

CREE INC  
Form 4  
October 26, 2009

**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)  
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  
 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	10/22/2009		M		6,000	A	\$ 25.47
COMMON STOCK	10/22/2009		M		50,000	A	\$ 31.24
COMMON STOCK	10/22/2009		M		280,000	A	\$ 34.625
COMMON STOCK	10/22/2009		M		20,661	A	\$ 41.9688
COMMON STOCK	10/22/2009		S <sup>(1)</sup>		1,400	D	\$ 44.3

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COMMON STOCK	10/22/2009	<u>S(1)</u>	1,000	D	\$ 44.3001	585,575	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	600	D	\$ 44.3016	584,975	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	200	D	\$ 44.3025	584,775	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,000	D	\$ 44.3032	583,775	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	600	D	\$ 44.31	583,175	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	400	D	\$ 44.3125	582,775	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,000	D	\$ 44.3132	581,775	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	200	D	\$ 44.315	581,575	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	4,100	D	\$ 44.32	577,475	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,600	D	\$ 44.34	574,875	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,000	D	\$ 44.3401	573,875	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	4,500	D	\$ 44.35	569,375	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,800	D	\$ 44.36	566,575	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,500	D	\$ 44.37	564,075	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,800	D	\$ 44.39	561,275	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	5,400	D	\$ 44.4	555,875	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,900	D	\$ 44.41	553,975	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	3,400	D	\$ 44.42	550,575	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	8,500	D	\$ 44.44	542,075	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	11,800	D	\$ 44.45	530,275	D
	10/22/2009	<u>S(1)</u>	4,000	D	\$ 44.46	526,275	D

COMMON  
STOCK

COMMON STOCK 10/22/2009 S<sup>(1)</sup> 14,240 D \$ 44.47 512,035 D

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.** 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 Underlying (Instr. 3)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 25.47	10/22/2009		M	6,000	09/01/2006 <sup>(2)</sup>	09/01/2012	COMMON STOCK
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 31.24	10/22/2009		M	50,000	04/15/2005	10/01/2011	COMMON STOCK
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 34.625	10/22/2009		M	280,000	02/01/2002 <sup>(3)</sup>	02/01/2011	COMMON STOCK
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 41.9688	10/22/2009		M	20,661	07/01/2000 <sup>(4)</sup>	01/03/2010	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

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. Swoboda on June 5, 2009.
- (2) Option vested as to 2,000 shares on September 1, 2006, September 1, 2007 and September 1, 2008.
- (3) Option vested as to 200,000 shares on February 1, 2002 and as to 80,000 shares on February 1, 2003.
- (4) Option vested as to 30,000 shares on July 1, 2000 and July 1, 2001.

### Remarks:

Form 1 of 2

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.