

JOHNSON KENNETH W
Form 4
December 21, 2006

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 *
JOHNSON KENNETH W

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
411 FIRST AVENUE
SOUTH, SUITE 600

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/19/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
SENIOR VP & GENERAL COUNSEL

SEATTLE, WA 98104-2860

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 Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	12/19/2006		A	6,350 A	53,232 ⁽²⁾	D	
Common Stock					1,019 ⁽³⁾	I	By 401(k) plan
Common Stock					25 ⁽⁴⁾	I	By spouse
Common Stock					125 ⁽⁴⁾	I	By daughter
Common Stock					650 ⁽⁵⁾	I	By Trustee

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- The reporting person acquired a total of 150 shares of Cray common stock under the Cray 401(k) plan through Company matching contributions of common stock in 2006. This transaction is exempt from the reporting requirements under Section 16(a) pursuant to Rule 16a-3(f)(1)(i)(B).
- (3) contributions of common stock in 2006. This transaction is exempt from the reporting requirements under Section 16(a) pursuant to Rule 16a-3(f)(1)(i)(B).
 - (4) The reporting person disclaims beneficial ownership of all securities by his spouse and daughter, and this report should not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 26 or for any other purpose.
 - (5) Reporting person disclaims beneficial ownership of these shares for which he has voting and dispositive powers as trustee.
 - (6) This option will vest 50% on December 19, 2007, and the remaining 50% will vest in full on June 19, 2008.
 - (7) Incentive stock option.

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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