

POWER INTEGRATIONS INC  
 Form 4  
 September 26, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**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)  
 09/24/2007

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

SAN JOSE, CA 95138

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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	09/24/2007		M		230 \$ 16.13	D	
Common Stock	09/24/2007		S		230 \$ 30.93	D	
Common Stock	09/24/2007		M		70 \$ 16.13	D	
Common Stock	09/24/2007		S		70 \$ 30.94	D	
Common Stock	09/24/2007		M		597 \$ 16.13	D	

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Common Stock	09/24/2007	S	597	D	\$ 30.95	0	D
Common Stock	09/24/2007	M	71	A	\$ 16.13	71	D
Common Stock	09/24/2007	S	71	D	\$ 30.96	0	D
Common Stock	09/24/2007	M	246	A	\$ 16.13	246	D
Common Stock	09/24/2007	S	246	D	\$ 30.99	0	D
Common Stock	09/24/2007	M	597	A	\$ 16.13	597	D
Common Stock	09/24/2007	S	597	D	\$ 31	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)	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007		M	176 <u>(1)</u>	07/19/2006 07/19/2016	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007		M	176 <u>(1)</u>	07/19/2006 07/19/2016	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007		M	35 <u>(1)</u>	07/19/2006 07/19/2016	Common Stock	35

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Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>246</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	24
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>210</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	21
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>176</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>176</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>351</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	35
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>176</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>246</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	24
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>633</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	63
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>246</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	24
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>525</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	52
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>1,218</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	1,2
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>404</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	40
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>230</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	23
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007	M	<u>70</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	70
Non-Qualified Stock Option	\$ 16.13	09/24/2007	M	<u>597</u> <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	59

(right to buy)										
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007		M	71 <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	7	
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007		M	246 <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	24	
Non-Qualified Stock Option (right to buy)	\$ 16.13	09/24/2007		M	597 <sup>(1)</sup>	07/19/2006	07/19/2016	Common Stock	59	

## Reporting Owners

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

## Signatures

Rafael Torres	09/26/2007
<u>          </u> 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

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