DSP GROUP INC /DE/ Form 4 July 05, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL

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Form filed by More than One Reporting

if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue. See Instruction

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(b).

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading **AYALON ELIYAHU** Issuer Symbol DSP GROUP INC /DE/ [DSPG] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) _X__ Director 10% Owner _X__ Officer (give title _ Other (specify C/O DSP GROUP, INC., 3120 07/02/2007 below) SCOTT BLVD Chairman of Board and CEO (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person

SANTA CLARA, CA 95054

(Ctata)

(7:-)

(City)	(State)	(Zip) Tab	le I - Non-	Derivative Securities Acqui	red, Disposed of,	or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any	3. Transaction	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	Securities Ownership In	7. Nature of Indirect Beneficial	
		(Month/Day/Year)	(Instr. 8) Code V	(A) or Amount (D) Price	Owned Following Reported Transaction(s) (Instr. 3 and 4)	Direct (D) or Indirect (I) (Instr. 4)	Ownership (Instr. 4)
Common Stock	07/02/2007		S	$\begin{array}{ccc} 1,003 & \text{D} & \$ \\ \frac{(1)}{} & \text{D} & 20.7787 \end{array}$	2,620	D	

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

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SEC 1474

(9-02)

Person

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

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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. onNumber of Derivative Securities Acquired (A) or Disposed of (D)		ate	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr	
				Code V	(Instr. 3, 4, and 5) (A) (D)	Date Exercisable	Expiration Date	Title N	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships						
1 0	Director	10% Owner	Officer	Other			
AYALON ELIYAHU C/O DSP GROUP, INC. 3120 SCOTT BLVD SANTA CLARA, CA 95054	X		Chairman of Board and CEO				

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) Purchased pursuant to Issuer's Employee Stock Purchase Plan. Sale effected pursuant to irrevocable order previously executed by reporting person.

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.

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