BALAKRISHNAN BALU

Form 4

February 03, 2009

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

OMB Washington, D.C. 20549 Number:

Check this box if no longer subject to Section 16. Form 4 or

Form 5

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

may continue. See Instruction 1(b).

obligations

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person * **BALAKRISHNAN BALU**

(First)

2. Issuer Name and Ticker or Trading

Symbol

POWER INTEGRATIONS INC [POWI]

3. Date of Earliest Transaction

(Month/Day/Year) 02/02/2009

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

3.

X Form filed by One Reporting Person Form filed by More than One Reporting Person

SAN JOSE, CA 95138

5245 HELLYER AVE

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) (Instr. 3)

Execution Date, if

(Middle)

TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8)

4. Securities

5. Amount of Securities Beneficially Owned Following

Issuer

below)

Director

Applicable Line)

X_ Officer (give title

6. Ownership Form: Direct (D) or Indirect Beneficial (I) (Instr. 4)

7. Nature of Indirect Ownership (Instr. 4)

10% Owner

Other (specify

OMB APPROVAL

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

President and CEO

6. Individual or Joint/Group Filing(Check

Estimated average

burden hours per

3235-0287

January 31,

2005

0.5

Reported (A) Transaction(s) (Instr. 3 and 4) Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of 3. Transaction Date 3A. Deemed 4. 5. Number of 6. Date Exercisable and 7. Title and A Derivative Conversion (Month/Day/Year) Execution Date, if **Transaction**Derivative **Expiration Date** Underlying S Security or Exercise Code Securities Acquired (Month/Day/Year) (Instr. 3 and 4 any

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)				
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option(right to buy)	\$ 14.82	02/02/2009		D <u>(1)</u>		50,000	<u>(1)</u>	02/21/2012	Common Stock
Non-Qualified Stock Option(right to buy)	\$ 21.2	02/02/2009		A(1)	50,000		<u>(1)</u>	02/21/2012	Common Stock

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

BALAKRISHNAN BALU 5245 HELLYER AVE SAN JOSE, CA 95138

President and CEO

Signatures

/s/ Bill Roeschlein Attorney-In-Fact for Balu Balakrishnan

02/03/2009

**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).

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

(1) the exercise price of the portion of the option deemed to have been cancelled and replaced. The option was originally granted on February 21, 2002 and provides for vesting as to 12.5% of the shares on the date 6 months from the date of grant and the remaining shares in 42 equal monthly installments thereafter.

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.

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