

POWER INTEGRATIONS INC  
 Form 4  
 January 03, 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 \*  
**TORRES RAFAEL**

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)  
 4359 RED MAPLE CT.  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/31/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Vice President of Finance &

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Code V Amount Price                                    |   |  |                                   |
| Common Stock                    | 12/31/2007                           |  | M                              | 2,160 A \$ 16.13  | 2,160   | D  |                                   |
| Common Stock                    | 12/31/2007                           |  | S                              | 2,160 D \$ 35   | 0   | D  |                                   |
| Common Stock                    | 12/31/2007                           |  | M                              | 600 A \$ 16.13  | 600   | D  |                                   |
| Common Stock                    | 12/31/2007                           |  | S                              | 600 D \$ 35.01  | 0   | D  |                                   |
| Common Stock                    | 12/31/2007                           |  | M                              | 50 A \$ 16.13   | 50  | D  |                                   |

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Common Stock      12/31/2007      S      50      D      \$ 35.02      0      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) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Non-Qualified Stock Option (right to buy)  | \$ 16.13   | 12/31/2007                           |  | M                              | 2,160 <sup>(1)</sup>  | 07/19/2006 07/19/2016                                    | Common Stock  | 2,160                         |
| Non-Qualified Stock Option (right to buy)  | \$ 16.13   | 12/31/2007                           |  | M                              | 600 <sup>(1)</sup>  | 07/19/2006 07/19/2016                                    | Common Stock  | 600                           |
| Non-Qualified Stock Option (right to buy)  | \$ 16.13   | 12/31/2007                           |  | M                              | 50 <sup>(1)</sup>   | 07/19/2006 07/19/2016                                    | Common Stock  | 50                            |

## Reporting Owners

| Reporting Owner Name / Address                            | Relationships |           |                             |       |
|---|---------------|-----------|-----------------------------|-------|
|   | Director      | 10% Owner | Officer                     | Other |
| TORRES RAFAEL<br>4359 RED MAPLE CT.<br>SAN JOSE, CA 95138 |               |           | Vice President of Finance & |       |

## Signatures

Rafael Torres      01/03/2008

\*\*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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