

Pixelworks (NASDAQ:PIXL): \$140 to 37 cents in 9 Short Years

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Chicago, IL 12/20/2011 ([Steetbeat](#)) -- Pixelworks ([Nasdaq:PXLW](#)), two dates stand out for me in the Pixelworks timeline. The first was September 2000 when I had them (Short) in my Market Neutral Portfolio at Husic Capital at \$138 1/2 and the second was March 7th 2009 when the stock bottomed at 37 cents. I need to be clear that these two events were unrelated... I covered the short during the massive selloff in October 2000, and in 2009 I marveled at how viciously undervalued the stock was as I reviewed the carnage of post 2008 liquidation.

I looked at the stock today because I asked a [group of analysts](#) who cover this space what they were looking at and why and [PXLW](#) was on the list of stocks they were watching. I always watch this stock because it was one of the most volatile trades I'd ever made trying to cover my short and getting raked over the coals legging out of a market neutral position (which means I was covering this short and selling a long in another) it taught me a lesson about legging in and out during high volatility which I keep in my knowledge war chest....so PIXL remains close to my heart as a lesson in trusting your broker. We didnt have electronic trading in 2000 at our desk and I had to rely on my salestrader at Alex Brown...which was a huge mistake!!!

Anyway...back to 2011.....I noticed Value Buyers in the stock and watch as they expand their position as Becker Drapkin Management disclosed on December 15th that it now has nearly 2.40 million shares in Pixelworks Inc. ([PXLW](#)), giving a 13.14% activist stake ownership in the company.

According to the filing, Becker Drapkin Management believes [PXLW](#) is undervalued and the firm intends to review and invest in the [PXLW](#) on a continuing basis. Becker Drapkin Management bought those shares from December 5 to December 14, at between \$1.86 and \$2.28 per share. Now [PXLW](#) is trading at \$2.40, and has lost 31% year to date.

There were other hedge funds which invested in [PXLW](#) in the third quarter. Stuart Peterson's Artis Capital Management increased its position by 33% and had 1.15 million shares in the stock. Jim Simons' Renaissance Technologies slightly cut its position by 2% and retained 963 thousand shares at the end of September.

I plan on jumping on the next earning call and following the filings for [PXLW](#)...it reminds me of the salad days in

San Francisco long before equities lost luster and became such complicated animals... bring back unfettered Research and Trading and the City by the Bay..in fact I wish I [could bring back Herb Caen.](#)

[Steve Kanaval nor TheStreetbeat.com has no position in any stock named in this article.](#)

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