CREE INC Form 4 January 28, 2008

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5 obligations may continue. See Instruction 1(b).

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)

(Last)

1. Name and Address of Reporting Person **
PALMOUR JOHN W

2. Issuer Name **and** Ticker or Trading Symbol

CREE INC [CREE]

01/24/2008

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

C/O CREE, INC., 4600 SILICON DRIVE

(Street)

(First)

(Middle)

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

X Director _____ 10% Owner ____ Officer (give title _____ Other (specify

OMB APPROVAL

3235-0287

January 31,

2005

0.5

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below) below)

EXECUTIVE VICE PRESIDENT

6. Individual or Joint/Group Filing(Check Applicable Line)

_____ Form filed by One Reporting Person _____ Form filed by More than One Reporting Person

DURHAM, NC 27703

(City)	(State) (Zi	p) Table 1	I - Non-De	rivative S	ecurit	ies Acqui	ired, Disposed of,	or Beneficiall	y 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)	tr. 8) (A)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
COMMON STOCK	01/24/2008		S <u>(1)</u>	6,600	D	\$ 29	767,709	D	
COMMON STOCK	01/24/2008		S <u>(1)</u>	700	D	\$ 29.01	767,009	D	
COMMON STOCK	01/24/2008		S <u>(1)</u>	1,900	D	\$ 29.02	765,109	D	
COMMON STOCK	01/24/2008		S(1)	400	D	\$ 29.03	764,709	D	
COMMON STOCK	01/24/2008		S(1)	900	D	\$ 29.04	763,809	D	

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COMMON STOCK	01/24/2008	S(1)	1,300	D	\$ 29.05	762,509	D
COMMON STOCK	01/24/2008	S(1)	200	D	\$ 29.06	762,309	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	1,100	D	\$ 29.07	761,209	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	1,700	D	\$ 29.08	759,509	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	1,300	D	\$ 29.09	758,209	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	1,200	D	\$ 29.11	757,009	D
COMMON STOCK	01/24/2008	S(1)	900	D	\$ 29.12	756,109	D
COMMON STOCK	01/24/2008	S(1)	800	D	\$ 29.4	755,309	D
COMMON STOCK	01/24/2008	S(1)	100	D	\$ 29.48	755,209	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	1,100	D	\$ 29.49	754,109	D
COMMON STOCK	01/24/2008	S(1)	1,400	D	\$ 29.5	752,709	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	500	D	\$ 29.55	752,209	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	100	D	\$ 29.68	752,109	D
COMMON STOCK	01/24/2008	S(1)	100	D	\$ 29.75	752,009	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	100	D	\$ 29.76	751,909	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	2,880	D	\$ 29.8	749,029	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	420	D	\$ 29.81	748,609	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	500	D	\$ 29.82	748,109	D
COMMON STOCK	01/24/2008	S <u>(1)</u>	400	D	\$ 29.85	747,709	D (2)

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

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

2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	and	8. Price of	9. Nu
Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onNumber	Expiration D	ate	Amoun	nt of	Derivative	Deriv
or Exercise		any	Code	of	(Month/Day/	Year)	Underl	ying	Security	Secui
Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ies	(Instr. 5)	Bene
Derivative				Securities			(Instr. 3	3 and 4)		Owne
Security				Acquired						Follo
				(A) or						Repo
				Disposed						Trans
				of (D)						(Instr
				(Instr. 3,						
				4, and 5)						
								Amount		
					Date	Expiration				
					Exercisable	Date				
			Code V	(A) (D)						
	Conversion or Exercise Price of Derivative	Conversion (Month/Day/Year) or Exercise Price of Derivative	Conversion (Month/Day/Year) Execution Date, if or Exercise any Price of (Month/Day/Year) Derivative	Conversion (Month/Day/Year) Execution Date, if Transaction or Exercise any Code Price of (Month/Day/Year) (Instr. 8) Derivative Security	Conversion (Month/Day/Year) Execution Date, if TransactionNumber or Exercise any Code of Price of (Month/Day/Year) (Instr. 8) Derivative Security Acquired (A) or Disposed of (D) (Instr. 3,	Conversion or Exercise any Code of (Month/Day/Pear) Price of (Month/Day/Year) Derivative Security Code of (Month/Day/Pear) Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Exercisable	Conversion (Month/Day/Year) Execution Date, if any Code of (Month/Day/Year) Price of (Month/Day/Year) (Instr. 8) Derivative Security Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Expiration Date Expiration Date Code of (Month/Day/Year) (Instr. 8) Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Conversion (Month/Day/Year) Execution Date, if TransactionNumber Expiration Date Amour or Exercise any Code of (Month/Day/Year) Underly Price of (Month/Day/Year) (Instr. 8) Derivative Securities (Instr. 5) Derivative Securities (Instr. 7) Derivative (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Expiration Date Amour Code of (Month/Day/Year) Underly Securities (Instr. 7) Date Expiration Exercisable Date Title	Conversion (Month/Day/Year) Execution Date, if any Code of (Month/Day/Year) Underlying Code of (Month/Day/Year) Underlying Securities Price of (Month/Day/Year) (Instr. 8) Derivative Security Securities Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) Date Expiration Date Amount of (Month/Day/Year) Underlying Securities Securities (Instr. 3 and 4) Amount of (Month/Day/Year) Underlying Securities Securities Faction Date Expiration Date Amount of (Month/Day/Year) Underlying Securities Securities Faction Date Expiration Date Expiration Date Or Number of	Conversion of Month/Day/Year)

Reporting Owners

Reporting Owner Name / Address	Relationships					
	Director	10% Owner	Officer	(

PALMOUR JOHN W C/O CREE, INC. 4600 SILICON DRIVE DURHAM, NC 27703

X

EXECUTIVE VICE PRESIDENT

Other

Signatures

John W. 01/28/2008 Palmour

**Signature of
Reporting Person

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

Date

- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by Dr. Palmour on May 12, 2006 and modified on August 22, 2007.
- (2) Of the 747,709 shares reported, 707,709 are held by Dr. Palmour directly and 40,000 shares are held indirectly by Dr. Palmour's spouse.

Remarks:

FORM TWO OF TWO

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.

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