

PALMOUR JOHN W  
Form 4  
January 25, 2010

**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  
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2005  
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(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)

01/21/2010

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	11/16/2009		G		85	D	\$ 0	574,331	D
COMMON STOCK	01/21/2010		S <sup>(1)</sup>		1,000	D	\$ 61.892	573,331	D
COMMON STOCK	01/21/2010		S <sup>(1)</sup>		1,000	D	\$ 62.051	572,331	D
COMMON STOCK	01/21/2010		S <sup>(1)</sup>		2,208	D	\$ 62.25	570,123	D
COMMON STOCK	01/21/2010		S <sup>(1)</sup>		1,000	D	\$ 62.27	569,123	D

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COMMON STOCK	01/21/2010	<u>S(1)</u>	1,000	D	\$ 62.33	568,123	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	2,438	D	\$ 62.35	565,685	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	2,000	D	\$ 62.3585	563,685	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	2,000	D	\$ 62.36	561,685	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,000	D	\$ 62.364	560,685	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	4,000	D	\$ 62.38	556,685	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	4,535	D	\$ 62.4	552,150	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,504	D	\$ 62.41	550,646	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	7,000	D	\$ 62.42	543,646	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,305	D	\$ 62.4237	542,341	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,617	D	\$ 62.4256	540,724	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	2,200	D	\$ 62.43	538,524	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,053	D	\$ 62.4395	537,471	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,424	D	\$ 62.44	536,047	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	2,500	D	\$ 62.45	533,547	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	2,500	D	\$ 62.46	531,047	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,000	D	\$ 62.463	530,047	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	1,500	D	\$ 62.47	528,547	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	2,000	D	\$ 62.48	526,547	D
COMMON STOCK	01/21/2010	<u>S(1)</u>	4,000	D	\$ 62.486	522,547	D
	01/21/2010	<u>S(1)</u>	2,500	D	\$ 62.49	520,047	D

COMMON  
STOCK

COMMON STOCK      01/21/2010      S<sup>(1)</sup>      3,000      D      \$ 62.4937      517,047      D<sup>(2)</sup>

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.**

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(9-02)

**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 and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director    10% Owner    Officer    Other
PALMOUR JOHN W C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703	X

## Signatures

John W.  
Palmour      01/22/2010

\_\_\_\_\_  
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).

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- (1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by Dr. Palmour on December 4, 2009.
- (2) Of the 517,047 shares reported, 477,047 shares are held directly by Dr. Palmour and 40,000 shares are held indirectly by Dr. Palmour's spouse.

### 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.

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