

POWER INTEGRATIONS INC  
 Form 4  
 September 26, 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

(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)  
 09/24/2007

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. Code		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	(A) or (D)			
Common Stock	09/24/2007		M		576	A	\$ 14.82	5,385	D
Common Stock	09/24/2007		S		576	D	\$ 30.91	4,809	D
Common Stock	09/24/2007		M		1,349	A	\$ 14.82	6,158	D
Common Stock	09/24/2007		S		1,349	D	\$ 30.91	4,809	D
	09/24/2007		M		639	A		5,448	D

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Common Stock						\$ 14.82	
Common Stock	09/24/2007	S	639	D		\$ 30.92	4,809 D
Common Stock	09/24/2007	M	364	A		\$ 14.82	5,173 D
Common Stock	09/24/2007	S	364	D		\$ 30.93	4,809 D
Common Stock	09/24/2007	M	111	A		\$ 14.82	4,920 D
Common Stock	09/24/2007	S	111	D		\$ 30.94	4,809 D
Common Stock	09/24/2007	M	944	A		\$ 14.82	5,753 D
Common Stock	09/24/2007	S	944	D		\$ 30.95	4,809 D
Common Stock	09/24/2007	M	110	A		\$ 14.82	4,919 D
Common Stock	09/24/2007	S	110	D		\$ 30.96	4,809 D
Common Stock	09/24/2007	M	389	A		\$ 14.82	5,198 D
Common Stock	09/24/2007	S	389	D		\$ 30.99	4,809 D
Common Stock	09/24/2007	M	944	A		\$ 14.82	5,753 D
Common Stock	09/24/2007	S	944	D		\$ 31	4,809 D

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)

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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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				(Instr. 3, 4, and 5)								
					Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo or Num of Shar
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>277</u> (1)	M				05/31/2001	05/31/2011	Common Stock	27
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>277</u> (1)	M				05/31/2001	05/31/2011	Common Stock	27
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>56</u> (1)	M				05/31/2001	05/31/2011	Common Stock	56
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>390</u> (1)	M				05/31/2001	05/31/2011	Common Stock	390
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>334</u> (1)	M				05/31/2001	05/31/2011	Common Stock	334
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>277</u> (1)	M				05/31/2001	05/31/2011	Common Stock	277
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>277</u> (1)	M				05/31/2001	05/31/2011	Common Stock	277
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>556</u> (1)	M				05/31/2001	05/31/2011	Common Stock	556
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007		<u>277</u> (1)	M				05/31/2001	05/31/2011	Common Stock	277
Non-Qualified Stock Option(right to	\$ 12.1	09/24/2007		<u>389</u> (1)	M				05/31/2001	05/31/2011	Common Stock	389

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buy)

Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007	M	<u>999</u> <sup>(1)</sup>	05/31/2001	05/31/2011	Common Stock	99
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007	M	<u>381</u> <sup>(1)</sup>	05/31/2001	05/31/2011	Common stock	38
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007	M	<u>8</u> <sup>(1)</sup>	05/31/2001	05/31/2011	Common Stock	8
Non-Qualified Stock Option(right to buy)	\$ 12.1	09/24/2007	M	<u>423</u> <sup>(1)</sup>	05/31/2001	05/31/2011	Common Stock	42
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>408</u> <sup>(1)</sup>	02/21/2002	02/21/2012	Common Stock	40
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>576</u> <sup>(1)</sup>	02/21/2002	02/21/2012	Common Stock	57
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>1,349</u> <sup>(1)</sup>	02/21/2002	02/21/2012	Common Stock	1,3
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>639</u> <sup>(1)</sup>	02/21/2002	02/21/2012	Common stock	63
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>364</u> <sup>(1)</sup>	02/21/2002	02/21/2012	Common Stock	36
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>111</u> <sup>(1)</sup>	02/21/2002	02/21/2012	Common stock	11
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>944</u> <sup>(1)</sup>	02/21/2002	02/21/2012	Common Stock	94

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Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>110</u> (1)	02/21/2002	02/21/2012	Common Stock	11
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>389</u> (1)	02/21/2002	02/21/2012	Common Stock	38
Non-Qualified Stock Option(right to buy)	\$ 14.82	09/24/2007	M	<u>944</u> (1)	02/21/2002	02/21/2012	Common stock	94

## 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

09/26/2007

\_\_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.

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