

BALAKRISHNAN BALU
 Form 4
 March 09, 2010

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 *
BALAKRISHNAN BALU

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
5245 HELLYER AVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/08/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
President and CEO

SAN JOSE, CA 95138
 (City) (State) (Zip)

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

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 or Price | | |
| Common Stock | 03/08/2010 | | S | | \$ 4,992 (1) 38.7991 (2) | 257,089 | I by Trust |
| Common Stock | 03/08/2010 | | M | | \$ 12.1 | 261,089 | I by Trust |
| Common Stock | 03/08/2010 | | S | | \$ 38.6709 (3) | 257,089 | I by Trust |
| Common Stock | | | | | | 12,959 | D |
| | | | | | | 21,023 | I |

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) Includes 162 shares acquired under the POWI stock purchase plan on January 31, 2003; 478 shares acquired under the POWI stock purchase plan on July 31, 2003; 1781 shares acquired under the POWI stock purchase plan on January 31, 2004; 1230 shares acquired under the POWI stock purchase plan on January 31, 2005 and 1341 shares acquired under the POWI stock purchase plan on January 31, 2006.

(2) The range of prices for the enclosed transactions were \$38.75 to \$38.95. Upon request by the SEC staff, the issuer, or any security holder of the issuer we will provide full information regarding the number of shares sold at each separate price.

(3) The range of prices for the enclosed transactions were \$38.29 to \$38.96. Upon request by the SEC staff, the issuer, or any security holder of the issuer we will provide full information regarding the number of shares sold at each separate price.

(4) The Reporting Person disclaims beneficial ownership of the shares held by the trust except to the extent of his pecuniary interest therein, and this report should not be deemed an admission that the Reporting Person is the beneficial owner of the trust's shares for purposes of Section 16 or for any other purpose.

(5) 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.