

CREE INC  
Form 4  
October 26, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
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 below) \_\_\_ Other (specify 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)
				(A) or (D)			
			Code	V	Amount		Price
COMMON STOCK	10/22/2009		M		10,000	A	\$ 20.5
COMMON STOCK	10/22/2009		S <sup>(1)</sup>		900	D	\$ 44.02
COMMON STOCK	10/22/2009		S <sup>(1)</sup>		100	D	\$ 44.03
COMMON STOCK	10/22/2009		S <sup>(1)</sup>		310	D	\$ 44.04
COMMON STOCK	10/22/2009		S <sup>(1)</sup>		590	D	\$ 44.0401
							47,868

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COMMON STOCK	10/22/2009	S <sup>(1)</sup>	100	D	\$ 44.045	47,768	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	2,000	D	\$ 44.061	45,768	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	500	D	\$ 44.26	45,268	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	1,000	D	\$ 44.2601	44,268	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	1,500	D	\$ 44.34	42,768	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	2,000	D	\$ 44.35	40,768	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	500	D	\$ 44.38	40,268	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	300	D	\$ 44.39	39,968	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	200	D	\$ 44.4	39,768	D
COMMON STOCK	10/22/2009	S <sup>(1)</sup>	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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SEC 1474  
(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 <sup>(2)</sup>	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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