

**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): August 8, 2012

**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 1.01. Entry into a Material Definitive Agreement**

On August 9, 2012, Pixelworks, Inc. (the "Company"), Steven R. Becker, Matthew A. Drapkin, BC Advisors, LLC, Becker Drapkin Management, L.P., Becker Drapkin Partners (QP), L.P., Becker Drapkin Partners, L.P., and BD Partners IV, L.P., (collectively the "Shareholder Group") and Bradley Shisler entered into an amendment (the "Amendment") to a previously entered into agreement dated February 8, 2012 (the "Agreement"). The Amendment allows the Shareholder Group to directly acquire up to 880,000 additional shares of the Company's common stock on or before November 30, 2012. These shares are in addition to any acquisitions that were previously allowed under the Agreement and the Shareholder Group must promptly notify the Company of any such acquisitions.

Additionally, on August 8, 2012, the Company's Board of Directors approved the acquisition of additional shares as allowed under the Amendment for purposes of exempting the Shareholder Group from the provisions of the Oregon Business Combination Act.

The above description of the Amendment is qualified in its entirety by reference to the text of the Amendment, which is included as Exhibit 10.1 to this Current Report on Form 8-K. The Agreement was filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed February 10, 2012.

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**SIGNATURE**

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: August 9, 2012

/s/ Steven L. Moore

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

**Amendment NO. 1 to AGREEMENT**

This AMENDMENT NO. 1 TO AGREEMENT (this "**Amendment**") is made as of August 9, 2012, by and among Pixelworks, Inc., an Oregon corporation (the "**Company**"), and Steven R. Becker, an individual resident of Texas ("**Becker**"), Matthew A. Drapkin, an individual resident of New York ("**Drapkin**"), BC Advisors, LLC, a Texas limited liability company, Becker Drapkin Management, L.P., a Texas limited partnership, Becker Drapkin Partners (QP), L.P., a Texas limited partnership, Becker Drapkin Partners, L.P., a Texas limited partnership, and BD Partners IV, L.P., a Texas limited partnership (collectively with Becker and Drapkin, the "**Shareholder Group**"), and Bradley Shisler, an individual resident of Texas ("**Shisler**"). Capitalized terms used herein but not defined herein shall have the meanings set forth in the Agreement (defined below).

WHEREAS, the Company, Becker, Drapkin and the other members of the Shareholder Group and Shisler previously entered into that certain Agreement, dated as of February 8, 2012 (the "**Agreement**"), and such parties have determined that it is advisable to amend the terms of the Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, warranties, covenants, agreements and conditions set forth herein and in the Agreement, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Section 8(a) of the Agreement is hereby amended to add new subclause (iii) at the end of Section 8(a) and within the parenthetical:

“and (iii) the direct acquisition by the Shareholder Group of up to an aggregate of 880,000 additional shares of the Common Stock on or before November 30, 2012, in addition to the acquisition or exercise of any equity based compensation Becker may receive pursuant to Section 12, provided that the Shareholder Group promptly informs the Company of any such acquisition(s)”

2. All other sections, terms and conditions of the Agreement not expressly amended in this Amendment shall remain unmodified and in full force and effect.

3. Sections 20, 21, 22 and 25 of the Agreement are hereby incorporated into and made part of this Amendment and shall be interpreted for purposes of this Amendment as if the word "Amendment" was substituted for the word "Agreement" therein.

4. The Agreement, as amended by this Amendment, constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all other prior agreements and understandings both written and oral between the parties with respect to the subject matter hereof. This Amendment may be amended only by a written instrument duly executed by the parties hereto or their respective successors or assigns.

*[Signature Page Follows]*

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized signatories of the parties as of the date first written above.

COMPANY:  
PIXELWORKS, INC.

By: /s/ Steven L. Moore

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Steven L. Moore

VP and CFO

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/s/ Steven R. Becker

Steven R. Becker

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BC ADVISORS, LLC

By: /s/ Steven R. Becker

Name: Steven Becker

Title: Managing Partner

BECKER DRAPKIN PARTNERS (QP), L.P.

By: Becker Drapkin Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker

Name: Steven Becker

Title: Managing Partner

BD PARTNERS IV, L.P.

By: Becker Drapkin Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker

Name: Steven Becker

Title: Managing Partner

/s/ Matthew A. Drapkin

Matthew A. Drapkin

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BECKER DRAPKIN MANAGEMENT, L.P.

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker

Name: Steven Becker

Title: Managing Partner

BECKER DRAPKIN PARTNERS, L.P.

By: Becker Drapkin Management, L.P., its general partner

By: BC Advisors, LLC, its general partner

By: /s/ Steven R. Becker

Name: Steven Becker

Title: Managing Partner

/s/ Bradley Shisler

BRADLEY SHISLER

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