

BALAKRISHNAN BALU
Form 4
October 05, 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 *
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)

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

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
10/03/2007

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)	3. Transaction 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	10/03/2007		M		500	A	\$ 12.1	4,852	D
Common Stock	10/03/2007		S		500	D	\$ 29.92	4,352	D
Common Stock	10/03/2007		M		400	A	\$ 12.1	4,752	D
Common Stock	10/03/2007		S		400	D	\$ 29.93	4,352	D
	10/03/2007		M		100	A	\$ 12.1	4,452	D

Common Stock							
Common Stock	10/03/2007	S	100	D	\$ 29.94	4,352	D
Common Stock	10/03/2007	M	1,000	A	\$ 12.1	5,352	D
Common Stock	10/03/2007	S	1,000	D	\$ 30	4,352	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)	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 12.1	10/03/2007		M	<u>500</u> (1)	05/31/2001 05/31/2011	Common Stock	50
Non-Qualified Stock Option (right to buy)	\$ 12.1	10/03/2007		M	<u>400</u> (1)	05/31/2001 05/31/2011	Common Stock	40
Non-Qualified Stock Option (right to buy)	\$ 12.1	10/03/2007		M	<u>100</u> (1)	05/31/2001 05/31/2011	Common Stock	10
Non-Qualified Stock Option (right to buy)	\$ 12.1	10/03/2007		M	<u>1,000</u> (1)	05/31/2001 05/31/2011	Common Stock	1,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

BALAKRISHNAN BALU
C/O POWER INTEGRATIONS
5245 HELLYER AVE
SAN JOSE, CA 95138

President and CEO

Signatures

/s/ Rafael Torres Attorney-In-Fact For: Balu
Balakrishnan

10/04/2007

__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.
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