

PALMOUR JOHN W
Form 4
October 28, 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 *
PALMOUR JOHN W

(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)

10/26/2009

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

☒ Director ☐ 10% Owner
☐ Officer (give title below) ☐ Other (specify below)

6. Individual or Joint/Group Filing(Check
Applicable Line)
☒ 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	10/26/2009		M		150,000	A	\$ 34.625	724,028	D
COMMON STOCK	10/26/2009		S ⁽¹⁾		2,500	D	\$ 45.1	721,528	D
COMMON STOCK	10/26/2009		S ⁽¹⁾		2,500	D	\$ 45.11	719,028	D
COMMON STOCK	10/26/2009		S ⁽¹⁾		2,500	D	\$ 45.14	716,528	D
COMMON STOCK	10/26/2009		S ⁽¹⁾		6,000	D	\$ 45.15	710,528	D

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COMMON STOCK	10/26/2009	<u>S(1)</u>	2,000	D	\$ 45.16	708,528	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	2,500	D	\$ 45.19	706,028	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	2,500	D	\$ 45.2028	703,528	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	1,200	D	\$ 45.23	702,328	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	1,500	D	\$ 45.2413	700,828	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	6,840	D	\$ 45.25	693,988	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	4,505	D	\$ 45.26	689,483	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	3,710	D	\$ 45.27	685,773	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	1,150	D	\$ 45.28	684,623	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	2,445	D	\$ 45.29	682,178	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	7,300	D	\$ 45.3	674,878	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	1,200	D	\$ 45.31	673,678	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	4,900	D	\$ 45.32	668,778	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	4,930	D	\$ 45.35	663,848	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	2,800	D	\$ 45.36	661,048	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	621	D	\$ 45.37	660,427	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	600	D	\$ 45.38	659,827	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	1,000	D	\$ 45.39	658,827	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	5,829	D	\$ 45.4	652,998	D
COMMON STOCK	10/26/2009	<u>S(1)</u>	2,500	D	\$ 45.4048	650,498	D
	10/26/2009	<u>S(1)</u>	50	D	\$ 45.41	650,448	D

COMMON
STOCK

COMMON STOCK	10/26/2009	S ⁽¹⁾	2,350	D	\$ 45.42	648,098	D
COMMON STOCK	10/26/2009	S ⁽¹⁾	1,100	D	\$ 45.43	646,998	D
COMMON STOCK	10/26/2009	S ⁽¹⁾	2,500	D	\$ 45.44	644,498	D
COMMON STOCK	10/26/2009	S ⁽¹⁾	5,000	D	\$ 45.45	639,498 ⁽²⁾	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)
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 34.625	10/26/2009		M	150,000	02/01/2004 02/01/2011	COMMON STOCK

Code V (A) (D) Date Exercisable Expiration Date Title

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
PALMOUR JOHN W C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703	X

Signatures

John W.
Palmour
10/28/2009
Date

Signature of
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) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by Dr. Palmour on February 13, 2009.
- (2) Of the 639,498 shares reported, 599,498 shares are held directly and 40,000 shares are held indirectly by Dr. Palmour's spouse.

Remarks:

Form 1 of 2

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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