

CREE INC

Form 4

September 06, 2005

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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(Print or Type Responses)

1. Name and Address of Reporting Person *
POTTER ROBERT J

(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)
09/01/2005

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	09/01/2005		A ⁽¹⁾		5,000	A	\$ 0
					12,000	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
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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 Amount Underlying Security (Instr. 3 and 4)
Nonqualified Stock Option (Right to Buy)	\$ 25.47	09/01/2005		A	5,000	12/31/2005 ⁽²⁾ 09/01/2012	Common Stock

Reporting Owners

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

Signatures

Tamara Cappelson,
Attorney-In-Fact

09/06/2005

____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. Shares awarded will vest on September 1, 2006 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) The grant is subject to the condition that the shareholders approve certain amendments to the Cree, Inc. 2004 Long-Term Incentive Compensation Plan at the next annual meeting of shareholders to be held on November 3, 2005. The option will terminate if the amendments are not approved. The Option vests and becomes exercisable as to one-fourth of the shares on each of December 31, 2005, March 31, 2006, June 30, 2006 and September 30, 2006 or, if earlier, upon the election of directors at the 2006 Annual Meeting of Shareholders, provided the recipient continues service until said 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.