

Bell Derek  
Form 4  
July 28, 2010

**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)

3. Date of Earliest Transaction (Month/Day/Year)  
07/26/2010

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

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 (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	(A) or (D)	Price
Common Stock	07/26/2010		M		1,333	A	\$ 14.82
							11,983
Common Stock	07/26/2010		S		1,333	D	\$ 37.3504
							10,650
Common Stock	07/26/2010		M		2,699	A	\$ 17.75
							13,349
Common Stock	07/26/2010		S		2,699	D	\$ 37.3504
							10,650

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(1)

Common Stock	07/26/2010	M	4,968	A	\$ 17.75	15,618	D
Common Stock	07/26/2010	S	4,968	D	\$ 37.3504	10,650	D

(1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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	07/26/2010		M	1,333 (2)	02/21/2002 02/21/2012	Common Stock	1,333
Non-Qualified Stock Option (right to buy)	\$ 17.75	07/26/2010		M	2,699 (2)	01/08/2003 01/08/2013	Common Stock	2,699
Non-Qualified Stock Option (right to buy)	\$ 17.75	07/26/2010		M	4,968 (2)	01/08/2003 01/08/2013	Common Stock	4,968

## Reporting Owners

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

## Signatures

/s/ Eric Verity Attorney-In-Fact For:  
Derek Bell

07/28/2010

\_\_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 were \$37.00 to \$37.71. 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.

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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