

PIXELWORKS, INC  
Form 8-K  
December 18, 2006

**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): December 16, 2006**  
**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.)

**8100 SW Nyberg Road**  
**Tualatin, Oregon 97062**  
**(503) 454-1750**

(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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**PIXELWORKS, INC. AND SUBSIDIARIES**

**Item 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

Pixelworks, Inc. (the Company ) entered into a separation and transition agreement and release (the Agreement ) with Richard J. Tobias, the Company s former Chief Technology Officer effective December 16, 2006. The Agreement provides, among other benefits, a severance payment equal to twenty-eight (28) weeks of base salary payable in January 2007 and transition compensation equal to an additional twenty-four (24) weeks of base salary payable upon fulfillment of certain transition responsibilities.

The Agreement is filed herewith as Exhibit 10.1 to this Report and is incorporated herein by reference.

**Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits.

10.1 Separation and Transition Agreement and Release between Richard Tobias and Pixelworks, Inc.

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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)

Date: December 18, 2006

By: /s/ Michael D. Yonker

Michael D. Yonker

*Vice President, Chief Financial Officer,*

*Treasurer and Secretary*