

PIXELWORKS, INC  
Form SC 13D/A  
January 09, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 13D  
(Amendment No. 2)

Under the Securities Exchange Act of 1934

PIXELWORKS, INC.

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(Name of Issuer)

Common Stock

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(Title of Class of Securities)

72581M305

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(CUSIP Number)

Becker Drapkin Management, L.P.  
Attn: Steven R. Becker  
Attn: Matthew A. Drapkin  
300 Crescent Court  
Suite 1111  
Dallas, Texas 75201  
(214) 756-6016

With a copy to:

Richard J. Birns, Esq.  
Boies, Schiller & Flexner LLP  
575 Lexington Avenue, 7th Floor  
New York, NY 10022  
(212) 446-2300

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(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

January 6, 2012

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(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box:

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

\* 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 disclosures provided in a prior cover page.

The information required on 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 13D

CUSIP No. 72581M305

1 NAME OF REPORTING PERSON / I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Becker Drapkin Management, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

7 SOLE VOTING POWER

0

NUMBER OF SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 SHARED VOTING POWER

2,686,185

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

2,686,185

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,686,185

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14.9%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IA, PN



CUSIP No. 72581M305

1 NAME OF REPORTING PERSON / I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Becker Drapkin Partners (QP), L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

7 SOLE VOTING POWER

1,616,216

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

0

EACH

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON WITH

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,616,216

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

9.0%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

CUSIP No. 72581M305

1 NAME OF REPORTING PERSON / I.R.S. IDENTIFICATION NO. OF ABOVE PERSON.

Becker Drapkin Partners, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

7 SOLE VOTING POWER

240,269

NUMBER OF SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

240,269

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

240,269

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

1.3%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN



CUSIP No. 781182100

1 NAME OF REPORTING PERSON / I.R.S. IDENTIFICATION NO. OF ABOVE PERSON.

BD Partners IV, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Texas

7 SOLE VOTING POWER

829,700

NUMBER OF SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

829,700

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

829,700

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.6%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN





CUSIP No. 72581M305

1	NAME OF REPORTING PERSON / I.R.S. IDENTIFICATION NO. OF ABOVE PERSON	
	BC Advisors, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS (See Instructions)	
	OO	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) <input type="checkbox"/>	
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	Texas	
		7
		SOLE VOTING POWER
		0
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		8
		SHARED VOTING POWER
		2,686,185
		9
		SOLE DISPOSITIVE POWER
		0
		10
		SHARED DISPOSITIVE POWER
		2,686,185
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	
	2,686,185	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	14.9%	
14	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)	
	IA, OO	



CUSIP No. 72581M305

1 NAME OF REPORTING PERSON / I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Steven R. Becker

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7 SOLE VOTING POWER

0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8 SHARED VOTING POWER

2,686,185

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

2,686,185

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,686,185

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14.9%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN



CUSIP No. 72581M305

1 NAME OF REPORTING PERSON / I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Matthew A. Drapkin

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)  (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7 SOLE VOTING POWER

0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8 SHARED VOTING POWER

2,686,185

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

2,686,185

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,686,185

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14.9%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN



This Amendment No. 2 to Schedule 13D amends and supplements the Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on December 14, 2011, and Amendment No. 1 thereto, filed with the SEC on December 29, 2011, with respect to the Common Stock, \$0.001 par value (the "Common Stock"), of Pixelworks, Inc., an Oregon corporation (the "Issuer").

Item 3. Source and Amount of Funds or other Consideration

Item 3 is hereby amended and restated as follows:

The Reporting Persons expended an aggregate of approximately \$5,784,571.69 (including commissions) to purchase 2,686,185 shares of Common Stock. Funds used to purchase reported securities have come from working capital of the Becker Drapkin Funds, which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business.

Item 4. Purpose of Transaction

Item 4 is amended and supplemented to add the following information for updating as of the date hereof:

On January 6, 2012, the Becker Drapkin Funds sent to the Secretary of the Issuer a letter (the "Demand Letter") exercising their right to inspect the Issuer's stockholder list pursuant to Section 60.774 of the Oregon Revised Statutes, indicating that they are contemplating communication with other shareholders regarding possible nominations of candidates for election as directors at the Company's next annual meeting and the election of such candidates.

Subject to applicable laws and depending on certain factors, including without limitation review of the stockholder list, general market and investment conditions and the financial performance of the Issuer, the Reporting Persons may make proposals and recommendations regarding changes to the composition of the board of directors of the Issuer. As of the date hereof the Reporting Persons have not made a decision whether to make any such proposals or recommendations.

A copy of the Demand Letter is attached hereto as Exhibit 1 and incorporated herein by reference. The foregoing description of the Demand Letter is qualified in its entirety by reference to Exhibit 1.

Item 5. Interest in Securities of the Issuer

Subparagraphs (a) through (c) of Item 5 are amended and supplemented to add the following information for updating as of the date hereof:

(a), (b) The Reporting Persons may be deemed to beneficially own in the aggregate 2,686,185 shares of Common Stock. Based upon a total of 17,950,420 outstanding shares of Common Stock, as reported in the Issuer's quarterly report on Form 10-Q for the period ending September 30, 2011, the Reporting Persons' shares represent approximately 14.964% of the outstanding shares of Common Stock.



