

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

## Edgar Filing: CREE INC - Form 4

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

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 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<br>C/O CREE, INC.<br>4600 SILICON DRIVE<br>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.