

VON ARX DOLPH W
Form 4
September 03, 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 *
VON ARX DOLPH W

2. Issuer Name and Ticker or Trading Symbol
CREE INC [CREE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
3663 RUM ROW
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
09/01/2009

Director 10% Owner
 Officer (give title below) Other (specify below)

NAPLES, FL 34102
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

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 (D) Price | | | |
| COMMON STOCK | 07/24/2009 | | G | V 1,000 D \$ 0 | 525,206 | D | |
| COMMON STOCK | 09/01/2009 | | M | 16,000 A \$ 12.51 | 541,206 | D | |
| COMMON STOCK | 09/01/2009 | | A ⁽¹⁾ | 5,000 A \$ 0 | 546,206 | D ⁽²⁾ | |

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

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(9-02)

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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 Underlying Security (Instr. 3) |
|---|--|---|---|-----------------------------------|---|---|--|
| NONQUALIFIED STOCK OPTION (RIGHT TO BUY) | \$ 12.51 | 09/01/2009 | | M | 16,000 | 12/31/2002 ⁽³⁾ 09/03/2009 | COMMON STOCK |
| NONQUALIFIED STOCK OPTION (RIGHT TO BUY) | \$ 35.89 | 09/01/2009 | | A | 5,000 | 12/31/2009 ⁽⁴⁾ 09/01/2016 | COMMON STOCK |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| VON ARX DOLPH W 3663 RUM ROW NAPLES, FL 34102 | | X | | |

Signatures

Dolph W. von Arx 09/01/2009

**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) Restricted stock award vesting September 1, 2010.

(2) Of the 546,206 shares reported, (1) 63,500 shares are held directly; (2) 438,380 shares are held indirectly in a revocable living trust for the benefit of Mr. von Arx; (3) 15,000 shares are held indirectly in a revocable living trust for the benefit of Mr. von Arx's spouse; and (4) 29,326 shares are held indirectly in family trusts. Mr. von Arx disclaims beneficial ownership of the 29,326 shares held by the family trusts.

(3) Option vested as to one-fourth of the shares on December 31, 2002, March 31, 2003, June 30, 2003 and September 30, 2003.

(4) Option vests as to one-fourth of the shares on December 31, 2009, March 31, 2010, June 30, 2010 and September 30, 2010 or, if earlier, upon the election of directors at the 2010 Annual Meeting of Shareholders.

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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