

DSP GROUP INC /DE/
Form 4
February 02, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
AYALON ELIYAHU

(Last) (First) (Middle)

C/O DSP GROUP, INC., 2580
NORTH FIRST STREET, SUITE
460

(Street)

SAN JOSE, CA 95131

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
DSP GROUP INC /DE/ [DSPG]

3. Date of Earliest Transaction
(Month/Day/Year)
01/31/2011

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount Underlying Security |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|-------------------------|---|---|

Edgar Filing: DSP GROUP INC /DE/ - Form 4

| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) | | | |
|--------------------------|--|----------------------|-----------------|---|------------------|------------------|-----------------|------------|----------------------------|
| | | | Code V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Appreciation Right | \$ 7.49 | 01/31/2011 | A | 105,000 | (1) | 01/31/2018 | Common Stock | 70,000 (2) | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| AYALON ELIYAHU C/O DSP GROUP, INC. 2580 NORTH FIRST STREET, SUITE 460 SAN JOSE, CA 95131 | X | | | |

Signatures

/s/ Eliyahu
Ayalon
02/02/2011
Date

**Signature of Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Stock Appreciation Right vests 25% after 1 year and 6.25% each quarter thereafter.

The Stock Appreciation Right grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or great than three times the base appreciation amount of the stock appreciation right, the portion of the stock appreciation rights that is

- (2) vested on such date is automatically exercised on the next trading day and the appreciation amount is paid by the issuance of the respective number of shares of the Company's common stock. Therefore, the number of underlying shares of common stock that may be received upon exercise cannot exceed 2/3 of the number of stock appreciation rights granted.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.