SEC Form 4

FORM 4

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

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

**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* Simon Anthony R | 2. Issuer Name **and** Ticker or Trading Symbol PIXELWORKS, INC [ PXLW ] | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) |
|---|---|---|

(Last) (First) (Middle)
8100 SW NYBERG RD.

3. Date of Earliest Transaction (Month/Day/Year)
07/31/2007

|  | Director | 10% Owner |
|---|---|---|
| X | Officer (give title below) | Other (specify below) |

Vice President, Marketing

(Street)
TUALATIN     OR          97062

(City)     (State)     (Zip)

4. If Amendment, Date of 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 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 | 07/31/2007 | | J(1) | | 2,500 | A | $1.258 | 5,000 | 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) | $2.49 | | | | | | | (2) | 12/04/2016 | Common Stock | 100,000 | | 100,000 | D | |
| Non-Qualified Stock Option (right to buy) | $4.65 | | | | | | | (3) | 02/08/2016 | Common Stock | 15,000 | | 15,000 | D | |
| Non-Qualified Stock Option (right to buy) | $7.69 | | | | | | | (4) | 08/22/2015 | Common Stock | 60,000 | | 60,000 | D | |

**Explanation of Responses:**

1. Shares acquired through Employee Stock Purchase Plan.
2. Becomes exercisable on a monthly basis over 3 years, commencing the last day of the month of the date of grant.
3. 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.
4. 25% vest on the last day of the month of the first anniversary of the date of grant, with the remaining 75% vesting ratably on a monthly basis thereafter over three years.

Anthony R Simon                    07/31/2007
** 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.