

Blanka Lior
Form 3
February 02, 2011

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â Blanka Lior | | (Month/Day/Year) | DSP GROUP INC /DE/ [DSPG] | |
| (Last) | (First) | (Middle) | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| | | 01/31/2011 | | |
| C/O DSP GROUP, INC.,Â 2580 | | | (Check all applicable) | |
| NORTH FIRST STREET, | | | _____ Director _____ 10% Owner | |
| SUITE 460 | | | <input checked="" type="checkbox"/> Officer _____ Other | |
| (Street) | | | (give title below) (specify below) | |
| | | | Chief Technology Officer | |
| SAN JOSE,Â CAÂ 95131 | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| (City) | (State) | (Zip) | _X_ Form filed by One Reporting Person | |
| | | | ___ Form filed by More than One Reporting Person | |

Table I - Non-Derivative Securities Beneficially Owned

| | | | |
|------------------------------------|--|---|--|
| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|

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

SEC 1473 (7-02)

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

| | | | | | |
|---|---|--|--|--|--|
| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
| | Date Exercisable | Expiration Date | Title | Amount or Number of | |

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| | | | | Shares | | or Indirect (I) (Instr. 5) | |
|--------------------------|-------|------------|-----------------|------------|----------|----------------------------------|---|
| Stock Appreciation Right | Â (1) | 07/23/2014 | Common Stock | 50,000 (5) | \$ 18.31 | D | Â |
| Stock Appreciation Right | Â (2) | 01/30/2015 | Common Stock | 50,000 (6) | \$ 10.23 | D | Â |
| Stock Appreciation Right | Â (3) | 02/02/2016 | Common Stock | 70,000 (7) | \$ 5.97 | D | Â |
| Stock Appreciation Right | Â (4) | 01/27/2017 | Common Stock | 70,000 (8) | \$ 7.26 | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Blanka Lior C/O DSP GROUP, INC. 2580 NORTH FIRST STREET, SUITE 460 SAN JOSE, CA 95131 | Â | Â | Â Chief Technology Officer | Â |

Signatures

/s/ Lior Blanka 02/02/2011

Signature of
Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(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) 25% of the stock appreciation rights vested on July 23, 2008. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.
- (2) 25% of the stock appreciation rights vested on January 30, 2009. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.
- (3) 25% of the stock appreciation rights vested on February 2, 2010. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.
- (4) 25% of the stock appreciation rights vested on January 27, 2011. 6.25% of the remaining stock appreciation rights vest each quarter thereafter.

Mr. Blanka received a grant to purchase 50,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than two times the base appreciation amount of the stock appreciation rights, (5) 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 grant is exercisable for 25,000 shares of the Company's common stock.

Mr. Blanka received a grant to purchase 50,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than two times the base appreciation amount of the stock appreciation rights, (6) 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 grant is exercisable for 25,000 shares of the Company's common stock.

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(7) Mr. Blanka received a grant to purchase 70,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than four times the base appreciation amount of the stock appreciation rights, 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 grant is exercisable for 52,500 shares of the Company's common stock. 10,000 stock appreciation right units representing 1,397 shares were exercised and sold on August 5, 2010 at a sale price of \$6.97 per share.

(8) Mr. Blanka received a grant to purchase 70,000 stock appreciation rights. The grant is subject to a ceiling such that when the fair market value of the Company's common stock is equal to or greater than three times the base appreciation amount of the stock appreciation rights, 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 grant is exercisable for 46,667 shares of the Company's common stock.

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.