

DSP GROUP INC /DE/
Form 4
November 23, 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)
11/21/2016

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 11/21/2016 | | M | | 58,790 A \$ 7.26 | 422,906 | D |
| Common Stock | 11/21/2016 | | D | | 34,421 (1) D \$ 12.4 | 388,485 | D |
| Common Stock | 11/21/2016 | | M | | 105,000 A \$ 6.16 | 493,485 | D |
| Common Stock | 11/21/2016 | | D | | 52,500 (2) D \$ 12.32 | 440,985 (3) | 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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Appreciation Right | \$ 7.26 | 11/21/2016 | | M | 58,790 | (4) 01/27/2017 | Common Stock | 24,369 (5) |
| Stock Appreciation Right | \$ 6.16 | 11/21/2016 | | M | 105,000 | (4) 02/01/2019 | Common Stock | 52,500 (6) |

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 11/23/2016
 **Signature of Date
 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) This represents the difference between the number of SARs exercised (58,790) and the number of shares issued as a result of the exercise (24,369). 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 (\$12.40) and the base price (\$7.26). The SARs were issued from a plan that will expire in January 2017.
- (2) This represents the difference between the number of SARs exercised (105,000) and the number of shares issued as a result of the exercise (52,500). The number of shares to be issued under a SAR exercise is usually 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. With respect to this SAR grant, as explained in footnote 6, the SAR ceiling was exceeded. The number of shares exercised was determined by the difference

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of the ceiling price (\$12.32) and the base price (\$6.16). The SARs were issued from a plan that will expire in February 2019.

- (3) Represents 172,757 shares outstanding, 155,040 vested RSUs, and 113,188 unvested RSUs.
- (4) 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

- (5) 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.

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 two times the base appreciation amount of the stock appreciation right, the portion of the stock appreciation rights that is

- (6) 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 1/2 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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