Kelley Stephen Douglas Form 4 September 03, 2009

# FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB APPROVAL OMB** 

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Check this box if no longer subject to Section 16. Form 4 or Form 5

obligations

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 may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Kelley Stephen Douglas			2. Issuer Name and Ticker or Trading Symbol CREE INC [CREE]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
C/O CREE, INC., 4600 SILICON DRIVE		LICON	(Month/Day/Year) 09/01/2009	Director 10% Owner X Officer (give title Other (specify below) EXECUTIVE VICE PRESIDENT, COO		
	(Street)		4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
DURHAM, NO	C 27703		Filed(Month/Day/Year)	Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State) (Zi	Table 1	I - Non-De	rivative S	ecurit	ies Acqui	ired, Disposed of,	or Beneficial	y 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. Securi on(A) or D (Instr. 3,	ispose	ed of (D) 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)
COMMON STOCK	09/01/2009		Code V $F_{\underline{(1)}}$	Amount 1,298	(D)	Price \$ 36.84	19,140	D	
COMMON STOCK	09/01/2009		A(2)	6,000	A	\$ 0	25,140 <u>(3)</u>	D	

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

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

1. Title of Derivative Security	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4.	5. Number of orDerivative	6. Date Exercisab Expiration Date	le and	7. Title ar Underlyir
(Instr. 3)	or Exercise Price of Derivative Security	(Month/Day/Tear)	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year	·)	(Instr. 3 a
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 35.89	09/01/2009		A	35,000	09/01/2010(4)	09/01/2016	COMM

# **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Kelley Stephen Douglas C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703

EXECUTIVE VICE PRESIDENT, COO

## **Signatures**

Stephen D. 09/02/2009 Kelley

\*\*Signature of Date Reporting Person

## **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) Disposition of shares back to the company to satisfy withholding obligations related to restricted stock vesting September 1, 2009.
- (2) Restricted stock award vesting in five equal annual installments commencing September 1, 2010.
- (3) Number of shares reported includes 438 shares purchased on April 30, 2009 under the Cree, Inc. 2005 Employee Stock Purchase Plan.
- (4) Option vests in three equal annual installments commencing September 1, 2010.

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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