Becker Drapkin QP owns 1,616,216 shares of Common Stock (the “Becker Drapkin QP Shares”), which represent approximately 9.004% of the outstanding shares of Common Stock.

Becker Drapkin, L.P. owns 240,269 shares of Common Stock (the “Becker Drapkin, L.P. Shares”), which represent approximately 1.339% of the outstanding shares of Common Stock.

BD Partners IV owns 829,700 shares of Common Stock (the “BD Partners IV Shares”), which represent approximately 4.622% of the outstanding shares of Common Stock.

The Becker Drapkin QP Shares, Becker Drapkin, L.P. Shares and BD Partners IV Shares are collectively referred to herein as the “Becker Drapkin Funds Shares”.

Becker Drapkin QP has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the Becker Drapkin QP Shares. Becker Drapkin QP disclaims beneficial ownership of the Becker Drapkin, L.P. Shares and BD Partners IV Shares.

Becker Drapkin, L.P. has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the Becker Drapkin, L.P. Shares. Becker Drapkin, L.P. disclaims beneficial ownership of the Becker Drapkin QP Shares and BD Partners IV Shares.

BD Partners IV has the power to vote or to direct the vote of (and the power to dispose or direct the disposition of) the BD Partners IV Shares. BD Partners IV disclaims beneficial ownership of the Becker Drapkin QP Shares and Becker Drapkin, L.P. Shares.

As general partner of the Becker Drapkin Funds, BD Management may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) the Becker Drapkin Funds Shares. BD Management disclaims beneficial ownership of the Becker Drapkin Funds Shares.

As general partner of BD Management, BCA may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) any shares of Common Stock beneficially owned by BD Management. BCA does not own any shares of Common Stock directly and disclaims beneficial ownership of any shares of Common Stock beneficially owned by BD Management.

As co-managing members of BCA, each of Mr. Becker and Mr. Drapkin may be deemed to have the shared power to vote or direct the vote of (and the shared power to dispose or direct the disposition of) any shares of Common Stock beneficially owned by BCA. Mr. Becker and Mr. Drapkin each disclaim beneficial ownership of any shares of Common Stock beneficially owned by BCA.

As of the date hereof, no Reporting Person owns any shares of Common Stock other than those set forth in this Item 5.

(c) The trading dates, number of shares of Common Stock purchased or sold, and the price per share of Common Stock for all transactions by the Reporting Persons in shares of Common Stock since the last amendment of this Schedule 13D, all of which were

brokered transactions, are set forth below.

Name of Reporting Person	Date	Number of Shares Purchased (Sold)	Average Price per Share
Becker Drapkin QP	12/29/2011	2,524	\$2.3383
Becker Drapkin, L.P.	12/29/2011	376	\$2.3383

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

Item 6 is amended and supplemented to add the following information for updating as of the date hereof:

On January 9, 2012, the Reporting Persons entered into the Joint Filing Agreement pursuant to which they agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer. Such Joint Filing Agreement is attached hereto as Exhibit 1.

Except for the matters described herein, no Reporting Person has any contract, arrangement, understanding or relationship with any person with respect to any securities of the Issuer.

Item 7. Material to Be Filed as Exhibits

Exhibit 1 Demand Letter, dated January 6, 2012, from Becker Drapkin Partners (QP), L.P.; Becker Drapkin Partners, L.P.; and BD Partners IV, L.P. to the Secretary of Pixelworks, Inc.

Exhibit 2 Joint Filing Agreement, dated January 9, 2012, by and among Becker Drapkin Management, L.P.; Becker Drapkin Partners (QP), L.P., Becker Drapkin Partners, L.P.; BD Partners IV, L.P.; BC Advisors, LLC; Steven R. Becker; and Matthew A. Drapkin

SIGNATURES

After reasonable inquiry and to the best of each of the undersigned's knowledge and belief, each of the undersigned, severally and not jointly, certifies that the information set forth in this statement is true, complete and correct.

Dated: January 9, 2012

BECKER DRAPKIN MANAGEMENT, L.P.

By: BC Advisors, LLC, its general partner

By: /s/ Michael S. Grisolia  
Name: Michael S. Grisolia  
Title: Attorney-in-Fact

BECKER DRAPKIN PARTNERS (QP), L.P.

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

By: BC Advisors, LLC, its general partner

By: /s/ Michael S. Grisolia  
Name: Michael S. Grisolia  
Title: Attorney-in-Fact

BECKER DRAPKIN PARTNERS, L.P.

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

By: BC Advisors, LLC, its general partner

By: /s/ Michael S. Grisolia  
Name: Michael S. Grisolia  
Title: Attorney-in-Fact

BD PARTNERS IV, L.P.

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

By: BC Advisors, LLC, its general partner

By: /s/ Michael S. Grisolia  
Name: Michael S. Grisolia  
Title: Attorney-in-Fact

BC ADVISORS, LLC

By: /s/ Michael S. Grisolia  
Name: Michael S. Grisolia

Title: Attorney-in-Fact

STEVEN R. BECKER

By: /s/ Michael S. Grisolia  
Name: Michael S. Grisolia  
Title: Attorney-in-Fact

MATTHEW A. DRAPKIN

By: /s/ Michael S. Grisolia  
Name: Michael S. Grisolia  
Title: Attorney-in-Fact