

CREE INC
Form 4
January 28, 2008

FORM 4

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

OMB APPROVAL

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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 *
PALMOUR JOHN W

(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)
01/24/2008

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)

EXECUTIVE VICE PRESIDENT

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 or Price (A) or (D)		
COMMON STOCK	01/24/2008		M		46,000 A \$ 3.8125	808,709 ⁽¹⁾	D
COMMON STOCK	01/24/2008		S ⁽²⁾		3,177 D \$ 28.25	805,532	D
COMMON STOCK	01/24/2008		S ⁽²⁾		900 D \$ 28.27	804,632	D
COMMON STOCK	01/24/2008		S ⁽²⁾		200 D \$ 28.28	804,432	D
COMMON STOCK	01/24/2008		S ⁽²⁾		923 D \$ 28.31	803,509	D

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COMMON STOCK	01/24/2008	<u>S(2)</u>	400	D	\$ 28.32	803,109	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	100	D	\$ 28.35	803,009	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	3,500	D	\$ 28.4	799,509	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	800	D	\$ 28.49	798,709	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	200	D	\$ 28.545	798,509	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	500	D	\$ 28.61	798,009	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	300	D	\$ 28.675	797,709	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	2,400	D	\$ 28.7	795,309	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	1,200	D	\$ 28.78	794,109	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	300	D	\$ 28.82	793,809	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	1,000	D	\$ 28.84	792,809	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	1,100	D	\$ 28.86	791,709	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	1,900	D	\$ 28.88	789,809	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	2,400	D	\$ 28.89	787,409	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	2,500	D	\$ 28.9	784,909	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	1,000	D	\$ 28.91	783,909	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	700	D	\$ 28.92	783,209	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	100	D	\$ 28.93	783,109	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	1,814	D	\$ 28.95	781,295	D
COMMON STOCK	01/24/2008	<u>S(2)</u>	1,162	D	\$ 28.96	780,133	D
	01/24/2008	<u>S(2)</u>	38	D	\$ 28.97	780,095	D

COMMON STOCK

COMMON STOCK	01/24/2008	S ⁽²⁾	5,186	D	\$ 28.98	774,909	D
COMMON STOCK	01/24/2008	S ⁽²⁾	300	D	\$ 28.985	774,609	D
COMMON STOCK	01/24/2008	S ⁽²⁾	300	D	\$ 28.99	774,309	D ⁽³⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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)
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 3.8125	01/24/2008		M	46,000	07/01/1999 07/01/2008	COMMON STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PALMOUR JOHN W C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703	X		EXECUTIVE VICE PRESIDENT	

Signatures

John W. Palmour 01/28/2008

**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) Includes 412 shares of common stock purchased by Dr. Palmour under the 2005 Employee Stock Purchase Plan on October 31, 2007.
- (2) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by Dr. Palmour on May 12, 2006 and modified on August 22, 2007.
- (3) Of the 774,309 shares reported, 734,309 are held by Dr. Palmour directly and 40,000 shares are held indirectly by Dr. Palmour's spouse.

Remarks:

FORM ONE OF TWO

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.