

CREE INC

Form 4

October 26, 2009

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
KURTZWEIL JOHN T

(Last) (First) (Middle)

**C/O CREE, INC., 4600 SILICON
DRIVE**

(Street)

DURHAM, NC 27703

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
CREE INC [CREE]

3. Date of Earliest Transaction
(Month/Day/Year)
10/22/2009

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director _____ 10% Owner
____X____ Officer (give title _____ Other (specify
below) below)
EXECUTIVE VP, CFO, TREASURER

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
COMMON STOCK	10/22/2009		M		10,000	A	\$ 20.5	49,768	D	
COMMON STOCK	10/22/2009		S ⁽¹⁾		900	D	\$ 44.02	48,868	D	
COMMON STOCK	10/22/2009		S ⁽¹⁾		100	D	\$ 44.03	48,768	D	
COMMON STOCK	10/22/2009		S ⁽¹⁾		310	D	\$ 44.04	48,458	D	
COMMON STOCK	10/22/2009		S ⁽¹⁾		590	D	\$ 44.0401	47,868	D	

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COMMON STOCK	10/22/2009	S ⁽¹⁾	100	D	\$ 44.045	47,768	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	2,000	D	\$ 44.061	45,768	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	500	D	\$ 44.26	45,268	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	1,000	D	\$ 44.2601	44,268	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	1,500	D	\$ 44.34	42,768	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	2,000	D	\$ 44.35	40,768	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	500	D	\$ 44.38	40,268	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	300	D	\$ 44.39	39,968	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	200	D	\$ 44.4	39,768	D
COMMON STOCK	10/22/2009	S ⁽¹⁾	2,000	D	\$ 44.5053	37,768	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)	Date Exercisable	Expiration Date	Title
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 20.5	10/22/2009		M	10,000	10/02/2007 ⁽²⁾	10/02/2013	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KURTZWEIL JOHN T C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703			EXECUTIVE VP, CFO, TREASURER	

Signatures

Tamara Cappelson, Attorney-In-Fact	10/26/2009
**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).

(1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by Mr. Kurtzweil on June 5, 2009.

(2) Option vested as to 23,334 shares on October 2, 2007 and as to 23,333 shares on October 2, 2008 and October 2, 2009.

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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