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

SCHEDULE 13G

**Under the Securities Exchange Act of 1934
(Amendment No. _____)***

Pixelworks, Inc.

(Name of Issuer)

Common Stock
(Title of Class of Securities)

72581M 30 5
(CUSIP Number)

December 31, 2008
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13G

CUSIP No. 72581M 30 5

1	NAMES OF REPORTING PERSONS. I.R.S. Identification Nos. of above persons (entities only). Allen H. Alley	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION United States	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER 693,641 ¹
	6	SHARED VOTING POWER 81,516 ²
	7	SOLE DISPOSITIVE POWER 693,641 ¹
	8	SHARED DISPOSITIVE POWER 81,516 ²
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 775,157	
10	CHECK IF AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>	
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 5.67%	
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN	

¹ Mr. Alley has sole voting and investment power with respect to 693,641 shares of common stock of Pixelworks, Inc., which includes 171,596 stock options exercisable within 60 days of December 31, 2008.

² Mr. Alley shares voting and investment power with respect to 81,516 shares of common stock of Pixelworks, Inc. held by him and his wife, Deborah J. Alley.

Item 1.

(a) Name of Issuer

Pixelworks, Inc.

(b) Address of Issuer's Principal Executive Offices

**16760 SW Upper Boones Ferry Road
Suite 101
Portland, OR 97224**

Item 2.

(a) Name of Person Filing

Allen H. Alley

(b) Address of Principal Business Office or, if none, Residence

The principle business address of Mr. Alley is:

**16760 SW Upper Boones Ferry Road
Suite 101
Portland, OR 97224**

(c) Citizenship

Mr. Alley is a United States citizen

(d) Title and Class of Securities

Common stock

(e) CUSIP Number

72581M 30 5

Item 3. If this statement is filed pursuant to §§240.13d-1(b) or 240.1d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4. Ownership.

(a) Amount beneficially owned:	775,157
(b) Percent of class:	5.7%
(c) Number of shares as to which the person has:	
(i) Sole power to vote or to direct the vote:	693,641
(ii) Shared power to vote or to direct the vote:	81,516
(iii) Sole power to dispose or to direct the disposition of:	693,641
(iv) Shared power to dispose or to direct the disposition of:	81,516

Mr. Alley has sole voting and investment power with respect to 693,641 shares of common stock of Pixelworks, Inc., which includes 171,596 stock options exercisable within 60 days of December 31, 2008. Mr. Alley shares voting and investment power with respect to 81,516 shares of common stock of Pixelworks, Inc. held by him and his wife, Deborah J. Alley.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not applicable.

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

Not applicable.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

2/4/2009

Date

/s/ Allen Alley

Allen H. Alley

Chairman, Board of Directors of Pixelworks, Inc.