

CATALYST SEMICONDUCTOR INC  
 Form 4  
 September 26, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL  
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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 GAY THOMAS E III

2. Issuer Name and Ticker or Trading Symbol  
 CATALYST SEMICONDUCTOR INC [CATS]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 CFO, VP Finance & Admin.

(Last) (First) (Middle)  
 C/O CATALYST SEMICONDUCTORS, 1250 BORREGAS AVE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 09/22/2006

SUNNYVALE, CA 94089  
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	09/22/2006	09/22/2006	M		25,000 A \$ 0.125	75,000	D
Common Stock	09/22/2006	09/22/2006	S		12,500 D \$ 3.25	62,500	D
Common Stock	09/22/2006	09/22/2006	S		8,318 D \$ 3.26	54,182	D
Common Stock	09/22/2006	09/22/2006	S		5,300 D \$ 3.28	48,882	D
	09/25/2006	09/25/2006	S		10,200 D \$ 3.23	38,682	D

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Common Stock								
Common Stock	09/25/2006	09/25/2006	S	300	D	\$ 3.24	38,382	D
Common Stock	09/25/2006	09/25/2006	S	2,000	D	\$ 3.25	36,382	D
Common Stock	09/25/2006	09/25/2006	S	1,010	D	\$ 3.26	35,372	D
Common Stock	09/26/2006	09/26/2006	S	6,457	D	\$ 3.23	28,915	D
Common Stock	09/26/2006	09/26/2006	S	3,915	D	\$ 3.24	25,000	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)	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Right to Buy (Common Stock)	\$ 0.125	09/22/2006	09/22/2006	M	25,000	12/08/1998	12/08/2008	Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GAY THOMAS E III C/O CATALYST SEMICONDUCTORS 1250 BORREGAS AVE SUNNYVALE, CA 94089			CFO, VP Finance & Admin.	

## Signatures

Thomas E Gay  
III

09/26/2006

\_\_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).

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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