

**Via Electronic Mail**

March 2, 2016

Kevin Barnes  
1201 Orange Street, Suite 600  
Wilmington, DE 19801

**Michael R. Headley**  
Principal  
headley@fr.com  
650 839 5139 direct

Re: *Power Integrations' Intellectual Property*

Mr. Barnes,

We represent Power Integrations in intellectual property matters. As you are no doubt aware, Power Integrations has spent considerable time, effort, and resources in developing its award-winning, patented technologies, which enable the delivery of advanced, innovative power supply solutions. As the pioneer in its field, Power Integrations has received a number of patents for its efforts, including the '079 patent referred to in your letter of February 18, and expects others to respect its intellectual property.

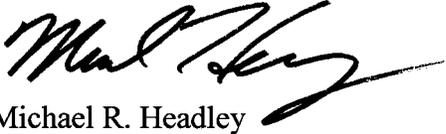
We have reviewed your letter and consider it to be little more than a shakedown effort. Your letter mentions, but fails to explain any specifics of, a claim that you've created a shell company that holds various long / short positions in the securities of unidentified semiconductor companies and proposes to use the IPR process as some sort of investment vehicle. Your apparent efforts to manipulate the stock market and abuse the patent system with frivolous demands in this manner are inappropriate. As I assume you know but neglect to mention in your letter, the United States Patent and Trademark Office has confirmed the validity of Power Integrations' '079 patent on three separate occasions, including two contested reexamination proceedings in the Patent Office. The validity of the '079 patent was also thoroughly tested and sustained in District Court litigation between Power Integrations and Fairchild Semiconductor, in the face of a challenge premised on the same primary reference underlying your purported IPR request.

Having researched your earlier efforts to pursue a similar strategy with other technology companies, I see that you have failed in your previous efforts to abuse the system with baseless IPR petitions and similar demand letters to others. As in those cases, we see no merit in your position with respect to Power Integrations. Power Integrations is not interested in any "collaborative discussion," nor is it intimidated by your implied threat to file for IPR unless Power Integrations provides some unstated compensation. Should you persist in your threats or

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follow through with your plan, Power Integrations will seek all appropriate remedies against you personally and your fabricated entities.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael R. Headley". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

Michael R. Headley