

CREE INC
Form 4
September 03, 2008

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 *
SWOBODA CHARLES M

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

3. Date of Earliest Transaction (Month/Day/Year)
08/29/2008

Director 10% Owner
 Officer (give title below) Other (specify below)
CHAIRMAN, PRESIDENT AND CEO

(Street)
DURHAM, NC 27703

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	(D)	Price
COMMON STOCK	08/29/2008		A ⁽¹⁾		5,794	A	\$ 0
COMMON STOCK	08/29/2008		F ⁽¹⁾		2,460	D	\$ 23.69
COMMON STOCK	09/01/2008		F ⁽²⁾		7,644	D	\$ 23.31
COMMON STOCK	09/02/2008		A ⁽³⁾		35,000	A	\$ 0
							174,048
							171,588
							163,944
							198,944 ⁽⁴⁾

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 Underlying (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 22.9	09/02/2008		A	120,000	09/02/2009 ⁽⁵⁾	09/02/2015	COMMI STO

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SWOBODA CHARLES M C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703	X		CHAIRMAN, PRESIDENT AND CEO	

Signatures

Tamara Cappelson,
Attorney-In-Fact

09/03/2008

__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) Settlement of a performance unit previously granted to Mr. Swoboda and his disposition of shares back to the company to satisfy related tax withholding obligations.
- (2) Disposition of shares back to the company to satisfy withholding obligations related to restricted stock vesting 9/1/2008.
Shares of restricted stock awarded under the Cree, Inc. 2004 Long-Term Incentive Compensation Plan, as amended (the "Plan").
- (3) One-fifth of the shares awarded will vest on each of September 1, 2009, September 1, 2010, September 1, 2011, September 1, 2012 and September 1, 2013, provided Mr. Swoboda continues service until such dates as an employee or director of Cree, Inc. or as an employee of a related "Employer" as defined in the Plan.
- (4) Number of shares reported includes 911 shares purchased on April 30, 2008 under the Cree, Inc. Employee Stock Purchase Plan.
- (5) Option vests and becomes exercisable as to one-third of the shares on each of September 2, 2009, September 2, 2010 and September 2, 2011, provided Mr. Swoboda continues service until such dates as an employee or director of Cree, Inc. or as an employee of a related

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"Employer" as defined in the Plan.

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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