

POWER INTEGRATIONS INC  
 Form 4  
 May 21, 2008

**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 \*  
 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)  
 5245 HELLYER AVE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/19/2008

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

SAN JOSE, CA 95138  
 (City) (State) (Zip)

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

**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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	05/19/2008		M		200 A \$ 12.1	6,573	D
Common Stock	05/19/2008		S		200 D \$ 33.3	6,373	D
Common Stock	05/19/2008		M		400 A \$ 12.1	6,773	D
Common Stock	05/19/2008		S		400 D \$ 33.31	6,373	D
Common Stock	05/19/2008		M		300 A \$ 12.1	6,673	D

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Common Stock	05/19/2008	S	300	D	\$ 33.32	6,373	D
Common Stock	05/19/2008	M	500	A	\$ 12.1	6,873	D
Common Stock	05/19/2008	S	500	D	\$ 33.33	6,373	D
Common Stock	05/19/2008	M	700	A	\$ 12.1	7,073	D
Common Stock	05/19/2008	S	700	D	\$ 33.34	6,373	D
Common Stock	05/19/2008	M	10	A	\$ 12.1	6,383	D
Common Stock	05/19/2008	S	10	D	\$ 33.35	6,373	D
Common Stock	05/19/2008	S	90 <sup>(1)</sup>	D	\$ 33.35	6,283	D
Common Stock	05/19/2008	S	200 <sup>(1)</sup>	D	\$ 33.36	6,083	D
Common Stock	05/19/2008	S	699 <sup>(1)</sup>	D	\$ 33.37	5,384	D
Common Stock	05/19/2008	S	1 <sup>(1)</sup>	D	\$ 33.37	5,383	D
Common Stock	05/19/2008	S	329 <sup>(1)</sup>	D	\$ 33.38	5,054	D
Common Stock	05/19/2008	S	371 <sup>(1)</sup>	D	\$ 33.39	4,683	D
Common Stock	05/19/2008	S	300 <sup>(1)</sup>	D	\$ 33.4	4,383	D
Common Stock	05/19/2008	S	518 <sup>(1)</sup>	D	\$ 33.41	3,865	D
Common Stock	05/19/2008	S	382 <sup>(1)</sup>	D	\$ 33.41	3,483	D
Common Stock	05/19/2008	S	400 <sup>(1)</sup>	D	\$ 33.42	3,083	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)

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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 Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>200</u>	(2)	05/31/2001	05/31/2011	Common Stock	200
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>100</u>	(2)	05/31/2001	05/31/2011	Common Stock	100
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>200</u>	(2)	05/31/2001	05/31/2011	Common Stock	200
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>100</u>	(2)	05/31/2001	05/31/2011	Common Stock	100
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>100</u>	(2)	05/31/2001	05/31/2011	Common Stock	100
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>100</u>	(2)	05/31/2001	05/31/2011	Common Stock	100
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>100</u>	(2)	05/31/2001	05/31/2011	Common Stock	100
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>100</u>	(2)	05/31/2001	05/31/2011	Common Stock	100
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>800</u>	(2)	05/31/2001	05/31/2011	Common Stock	800
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008		M		<u>500</u>	(2)	05/31/2001	05/31/2011	Common Stock	500
Non-Qualified Stock Option	\$ 12.1	05/19/2008		M		<u>300</u>	(2)	05/31/2001	05/31/2011	Common Stock	300

(right to buy)									
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>200</u> (2)	05/31/2001	05/31/2011	Common Stock	200	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>200</u> (2)	05/31/2001	05/31/2011	Common Stock	200	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>100</u> (2)	05/31/2001	05/31/2011	Common Stock	100	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>400</u> (2)	05/31/2001	05/31/2011	Common Stock	400	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>200</u> (2)	05/31/2001	05/31/2011	Common Stock	200	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>400</u> (2)	05/31/2001	05/31/2011	Common Stock	400	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>300</u> (2)	05/31/2001	05/31/2011	Common Stock	300	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>500</u> (2)	05/31/2001	05/31/2011	Common Stock	500	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>700</u> (2)	05/31/2001	05/31/2011	Common Stock	700	
Non-Qualified Stock Option (right to buy)	\$ 12.1	05/19/2008	M	<u>10</u> (2)	05/31/2001	05/31/2011	Common Stock	10	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Bell Derek 5245 HELLYER AVE SAN JOSE, CA 95138			VP of Engineering	

## Signatures

By: Robert Lelieur Attorney-In-Fact For: 05/21/2008  
Derek Bell

\_\_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) Includes 989 shares acquired under the POWI stock purchase plan on July 31, 2004, 1,519 shares acquired under the POWI stock purchase plan on January 31, 2005 and 782 shares acquired under the POWI stock purchase plan on July 29, 2005.
- (2) 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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