

DSP GROUP INC /DE/
Form 4
August 26, 2016

FORM 4

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

OMB APPROVAL

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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 *
Elyakim Ofer

(Last) (First) (Middle)

161 S. SAN ANTONIO ROAD,
SUITE 10

(Street)

LOS ALTOS, CA 94022

(City) (State) (Zip)

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

3. Date of Earliest Transaction
(Month/Day/Year)
08/24/2016

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)
CEO

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 |
| Common Stock | 08/24/2016 | | M | | 78,186 | A | \$ 7.26 |
| Common Stock | 08/24/2016 | | D | | 48,186 (1) | D | \$ 11.78 |
| Common Stock | 08/24/2016 | | S(2) | | 30,000 | D | 12.0165 (3) |
| Common Stock | 08/25/2016 | | M | | 38,024 | A | \$ 7.26 |
| Common Stock | 08/25/2016 | | D | | 23,024 (4) | D | \$ 11.99 |

Common Stock 08/25/2016 S⁽²⁾ 15,000 D \$ 11.92 364,116 ⁽⁵⁾ D

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

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(9-02)

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

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Appreciation Right | \$ 7.26 | 08/24/2016 | | M | 78,186 | ⁽⁶⁾ 01/27/2017 | Common Stock 52,12 ⁽⁷⁾ |
| Stock Appreciation Right | \$ 7.26 | 08/25/2016 | | M | 38,024 | ⁽⁶⁾ 01/27/2017 | Common Stock 25,34 ⁽⁷⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Elyakim Ofer 161 S. SAN ANTONIO ROAD, SUITE 10 LOS ALTOS, CA 94022 | X | | CEO | |

Signatures

/s/ Ofer Elyakim 08/26/2016
 **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) This represents the difference between the number of SARs exercised (78,186) and the number of shares issued as a result of the exercise (30,000). The number of shares to be issued under a SAR exercise is determined by multiplying the number of SARs being exercised by

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the difference between the FMV on the date immediately prior to the date the SAR is exercised (\$11.78) and the base price (\$7.26). The SARs were issued from a plan that will expire in January 2017.

- (2) The sales were in response to the disparate tax treatment under the Israeli tax ruling that would have resulted in significant adverse tax consequences for Mr. Elyakim to hold the exercised SARs as opposed to selling the same.

The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$11.96 to \$12.07, inclusive. The reporting person undertakes to provide to DSP Group, Inc., any security holder of DSP Group, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote to this Form 4.

- (3) This represents the difference between the number of SARs exercised (38,024) and the number of shares issued as a result of the exercise (15,000). The number of shares to be issued under a SAR exercise is determined by multiplying the number of SARs being exercised by the difference between the FMV on the date immediately prior to the date the SAR is exercised (\$11.99) and the base price (\$7.26). The SARs were issued from a plan that will expire in January 2017.

- (4) Represents 95,888 shares outstanding, 144,213 vested RSUs, and 124,015 unvested RSUs.

- (5) 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 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.

- (6) 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.