

MONOLITHIC POWER SYSTEMS INC

Form 4

August 16, 2007

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Xiao Deming

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)

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

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)

6409 GUADALUPE MINES ROAD

08/14/2007

VP, Operations

(Street)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

SAN JOSE, CA 95120

(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) | 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 | 08/14/2007 | | M | | 14,000 | A | \$ 0.8 | 40,375 | D | |
| Common Stock | 08/14/2007 | | S | | 14,000 | D | \$ 18.5155 (1) | 26,375 | D | |
| Common Stock | 08/15/2007 | | M | | 2,456 | A | \$ 0.8 | 28,831 | D | |
| Common Stock | 08/15/2007 | | S | | 2,456 | D | \$ 19.1226 (2) | 26,375 | D | |
| | | | | | | | | 86,333 | I | By Parent |

Common
StockCommon
Stock

2,568

I

by
Spouse ⁽³⁾

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(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) | | | |
|---|---|---|---|---|--|--|-----|---|--------------------|-----------------|-------------------------------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Incentive Stock Option (right to buy) | \$ 0.8 | 08/14/2007 | | M | | 14,000 | | 11/01/2004 | 06/05/2011 | Common Stock | 14,000 |
| Incentive Stock Option (right to buy) | \$ 0.8 | 08/15/2007 | | M | | 2,456 | | 11/17/2004 | 01/16/2012 | Common Stock | 2,456 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Xiao Deming 6409 GUADALUPE MINES ROAD SAN JOSE, CA 95120 | | | VP, Operations | |

Signatures

Deming Xiao

08/16/2007

**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) Price is the weighted average selling price of all sales by the reporting person on the transaction date. The range of selling prices was \$18.50 to \$18.61 per share.
- (2) Price is the weighted average selling price of all sales by the reporting person on the transaction date. The range of selling prices was \$19.10 to \$19.15 per share.
- (3) Represent shares owned by the reporting person's spouse.

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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