

VON ARX DOLPH W
Form 4
August 27, 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 *
VON ARX DOLPH W

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)
3663 RUM ROW
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/26/2008

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

NAPLES, FL 34102
(City) (State) (Zip)

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

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)
				(A) or (D)	Price		
COMMON STOCK	08/26/2008		S	10,300	D \$ 22.5	655,906	D
COMMON STOCK	08/26/2008		S	400	D \$ 22.5075	655,506	D
COMMON STOCK	08/26/2008		S	600	D \$ 22.51	654,906	D
COMMON STOCK	08/26/2008		S	600	D \$ 22.5167	654,306	D
COMMON STOCK	08/26/2008		S	800	D \$ 22.52	653,506	D
	08/26/2008		S	900	D	652,606	D

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).

Of the 651,206 shares reported, (1) 63,500 shares are held directly; (2) 503,380 shares are held indirectly in a revocable living trust for the benefit of Mr. von Arx; (3) 15,000 shares are held indirectly in a revocable living trust for the benefit of Mr. von Arx's spouse; and (4) (1) 69,326 shares are held indirectly in a family trust. Mr. von Arx disclaims beneficial ownership of the 69,326 shares held by the family trust.

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.