

BALAKRISHNAN BALU
Form 4
February 02, 2011

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 AVENUE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
01/31/2011

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

SAN JOSE, CA 95138-1002

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 Indirect Beneficial Ownership (Instr. 4) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|---------|---|----------|
| | | | | (A) or (D) | Price | | | | | |
| | | | | Code | V | Amount | | | | |
| Common Stock | | | | | | 41,000 | D | | | |
| Common Stock | 01/31/2011 | | M | | 3,000 | A | \$ 14.82 | 239,186 | I | by Trust |
| Common Stock | 01/31/2011 | | S | | 3,000 | D | \$ 36.6732 <u>(1)</u> | 236,186 | I | by Trust |
| Common Stock | 02/01/2011 | | M | | 1,000 | A | \$ 14.82 | 237,186 | I | by Trust |
| Common Stock | 02/01/2011 | | S | | 1,000 | D | \$ 37.5 | 236,186 | I | by Trust |

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) (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) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Non-Qualified Stock Option (right to buy) | \$ 14.82 | 01/31/2011 | | M | 3,000 (2) | 02/21/2002 02/21/2012 | Common Stock | 3,000 |
| Non-Qualified Stock Option (right to buy) | \$ 14.82 | 02/01/2011 | | M | 1,000 (2) | 02/21/2002 02/21/2012 | Common Stock | 1,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BALAKRISHNAN BALU 5245 HELLYER AVENUE SAN JOSE, CA 95138-1002 | | | President and CEO | |

Signatures

By: /s/ Eric Verity Attorney-In-Fact For: Balu Balakrishnan 02/02/2011

__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 range of prices for the enclosed transactions was \$36.56 to \$36.76. 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.
- (2) This sale is pursuant to a 10B5-1 Sales Plan.

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Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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