

POWER INTEGRATIONS INC  
 Form 4  
 February 22, 2007

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
**BROWN R SCOTT**

(Last) (First) (Middle)

C/O POWER  
 INTEGRATIONS, 5245 HELLYER  
 AVE

(Street)

SAN JOSE, CA 95138

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**POWER INTEGRATIONS INC**  
 [powi]

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 02/20/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

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  |                                   |

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)**

Edgar Filing: POWER INTEGRATIONS INC - Form 4

| 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 An of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|
|  |  |                                      |  | Code V                         | (A) (D)   | Date Exercisable   | Expiration Date | Title   |
| non-qualified stock option(right to buy)   | \$ 22.74   | 07/15/2004                           |  | D <sup>(1)</sup>               | 10,000  | <u>(1)</u>   | 07/15/2014      | common stock  |
| non-qualified stock option(right to buy)   | \$ 33.85   | 02/20/2007                           |  | A <sup>(1)</sup>               | 10,000  | <u>(1)</u>   | 07/15/2014      | common stock  |
| non-qualified stock option(right to buy)   | \$ 17.79   | 07/15/2002                           |  | D <sup>(2)</sup>               | 10,000  | <u>(2)</u>   | 07/15/2012      | common stock  |
| non-qualified stock option(right to buy)   | \$ 24.59   | 02/20/2007                           |  | A <sup>(2)</sup>               | 10,000  | <u>(2)</u>   | 07/15/2012      | common stock  |
| non-qualified stock option(right to buy)   | \$ 24.5  | 07/15/2000                           |  | D <sup>(3)</sup>               | 10,000  | <u>(3)</u>   | 07/15/2010      | common stock  |
| non-qualified stock option (right to buy)  | \$ 43.875  | 02/20/2007                           |  | A <sup>(3)</sup>               | 10,000  | <u>(3)</u>   | 07/15/2010      | common stock  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |         |       |
|---|---------------|-----------|---------|-------|
|   | Director      | 10% Owner | Officer | Other |
| BROWN R SCOTT<br>C/O POWER INTEGRATIONS<br>5245 HELLYER AVE<br>SAN JOSE, CA 95138 |               | X         |         |       |

## Signatures

/s/ Rafael Torres Attorney-In-Fact for R. Scott Brown 02/20/2007

\*\*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 two reported transactions involved an amendment of an outstanding option, resulting for purposes of Section 16 in the deemed cancellation of the "old" option and the grant of a replacement option. The amendment is solely for the purpose of increasing the exercise price of the option. The option was originally granted on July 15, 2004 and provides for vesting in twelve equal monthly installments beginning at the end of the 25th month after the original date of grant.

(2) The two reported transactions involved an amendment of an outstanding option, resulting for purposes of Section 16 in the deemed cancellation of the "old" option and the grant of a replacement option. The amendment is solely for the purpose of increasing the exercise price of the option. The option was

(3) The two reported transactions involved an amendment of an outstanding option, resulting for purposes of Section 16 in the deemed cancellation of the "old" option and the grant of a replacement option. The amendment is solely for the purpose of increasing the exercise price of the option. The option was originally granted on July 15, 2000 and provides for vesting in twelve equal monthly installments beginning at the end of the 25th month after the original date of grant.

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.