

CREE INC  
Form 4  
September 04, 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 \*  
VON ARX DOLPH W

(Last) (First) (Middle)

3663 RUM ROW

(Street)

NAPLES, FL 34102

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/02/2008

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)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| COMMON STOCK                    | 09/02/2008                           |  | A <sup>(1)</sup>               | 5,000 A   | \$ 0 656,206 <sup>(2)</sup>   | D  |                                   |

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.**

SEC 1474 (9-02)

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

## Edgar Filing: CREE INC - Form 4

| 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--|
| NONQUALIFIED STOCK OPTION (RIGHT TO BUY)   | \$ 22.9  | 09/02/2008                           |  | A                              | 5,000   | 12/31/2008 <sup>(3)</sup> 09/02/2015                     | COMMON STOCK                             |

## Reporting Owners

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

## Signatures

Dolph W. von Arx  
Date: 09/04/2008  
\*\*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) Shares of restricted stock awarded under the Cree, Inc. 2004 Long-Term Incentive Compensation Plan, as amended (the "Plan"). Shares awarded will vest on September 2, 2009 provided the recipient continues service until that date as a member of the Board of Directors of Cree, Inc. or as an employee of Cree, Inc. or a related "Employer" as defined in the Plan.

(2) Of the 656,206 shares reported, (1) 68,500 shares are held directly; (2) 503,380 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) 69,326 shares are held indirectly in a family trust. Mr. von Arx disclaims beneficial ownership of the 69,326 shares held by the family trust.

(3) The option vests and becomes exercisable as to one-fourth of the shares on each of December 31, 2008, March 31, 2009, June 30, 2009 and September 30, 2009 or, if earlier, upon the election of directors at the 2009 Annual Meeting of Shareholders, provided the recipient continues service until such dates as a member of the Board of Directors of Cree, Inc. or as an employee of Cree, Inc. or 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. 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.