

GAY THOMAS E III  
Form 4  
March 20, 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 \*  
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)  
Chief Financial Officer

(Last) (First) (Middle)

C/O CATALYST SEMICONDUCTORS, 2975 STENDER WAY

3. Date of Earliest Transaction (Month/Day/Year)  
03/16/2007

(Street)  
  
SANTA CLARA, CA 95054

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)	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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

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

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

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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 Security (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 7.25	03/16/2007		D <sup>(1)</sup>	25,000	<u>(1)</u>	05/18/2010	Common Stock	25,000
Employee Stock Option (Right to Buy)	\$ 5.38	03/16/2007		D <sup>(2)</sup>	50,000	<u>(2)</u>	02/15/2011	Common Stock	50,000
Employee Stock Option (Right to Buy)	\$ 7.15	03/16/2007		D <sup>(3)</sup>	60,000	<u>(3)</u>	11/18/2013	Common Stock	60,000
Employee Stock Option (Right to Buy)	\$ 7.25	03/16/2007		D <sup>(4)</sup>	25,000	<u>(4)</u>	05/18/2010	Common Stock	25,000
Employee Stock Option (Right to Buy)	\$ 3.35	03/16/2007		A <sup>(1)</sup>	12,500	<u>(1)</u>	03/16/2017	Common Stock	12,500
Employee Stock Option (Right to Buy)	\$ 3.35	03/16/2007		A <sup>(2)</sup>	25,000	<u>(2)</u>	03/16/2017	Common Stock	25,000
Employee Stock Option (Right to Buy)	\$ 3.35	03/16/2007		A <sup>(3)</sup>	30,000	<u>(3)</u>	03/16/2017	Common Stock	30,000
Employee Stock Option	\$ 3.35	03/16/2007		A <sup>(4)</sup>	12,500	<u>(4)</u>	03/16/2017	Common Stock	12,500

(Right to  
Buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GAY THOMAS E III C/O CATALYST SEMICONDUCTORS 2975 STENDER WAY SANTA CLARA, CA 95054			Chief Financial Officer	

## Signatures

/s/ Thomas E.  
Gay III

03/20/2007

\_\_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) The reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the old option and the grant of a replacement option. The old option was originally granted on May 18, 2000 and provides for 6,250 shares exercisable on May 1, 2001, with the remainder becoming exercisable in equal monthly installments over the next three years. The new option is granted at an exercise price of \$3.35 per share and provides for 1/36th of the shares vesting on April 16, 2007 and each one-month thereafter for so long as the reporting person remains a service provider of the Company.

(2) The reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the old option and the grant of a replacement option. The old option was originally granted on February 15, 2001 and provides for 12/48th of the shares vesting on February 15, 2002 and 1/48th of the total number of shares vesting at the end of each month thereafter. The new option is granted at an exercise price of \$3.35 per share and is provides for 1/36th of the shares vesting on April 16, 2007 and each one-month thereafter for so long as the reporting person remains a service provider of the Company.

(3) The reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the old option and the grant of a replacement option. The old option was originally granted on November 19, 2003 and provides for 12/48th of the shares vesting on November 19, 2004 and 1/48th of the total number of shares vesting at the end of each month thereafter. The new option is granted at an exercise price of \$3.35 per share and provides for 1/36th of the shares vesting on April 16, 2007 and each one-month thereafter for so long as the reporting person remains a service provider of the Company.

(4) The reported transactions involved an amendment of an outstanding option, resulting in the deemed cancellation of the old option and the grant of a replacement option. The old option was originally granted on May 18, 2000 and provides for 12/48th of the shares vesting on May 18, 2001 and 1/48th of the total number of shares vesting at the end of each month thereafter. The new option is granted at an exercise price of \$3.35 per share and provides for 1/36th of the shares vesting on April 16, 2007 and each one-month thereafter for so long as the reporting person remains a service provider of the Company.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.