

MONOLITHIC POWER SYSTEMS INC
 Form 4
 October 04, 2007

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 *
 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)
 10/03/2007

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

SAN JOSE, CA 95120

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

(City) (State) (Zip)

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) | (A) or (D) | 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 | Price | | |
| Common Stock | 10/03/2007 | | M | | 17,500 | \$ 8.41 | 27,000 | D |
| Common Stock | 10/03/2007 | | S ⁽¹⁾ | | 6,500 | \$ 25.95 | 20,500 | D |
| Common Stock | 10/03/2007 | | S ⁽¹⁾ | | 2,500 | \$ 25.8 | 18,000 | D |
| Common Stock | 10/03/2007 | | S ⁽¹⁾ | | 2,000 | \$ 25.81 | 16,000 | D |
| Common Stock | 10/03/2007 | | S ⁽¹⁾ | | 1,500 | \$ 25.82 | 14,500 | D |

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|--------------|------------|------------------|-------|---|----------|--------|---|
| Common Stock | 10/03/2007 | S ⁽¹⁾ | 500 | D | \$ 25.83 | 14,000 | D |
| Common Stock | 10/03/2007 | S ⁽¹⁾ | 1,000 | D | \$ 25.78 | 13,000 | D |
| Common Stock | 10/03/2007 | S ⁽¹⁾ | 2,000 | D | \$ 25.75 | 11,000 | D |
| Common Stock | 10/03/2007 | S ⁽¹⁾ | 1,500 | D | \$ 25.74 | 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 Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Non-Qualified Stock Option (right to buy) | \$ 8.41 | 10/03/2007 | | M | 17,500 | 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

Rick Neely 10/04/2007

**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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