

BALAKRISHNAN BALU  
Form 4  
February 07, 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)  
02/04/2011

\_\_\_\_ 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)
			Code	V	Amount	(D)	Price
Common Stock					41,000	D	
Common Stock	02/04/2011		M		26,733	A	\$ 14.82
Common Stock	02/04/2011		S		26,733	D	\$ 42.4318 (1)
Common Stock	02/04/2011		M		2,934	A	\$ 18.95
Common Stock	02/04/2011		S		2,934	D	\$ 42.5

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Common Stock	02/04/2011	M	3,333	A	\$ 17.75	239,519	I	by Trust
Common Stock	02/04/2011	S	3,333	D	\$ <u>42.5918</u> (2)	236,186	I	by Trust
Common Stock	02/04/2011	M	3,000	A	\$ 14.82	239,186	I	by Trust
Common Stock	02/04/2011	S	3,000	D	\$ 40.34	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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(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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Am or Num of S
Non-Qualified Stock Option (right to buy)	\$ 14.82	02/04/2011		M	26,733 (3)	02/21/2002	02/21/2012	Common Stock	26
Non-Qualified Stock Option (right to buy)	\$ 14.82	02/04/2011		M	3,000 (3)	02/21/2002	02/21/2012	Common Stock	3,
Non-Qualified Stock Option (right to buy)	\$ 17.75	02/04/2011		M	3,333 (3)	01/08/2003	01/08/2013	Common Stock	3,
Non-Qualified Stock Option (right to buy)	\$ 18.95	02/04/2011		M	2,934 (3)	01/08/2003	01/08/2013	Common Stock	2,

## Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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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

02/07/2011

\_\_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 \$42.40 to \$42.50. 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) The range of prices for the enclosed transactions was \$42.50 to \$42.76. 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.
- (3) 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.