

POWER INTEGRATIONS INC  
 Form 4  
 September 25, 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 \*  
 Bell Derek

(Last) (First) (Middle)

C/O POWER  
 INTEGRATIONS, 5245 HELLYER  
 AVE

(Street)

SAN JOSE, CA 95138

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 POWER INTEGRATIONS INC  
 [powi]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 09/21/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
 VP of Engineering

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	09/21/2007		M		2,089 A \$ 12.1	6,898	D
Common Stock	09/21/2007		S		2,089 D \$ 30	4,809	D
Common Stock	09/21/2007		M		367 A \$ 12.1	5,176	D
Common Stock	09/21/2007		S		367 D \$ 30.03	4,809	D
	09/21/2007		M		467 A \$ 12.1	5,276	D

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Common Stock								
Common Stock	09/21/2007		S	467	D	\$ 30.04	4,809	D
Common Stock	09/21/2007		M	134	A	\$ 12.1	4,943	D
Common Stock	09/21/2007		S	134	D	\$ 30.05	4,809	D
Common Stock	09/21/2007		M	105	A	\$ 12.1	4,914	D
Common Stock	09/21/2007		S	105	D	\$ 30.08	4,809	D
Common Stock	09/21/2007		M	33	A	\$ 12.1	4,842	D
Common Stock	09/21/2007		S	33	D	\$ 30.11	4,809	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 Amount of Underlying Security (Instr. 3 and 4)	8. Amount or Number of Shares
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007		M	2,089 (1)	05/31/2001 05/31/2011	Common Stock	2,089
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007		M	367 (1)	05/31/2001 05/31/2011	Common Stock	367

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Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007	M	<u>467</u> (1)	05/31/2001	05/31/2011	Common Stock	46
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007	M	<u>134</u> (1)	05/31/2001	05/31/2011	Common Stock	13
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007	M	<u>105</u> (1)	05/31/2001	05/31/2011	Common Stock	10
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/21/2007	M	<u>33</u> (1)	05/31/2001	05/31/2011	Common Stock	3

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bell Derek C/O POWER INTEGRATIONS 5245 HELLYER AVE SAN JOSE, CA 95138			VP of Engineering	

## Signatures

/s/ Rafael Torres Attorney-In-Fact for  
Derek Bell

09/25/2007

\*\*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) This sale is pursuant to a 10b5-1 Sales Plan.

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.