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

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

**Date of Report (date of earliest event reported):
May 24, 2007**

MONOLITHIC POWER SYSTEMS, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-51026
(Commission File Number)

77-0466789
(I.R.S. Employer
Identification Number)

**6409 Guadalupe Mines Road
San Jose, California 95120**
(Address of principal executive offices) (Zip Code)

(408) 826-0600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

On May 24, 2007, the Board elected Mr. Douglas M. McBurnie and Ms. Karen A. Smith Bogart to the board of directors (the “Board”) of Monolithic Power Systems, Inc. (the “Company”). Pursuant to a letter of agreement between the Company and each of the Company’s newly appointed board members, dated May 24, 2007, the Company committed to grant to each director a non-qualified stock option to purchase 30,000 shares of the Company’s common stock with an exercise price equal to the closing fair market value of the underlying stock on the date of grant, which was May 24, 2007. The shares underlying the option vest at the rate of fifty percent (50%) on the date one year after the date of grant and an additional fifty percent (50%) on the date two years after the date of grant, subject to their continued service on the Board on the applicable vesting date. The option is subject to the terms and conditions of the Company’s 2004 Equity Incentive Plan and the related stock option agreements. In addition, the Company agreed to provide an annual retainer of \$25,000 to each of these individuals in connection with their Board service to the Company. Mr. McBurnie will serve on the Audit and Nominating and Corporate Governance Committees, and Ms. Bogart will serve on the Compensation Committee. Mr. McBurnie and Ms. Bogart are entitled to additional compensation as described in our Form 10-Q filed with the Securities and Exchange Commission on April 27, 2007, for such services on the Board committees.

In connection with the election of Mr. McBurnie and Ms. Bogart to the Board, the Company entered into an indemnification agreement with these individuals, the terms of which are identical in all material respects to the form of indemnification agreement that the Company has previously entered into with each of its directors, which was filed with the SEC as Exhibit 10.4 of the Company’s Form S-1 Registration Statement filed on November 15, 2004.

Copies of the letter agreements between the Company and Mr. McBurnie and the Company and Ms. Bogart, each dated May 24, 2007 are attached to this Current Report as Exhibits 10.1 and 10.2, respectively. A press release announcing the elections was issued on May 25, 2007, a copy of which is being filed as Exhibit 99.1 to this Form 8-K and which is incorporated herein by reference in its entirety.

Item 9.01. Financial Statements and Exhibits**(d) Exhibits.**

Exhibit No.	Description
10.1	Letter agreement between the Company and Mr. Douglas McBurnie, dated May 24, 2007
10.2	Letter agreement between the Company and Ms. Karen Bogart, dated May 24, 2007
99.1	Press release, dated May 25, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 25, 2007

By: /s/ C. Richard Neely, Jr.
C. Richard Neely, Jr.
Chief Financial Officer
(Principal Financial and Accounting Officer
and Duly Authorized Officer)

EXHIBIT INDEX

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99.1	Press release, dated May 25, 2007



Monolithic Power Systems, Inc.
6409 Guadalupe Mines Road
San Jose, CA 95120
May 24, 2007

Mr. Douglas McBurnie

Dear Douglas:

I am pleased to offer you a seat on the Board of Directors (the "Board") of Monolithic Power Systems, Inc. (the "Company") as a Class I director. Your appointment to the Board will be effective on May 24, 2007. With the hope and expectation that you will accept this offer, I have summarized a few related matters below for your reference.

First, should you accept this offer, the Company will, upon the effective date of your joining the Board, recommend that the Board grant you an option (the "Option") to purchase up to 30,000 shares of the Company's Common Stock under the 2004 Equity Incentive Plan (the "Plan") at an exercise price equal to the fair market value of the shares on the date of grant. We will provide your Option grant paperwork promptly after such grant has been made. Subject to the terms of the Plan and your related option agreement, your Option will vest as to 50% of the shares one year from the date referred to as the "Vesting Commencement Date", and as to an additional 50% of the shares one year thereafter such that your Option will be fully vested on the two-year anniversary of the Vesting Commencement Date.

