

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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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

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)

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

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

C/O POWER
 INTEGRATIONS, 5245 HELLYER
 AVE

(Street)

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

SAN JOSE, CA 95138

(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) | 4. Securities Acquired (A) or Disposed of (D) | | | | 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 | 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.

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.

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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 |

