

CREE INC

Form 4

September 06, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(Print or Type Responses)

1. Name and Address of Reporting Person *
KURTZWEIL JOHN T

(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)

09/04/2007

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

EXECUTIVE VP, CFO, TREASURER

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Ownership (Instr. 4)
COMMON STOCK	09/04/2007		A ⁽¹⁾	6,000 A \$ 0	26,532 ⁽²⁾	D	

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

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information contained in this form are not
required to respond unless the form
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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

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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 (Instr. 3 and 4)
				Code	V	(A)	(D)
NONQUALIFIED STOCK OPTION	\$ 27.47	09/04/2007		A	25,000	09/04/2008 ⁽³⁾	09/04/2014
						Date Exercisable	Expiration Date
							Title
							COMM STOCK

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KURTZWEIL JOHN T C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703			EXECUTIVE VP, CFO, TREASURER	

Signatures

Tamara Cappelson,
Attorney-In-Fact

09/06/2007

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).

Shares of restricted stock awarded under the Cree, Inc. 2004 Long-Term Incentive Compensation Plan, as amended (the "Plan").

(1) One-fifth of the shares awarded will vest on each of September 1, 2008, September 1, 2009, September 1, 2010, September 1, 2011 and September 1, 2012, provided the recipient continues service until such dates as an employee or director of Cree, Inc. or as an employee of a related "Employer" as defined in the Plan.

(2) Number of shares reported includes 532 shares purchased by Mr. Kurtzweil on April 30, 2007 under the Cree, Inc. 2005 Employee Stock Purchase Plan.

(3) Option vests and becomes exercisable as to one-third of the shares on each of September 4, 2008, September 4, 2009 and September 4, 2010, provided the recipient continues service until such dates as an employee or director of Cree, Inc. or as an employee of a related "Employer" as defined in the Plan.

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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