In addition to the time-based vesting described in the preceding paragraph, if you are a Director of the Company on the date of a Change of Control (as defined below) that occurs before the two-year anniversary of the Vesting Commencement Date, in the event that a successor corporation refuses to assume or substitute the Option with an equivalent option or right, 100% of the shares subject to the Option shall immediately vest as of the effective date of such Change of Control. Notwithstanding any accelerated vesting contained in this paragraph, your total number of shares subject to the Option granted herein shall not increase by virtue of a Change of Control.

"Change of Control" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" means directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Second, in addition to the indemnification rights you, in your capacity as a director of the Company, will be entitled to under the Company's Bylaws and Certificate of Incorporation, we propose to grant you the additional contractual indemnification and related rights provided in the enclosed Indemnification Agreement.

Third, you will receive an annual retainer of \$25,000 in connection with your seat on the Board of Directors and certain other amounts based on your participation on the Audit Committee, Compensation Committee and/or Nominating and Corporate Governance Committee. The committee assignments will be determined by the Board of Directors.

Finally, as you know, the Company's intellectual property and other proprietary information is one of our most important assets and we must all be vigilant in our protection of it. Although it goes without saying, I feel it is appropriate to remind all new directors of their

Letter to Douglas McBumie

May 24, 2007

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fiduciary duties of loyalty and care to the Company. These include the duty to maintain the confidentiality of the Company's confidential and proprietary information and the duty to not use such information other than to promote the Company's best interests. I am sure that you can appreciate the importance of these matters to us.

Again, I am happy to extend this invitation to you. Your participation on our Board would be of great benefit to the Company.

Best Regards,

/s/ Michael Hsing

Michael Hsing, CEO

Acknowledged and agreed:

/s/ Douglas McBumie

Douglas McBumie

Date: May 24, 2007



Monolithic Power Systems, Inc.
6409 Guadalupe Mines Road
San Jose, CA 95120
May 24, 2007

Ms. Karen A. Smith Bogart

Dear Karen:

I am pleased to offer you a seat on the Board of Directors (the "Board") of Monolithic Power Systems, Inc. (the "Company") as a Class II director. Your appointment to the Board will be effective on May 24, 2007. With the hope and expectation that you will accept this offer, I have summarized a few related matters below for your reference.

First, should you accept this offer, the Company will, upon the effective date of your joining the Board, recommend that the Board grant you an option (the "Option") to purchase up to 30,000 shares of the Company's Common Stock under the 2004 Equity Incentive Plan (the "Plan") at an exercise price equal to the fair market value of the shares on the date of grant. We will provide your Option grant paperwork promptly after such grant has been made. Subject to the terms of the Plan and your related option agreement, your Option will vest as to 50% of the shares one year from the date referred to as the "Vesting Commencement Date", and as to an additional 50% of the shares one year thereafter such that your Option will be fully vested on the two-year anniversary of the Vesting Commencement Date.

In addition to the time-based vesting described in the preceding paragraph, if you are a Director of the Company on the date of a Change of Control (as defined below) that occurs before the two-year anniversary of the Vesting Commencement Date, in the event that a successor corporation refuses to assume or substitute the Option with an equivalent option or right, 100% of the shares subject to the Option shall immediately vest as of the effective date of such Change of Control. Notwithstanding any accelerated vesting contained in this paragraph, your total number of shares subject to the Option granted herein shall not increase by virtue of a Change of Control.

"Change of Control" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two-year period, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" means directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Second, in addition to the indemnification rights you, in your capacity as a director of the Company, will be entitled to under the Company's Bylaws and Certificate of Incorporation, we propose to grant you the additional contractual indemnification and related rights provided in the enclosed Indemnification Agreement.

Third, you will receive an annual retainer of \$25,000 in connection with your seat on the Board of Directors and certain other amounts based on your participation on the Audit Committee, Compensation Committee and/or Nominating and Corporate Governance Committee. The committee assignments will be determined by the Board of Directors.

