

CREE INC  
Form 4  
October 28, 2010

**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 \*  
**TILLMAN ROBERT L**

(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)  
**10/26/2010**

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
COMMON STOCK	10/26/2010		A <sup>(1)</sup>	3,750 A \$ 0	3,750	D	
COMMON STOCK	10/26/2010		A <sup>(2)</sup>	165 A \$ 51.4	3,915	D	

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

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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 and Underlying (Instr. 3 and 4)
NONQUALIFIED STOCK OPTION (RIGHT TO BUY)	\$ 51.27	10/26/2010		A	3,750	03/31/2011 <sup>(3)</sup> 10/26/2017	COMMON STOCK

## Reporting Owners

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

## Signatures

Tamara Cappelson, as agent for Robert L. Tillman 10/28/2010

\*\*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).
- (1) Restricted stock award vesting September 1, 2011.
- (2) Represents shares of common stock credited to Mr. Tillman's 2010 deferral account under the Cree, Inc. Non-Employee Director Stock Compensation and Deferral Program, issuable following Mr. Tillman's Separation from Service with Cree.
- (3) Option vests as to 1,250 shares on each of March 31, 2011, June 30, 2011 and September 30, 2011 or, if earlier, upon the election of directors at the 2011 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. 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.