

SWOBODA CHARLES M  
Form 4  
November 26, 2010

**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)  
11/23/2010

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	11/23/2010		M		6,000	A	\$ 27.47
COMMON STOCK	11/23/2010		S <sup>(1)</sup>		6,000	D	\$ 59.06 <u>(2)</u>
COMMON STOCK	11/24/2010		M		14,000	A	\$ 27.47
COMMON STOCK	11/24/2010		M		40,000	A	\$ 22.9
COMMON STOCK	11/24/2010		S <sup>(1)</sup>		14,000	D	\$ 60.15

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					(3)			
COMMON STOCK	11/24/2010		S <sup>(1)</sup>	40,000	D	\$ 64.08	247,363	D
						(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 and Underlying Security (Instr. 3 and 4)	
						Date Exercisable	Expiration Date	Title
						Code	V (A) (D)	
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 27.47	11/23/2010		M	6,000	09/04/2008 <sup>(5)</sup> 09/04/2014	COMM STOCK	
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 27.47	11/24/2010		M	14,000	09/04/2008 <sup>(5)</sup> 09/04/2014	COMM STOCK	
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 22.9	11/24/2010		M	40,000	09/02/2009 <sup>(6)</sup> 09/02/2015	COMM 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, as Agent for Charles M.  
Swoboda

11/26/2010

\_\_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. Swoboda on December 3, 2009.  
The price reported in Column 4 is a weighted average sale price. These shares were sold in multiple transactions at prices ranging from \$59.00 to \$59.19, inclusive. Mr. Swoboda undertakes to provide Cree, Inc., any security holder of Cree, Inc., or the staff of the Securities Exchange Commission, upon request, information regarding the number of shares sold at each separate price within the range set forth in this footnote.
- (2) The price reported in Column 4 is a weighted average sale price. These shares were sold in multiple transactions at prices ranging from \$59.566948 to \$60.423997, inclusive. Mr. Swoboda undertakes to provide Cree, Inc., any security holder of Cree, Inc., or the staff of the Securities Exchange Commission, upon request, information regarding the number of shares sold at each separate price within the range set forth in this footnote.
- (3) The price reported in Column 4 is a weighted average sale price. These shares were sold in multiple transactions at prices ranging from \$64.00 to \$64.238, inclusive. Mr. Swoboda undertakes to provide Cree, Inc., any security holder of Cree, Inc., or the staff of the Securities Exchange Commission, upon request, information regarding the number of shares sold at each separate price within the range set forth in this footnote.
- (4) Option vested as to 25,000 shares on each of September 4, 2008, September 4, 2009 and September 4, 2010.
- (5) Option vests as to 40,000 shares on each of September 2, 2009, September 2, 2010 and September 2, 2011.

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.