

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

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

(City) (State) (Zip)

**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
COMMON STOCK	09/01/2009		M		16,000	A	\$ 12.51
COMMON STOCK	09/01/2009		A <sup>(1)</sup>		5,000	A	\$ 0
						D <sup>(2)</sup>	

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

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SEC 1474 (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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 12.51	09/01/2009		M		16,000		12/31/2002 <sup>(3)</sup>	09/03/2009	CO ST
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 35.89	09/01/2009		A		5,000		12/31/2009 <sup>(4)</sup>	09/01/2016	CO ST

## 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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