

DSP GROUP INC /DE/
Form 8-K
April 11, 2006

As filed with the Securities and Exchange Commission on April 11, 2006

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): April 5, 2006

DSP GROUP, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

0-23006
(Commission File Number)

94-2683643
(I.R.S. Employer Identification No.)

3120 Scott Boulevard, Santa Clara, CA
(Address of Principal Executive Offices)

95054
(Zip Code)

408/986-4300

(Registrant's Telephone Number, Including Area Code)

With a copy to:

Bruce Alan Mann, Esq.

Morrison & Foerster LLP

425 Market Street

San Francisco, CA 94105

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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 (*see* General Instruction A.2. below):

- .. 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 April 5, 2006, the Board of Directors of DSP Group, Inc. (the Company) granted stock appreciate rights (SARs) pursuant to the Company's 2003 Israeli Share Incentive Plan (the 2003 Plan) to each of the named executive officers in the following amounts:

| Named Executive Officers | Position | SAR Grant Number of Shares of Common Stock | Vesting Schedule |
|---------------------------------|--|---|--|
| Eliyahu Ayalon | Chairman of the Board of Directors and Chief Executive Officer | 80,000 | 25% vests immediately and 25% vests each year thereafter |
| Tal Simchony | President | 150,000 | 25% vests on first anniversary of grant date and 6.25% vests each quarter thereafter |
| Boaz Edan | Chief Operating Officer | 60,000 | 25% vests on first anniversary of grant date and 6.25% vests each quarter thereafter |
| Moshe Zelnik | Chief Financial Officer and Secretary | 20,000 | 25% vests on first anniversary of grant date and 6.25% vests each quarter thereafter |
| Eli Fogel | Senior Vice President and Chief Technology Officer | 40,000 | 25% vests on first anniversary of grant date and 6.25% vests each quarter thereafter |

The 2003 Plan, amended and restated to provide for the grant of SARs, is attached hereto as Exhibit 99.1. The form of Stock Appreciation Right Agreement for executive officers pursuant to the 2003 Plan is attached hereto as Exhibit 99.2.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

d. Exhibits

| Exhibit No. | Description |
|--------------------|--|
| 99.1 | Amended and Restated 2003 Israeli Share Incentive Plan |
| 99.2 | Form of Stock Appreciation Right Agreement for Executive Officers pursuant to the Amended and Restated 2003 Israeli Share Incentive Plan |

SIGNATURES

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.

DSP GROUP, INC.

Date: April 11, 2006

By: /s/ Moshe Zelnik
Moshe Zelnik
Chief Financial Officer
and Secretary