

MONOLITHIC POWER SYSTEMS INC
 Form 4
 September 05, 2007

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 *
 Neely Rick

2. Issuer Name and Ticker or Trading Symbol
 MONOLITHIC POWER SYSTEMS INC [MPWR]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 6409 GUADALUPE MINES ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/04/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Chief Financial Officer

SAN JOSE, CA 95120
 (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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	09/04/2007		M		3,500	A	\$ 8.41
Common Stock	09/04/2007		S ⁽¹⁾		3,500	D	\$ 20.75
Common Stock	09/04/2007		M		2,900	A	\$ 8.41
Common Stock	09/04/2007		S ⁽¹⁾		2,900	D	\$ 20.8301
Common Stock	09/04/2007		M		600	A	\$ 8.41

Common Stock 09/04/2007 S⁽¹⁾ 600 D \$ 20.82 9,500 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		6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
					Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(D)		
Non-Qualified Stock Option (right to buy)	\$ 8.41	09/04/2007		M		3,500	09/06/2006 ⁽²⁾ 09/22/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 8.41	09/04/2007		M		2,900	09/06/2006 ⁽²⁾ 09/22/2015	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 8.41	09/04/2007		M		600	09/06/2006 ⁽²⁾ 09/22/2015	Common Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Neely Rick
6409 GUADALUPE MINES ROAD
SAN JOSE, CA 95120

Chief Financial Officer

Signatures

By: Saria Tseng For: Rick Neely

09/05/2007

**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) In accordance with the reporting person's 10b5-1 trading plan.
 - (2) 25% of the shares subject to the option vest on 9/6/06; balance vests monthly over 36 months.

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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