CRAY INC Form 4 May 25, 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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,

SECURITIES

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

HENRY BRIAN C

2. Issuer Name and Ticker or Trading

Symbol

CRAY INC [CRAYE]

3. Date of Earliest Transaction

(First) (Middle) (Last)

(Month/Day/Year)

411 FIRST AVENUE S., SUITE 600 05/23/2005

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

3.

SEATTLE, WA 98104

Security

(Instr. 3)

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB

Number:

Expires:

response...

Estimated average

burden hours per

OMB APPROVAL

3235-0287

January 31,

2005

0.5

Director 10% Owner

X_ Officer (give title Other (specify below)

Executive Vice President & CFO

6. Individual or Joint/Group Filing(Check

Applicable Line)

X 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 2. Transaction Date 2A. Deemed

(Month/Day/Year) Execution Date, if

TransactionAcquired (A) or Code (Month/Day/Year) (Instr. 8)

4. Securities Disposed of (D) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (T) (Instr. 4) (Instr. 4)

Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

(A)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of Derivative Conversion Security or Exercise

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of TransactionDerivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amount Underlying Securities (Instr. 3 and 4)

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) or Derivative Disposed of (D) Security (Instr. 3, 4, and Code V (D) Date Exercisable Expiration Title (A) Amou Date Numb Shares Stock Option \$ 1.48 05/23/2005 500,000 12/31/2005(1) 05/23/2015 Common Α (Right to

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

HENRY BRIAN C 411 FIRST AVENUE S., SUITE 600 SEATTLE, WA 98104

Executive Vice President & CFO

Signatures

Buy)

Brian C. Henry by Kenneth W. Johnson, Attorney-in-Fact

05/25/2005

**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).
- Options for 125,000 shares become exercisable 90 days after issuance, options for 125,000 shares become exercisable 150 days after issuance, and the remaining options for 250,000 shares become exercisable on 12/31/05.
- (2) Of these options, 67,567 are incentive stock options and 432,433 are non-qualified stock options.

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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