

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 \*  
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)  
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)

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	09/09/2009		G	V 450 D \$ 0	624,028	D	
COMMON STOCK	10/22/2009		M	100,000 A \$ 41.9688	724,028	D	
COMMON STOCK	10/22/2009		S <sup>(1)</sup>	300 D \$ 44.28	723,728	D	
COMMON STOCK	10/22/2009		S <sup>(1)</sup>	400 D \$ 44.3	723,328	D	
COMMON STOCK	10/22/2009		S <sup>(1)</sup>	300 D \$ 44.31	723,028	D	

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COMMON STOCK	10/22/2009	<u>S(1)</u>	1,000	D	\$ 44.3101	722,028	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,200	D	\$ 44.32	720,828	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	800	D	\$ 44.3214	720,028	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	7,200	D	\$ 44.34	712,828	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	3,000	D	\$ 44.35	709,828	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,500	D	\$ 44.37	708,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,000	D	\$ 44.39	707,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	3,000	D	\$ 44.4	704,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,000	D	\$ 44.42	702,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	4,500	D	\$ 44.45	697,828	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	3,500	D	\$ 44.46	694,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,000	D	\$ 44.4605	692,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,000	D	\$ 44.47	690,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	6,000	D	\$ 44.48	684,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,500	D	\$ 44.49	682,828	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,500	D	\$ 44.4903	681,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	78,000	D	\$ 44.5053	603,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	4,000	D	\$ 44.54	599,328	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	2,500	D	\$ 44.55	596,828	D
COMMON STOCK	10/22/2009	<u>S(1)</u>	1,800	D	\$ 44.57	595,028	D
	10/22/2009	<u>S(1)</u>	100	D	\$ 44.58	594,928 <sup>(2)</sup>	D



**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.