any way with any contractual relationships the Company may have with customers, suppliers or other third parties. Consultant agrees that, in the event of breach or threatened breach of this Section 6, the damage or imminent damage to the value and the goodwill of the Company's business will be inestimable, and that therefore any remedy at law or in damages shall be inadequate. Accordingly, Consultant agrees that the Company shall be entitled to injunctive relief against Consultant in the event of any breach or threatened breach by Consultant of this Section 6, without the necessity of posting a bond or proving actual damages, in addition to any other relief available to the Company under this Agreement or under law.

7. **Ownership and Return of Materials.** All Confidential Information is and shall remain the property of the Company. Consultant shall promptly return all Confidential Information and other Company property to the Company upon any expiration or termination of the Service Period, or earlier, if so requested by the Company, and Consultant shall not retain copies thereof.

8. **No Conflict.** Consultant represents that Consultant's compliance with the terms of this Agreement and performance of the Services will not conflict with or breach any agreement or violate any duty that Consultant may have with or to any third party. Consultant agrees not to do anything in the performance of the Services that may violate any such agreement or duty. Consultant further agrees not to enter into any agreement or other arrangement, written or oral, in conflict with this Agreement, or to provide the Company with any documents, records, or confidential information belonging to any third party. Prior to performing services for, or entering into any agreement or other arrangement with, a third party that is developing or producing products that may be competitive with the products of the Company, Consultant will notify the Company in writing. In such event, the Company may determine whether Consultant's activities for such third party are consistent with the Services.

9. **Arbitration.** Any dispute or controversy between the parties arising out of or relating to the Services or this Agreement, shall be submitted to and settled by final and binding arbitration in Santa Clara, California, conducted before a single arbitrator in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof. Other than as provided in Section 6, the arbitration provided herein shall be the exclusive remedy for any such dispute or controversy and will be used instead of any court action, which is hereby expressly waived.

10. **Governing Law.** This Agreement shall be governed by, and the arbitrator and any court shall apply to any dispute or controversy, the laws of the State of California, without reference to its conflicts of laws provisions. Subject to Section 10, Consultant hereby consents to the personal jurisdiction of the state and federal courts located in Santa Clara, California.

11. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding between the parties concerning the matters set forth herein and supersedes all prior negotiations, agreements and understandings concerning such matters, whether oral or written. The parties agree that this Agreement shall be interpreted according to its plain meaning and not strictly for or against any party. No promises or representations were made or relied upon by either party, and no consideration has been or is offered or promised, other than as expressly stated herein.

12. **Amendments and Modifications; Waiver.** No alteration or modification of any provision of this Agreement shall be binding unless in writing and signed by duly authorized representatives of the parties hereto. The failure of either party to enforce its rights under this Agreement at any time for any period shall not be construed as a waiver of such rights, and no condition or obligation under this Agreement may be waived without a written acknowledgment of such waiver, and a waiver of one condition or obligation is not to be construed as creating a waiver of any other condition or obligation.

13. **Severability.** If any provision of this Agreement shall be found by an arbitrator or a court of competent jurisdiction in a final and non-appealable decision to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of the remainder of this Agreement.

15. **Assignment.** This Agreement may not be assigned, delegated or otherwise transferred by Consultant without the express written consent of the Company.

16. **Counterparts and Facsimiles.** This Agreement may be executed in counterparts, each of which shall be deemed as original, but both of which together shall constitute one and the same instrument. Facsimile or other electronic signatures on counterparts of this Agreement will be deemed original signatures.

* * * *

If the foregoing accurately reflects the terms of our agreement concerning your relationship with the Company, please indicate your acceptance by signing this Agreement in the space provided below and returning this Agreement to the Company.

Sincerely,

PIXELWORKS, INC.

By: /s/ Bruce A. Walicek

Bruce A. Walicek

President and Chief Executive Officer

Read, acknowledged and agreed:

/s/ David J. Tupman

[Name]

Date: July 30, 2012



Pixelworks Appoints David Tupman to Board of Directors

Mobile Hardware Executive Brings Over 25 Years of Engineering and Technology Experience in Consumer Electronics and Industrial Markets

San Jose, CA, April 4, 2014 – Pixelworks, Inc. (NASDAQ: PXLW), an innovative provider of video display processing technology enabling the highest quality viewing experience for displays of all sizes, today announced that Mr. David J. Tupman has been appointed to the Company's board of directors.

Mr. Tupman currently serves as the chief executive officer of Details Lab Inc. and provides advisory services to companies seeking to scale their organizations for high-growth, as well as execute on successful technology development and new product introductions. From 2001 to 2011, he rose from manager to vice president of hardware engineering at Apple, Inc., where he led the hardware engineering and technology teams for multiple mobile devices, including the iPhone and iPod. Previously, Mr. Tupman held various senior engineering positions at Psion Computers, and earlier at Schlumberger in England. Mr. Tupman holds a Bachelor of Engineering in Electronics from the University of Salford, England and is named as an inventor on more than 30 U.S. patents.

Commenting on Mr. Tupman's appointment, Bruce Walicek, President and CEO of Pixelworks, said, "It gives me great pleasure to welcome David Tupman to Pixelworks' board of directors. David's extensive experience in management and advisory roles at leading consumer electronics and industrial companies will add immeasurable value to the Board. The Board and I look forward to working with him as we continue to execute on our strategy of bringing the very highest video quality to all screens."

About Pixelworks, Inc.

Pixelworks creates, develops and markets video display processing technology for digital video applications that demand the very highest quality images. At design centers around the world, Pixelworks engineers constantly push video performance to keep manufacturers of consumer electronics and professional displays worldwide on the leading edge. The company is headquartered in San Jose, CA.

For more information, please visit the Company's Web site at www.pixelworks.com.

Note: Pixelworks and the Pixelworks logo are registered trademarks of Pixelworks, Inc.

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Investor Contact

Shelton Group
Brett L Perry
P: +1-972-239-5119 ext 159
E: bperry@sheltongroup.com

Company Contact

Pixelworks, Inc.
E: info@pixelworks.com