

Sutherland Ben
Form 4
May 10, 2012

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 *
Sutherland Ben

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)
17140 CRESCENT DRIVE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
05/08/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP of Sales

LOS GATOS, CA 95030

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 05/08/2012 | | S | | 290 D \$ 42.4686 | D | |
| Common Stock | 05/08/2012 | | A | | 5,000 A \$ 0 | D | |
| Common Stock | 05/08/2012 | | M | | 235 A \$ 21 | D | |
| Common Stock | 05/08/2012 | | S | | 235 D \$ 42.563 | D | |
| Common Stock | 05/08/2012 | | M | | 250 A \$ 21.14 | D | |

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| | | | | | | | |
|--------------|------------|---|-------|---|------------|--------|---|
| Common Stock | 05/08/2012 | S | 250 | D | \$ 42.563 | 10,457 | D |
| Common Stock | 05/08/2012 | M | 1,500 | A | \$ 30.78 | 11,957 | D |
| Common Stock | 05/08/2012 | S | 1,500 | D | \$ 42.563 | 10,457 | D |
| Common Stock | 05/08/2012 | S | 225 | D | \$ 41.4264 | 10,232 | D |
| Common Stock | 05/09/2012 | S | 325 | D | \$ 42.61 | 9,907 | 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 Underlying Security (Instr. 3 and 4) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------------|---------------------------------------------------|
| | | | | Code | V | (A) | (D) | Title |
| Incentive Stock Option (right to buy) | \$ 30.78 | 05/08/2012 | | M | | 1,500 | 02/25/2012 08/05/2021 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 42.88 | 05/08/2012 | | A | | 4,626 | 11/08/2012 05/08/2022 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 21 | 05/08/2012 | | M | | 235 | 05/03/2009 11/03/2018 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 21.14 | 05/08/2012 | | M | | 250 | 10/28/2009 04/28/2019 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 42.88 | 05/08/2012 | | A | | 5,374 | 11/08/2012 05/08/2022 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---------------------------------------------------------------|---------------|-----------|-------------|-------|
| | Director | 10% Owner | Officer | Other |
| Sutherland Ben 17140 CRESCENT DRIVE LOS GATOS, CA 95030 | | | VP of Sales | |

Signatures

By: /s/ Eric Verity Attorney in Fact For: Ben
Sutherland

05/10/2012

__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).

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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