

DSP GROUP INC /DE/
Form 4
January 29, 2010

FORM 4

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

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

OMB APPROVAL

OMB
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(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)
01/27/2010

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			

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

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information contained in this form are not
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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
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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 Number of Shares
Stock Appreciation Right	\$ 7.26	01/27/2010	A		175,000		<u>(1)</u>	01/27/2017	Common Stock	116,000

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

Signature of Reporting Person _____ Date _____

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% immediately and 25% on the first year anniversary of the grant date and 25% each year 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.

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