Letter to Karen A. Smith Bogart
May 24, 2007
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Finally, as you know, the Company's intellectual property and other proprietary information is one of our most important assets and we must all be vigilant in our protection of it. Although it goes without saying, I feel it is appropriate to remind all new directors of their fiduciary duties of loyalty and care to the Company. These include the duty to maintain the confidentiality of the Company's confidential and proprietary information and the duty to not use such information other than to promote the Company's best interests. I am sure that you can appreciate the importance of these matters to us.

Again, I am happy to extend this invitation to you. Your participation on our Board would be of great benefit to the Company.

Best Regards,

/s/ Michael Hsing
Michael Hsing, CEO

Acknowledged and agreed:

/s/ Karen Smith Bogart
Karen Smith Bogart

Date: May 24, 2007



Monolithic Power Systems, Inc.
6409 Guadalupe Mines Road
San Jose, CA 95120 USA
T: 408-826-0600, F: 408-826-0601
www.monolithicpower.com

PRESS RELEASE
For Immediate Release

Monolithic Power Systems, Inc. Appoints New Board Members

SAN JOSE, Calif. May 25, 2007—Monolithic Power Systems (MPS) (Nasdaq: MPWR), a leading fabless manufacturer of high-performance analog and mixed-signal semiconductors, today announced the appointment of Mr. Douglas M. McBurnie and Ms. Karen A. Smith (Pilkington) Bogart to its Board of Directors.

“We are pleased to have these seasoned executives join our Board,” said Michael Hsing, chief executive officer of MPS. “Mr. McBurnie’s extensive background in the semiconductor industry and Ms. Bogart’s consumer electronics management experience will add new perspectives and strengthen our Board.”

Mr. McBurnie is a retired semiconductor executive with over 35 years of industry experience. Since 1998, Mr. McBurnie has served as a consultant to and director for several public and private technology companies. From 1997 to 1998, he was Senior Vice President, Computer, Consumer & Network Products Group of VLSI Technology. From 1994 to 1997, Mr. McBurnie served as Vice President and General Manager of several divisions at National Semiconductor. He currently serves on the Board of Directors of Leadis Technology. Mr. McBurnie holds a B.A. degree from Baldwin Wallace College.

Ms. Bogart currently serves as President of TESS Skincare Inc. and President of Pacific Tributes Inc.. From 2003 to 2006, Ms. Bogart was Chairman and President, Greater Asia Region and Senior Vice President of Eastman Kodak Company and from 2001 to 2003, she was President of Kodak Professional Imaging. Prior to this, Ms. Bogart held other executive positions at Eastman Kodak. Ms. Bogart holds a BA in Political Science from the State University of New York at Geneseo; a Masters in Industrial and Labor Relations from Cornell University; and a Masters of Business Administration from the University of Rochester.

About Monolithic Power Systems, Inc.

Monolithic Power Systems, Inc. (MPS) develops and markets proprietary, advanced analog and mixed-signal semiconductors. The company combines advanced process technology with its highly experienced analog designers to produce high-performance power management integrated circuits (ICs) for DC to DC converters, LED drivers, Cold Cathode Fluorescent Lamp (CCFL) backlight controllers, Class D audio amplifiers, and Linear ICs. MPS products are used extensively in computing and network communications products, LCD monitors and TVs, and a wide variety of consumer and portable electronics products. MPS partners with world-class manufacturing organizations to deliver top quality, ultra-compact, high-performance solutions through the most productive, cost-efficient channels. Founded in 1997 and headquartered in San Jose, California, the company has expanded its global presence with sales offices in Taiwan, China, Korea, Japan, and Europe, which operate under MPS International, Ltd.

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Monolithic Power Systems, MPS, and the MPS logo are registered trademarks of Monolithic Power Systems, Inc. in the U.S. and trademarked in certain other countries.

Contact:

Rick Neely

Chief Financial Officer

Monolithic Power Systems, Inc.

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