

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

(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)
08/29/2008

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)

CHAIRMAN, PRESIDENT AND CEO

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 | 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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 of Underlying Security (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 | COMMON STOCK |

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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