

KUGEL WAYNE J
Form 4
March 24, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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 *
KUGEL WAYNE J

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)
901 FIFTH AVENUE,, SUITE 1000
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/20/2009

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Senior Vice President

SEATTLE, WA 98164

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 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

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

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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)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)							
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Stock Option (right to buy Common Stock)	\$ 27.56	03/20/2009	D	(1)		3,628	02/05/2005	02/05/2014	Common Stock	3,628	
Stock Option (right to buy Common Stock)	\$ 27.56	03/20/2009	D	(1)		3,871	02/05/2005	02/05/2014	Common Stock	3,871	
Stock Option (right to buy Common Stock)	\$ 14	03/20/2009	D	(1)		6,250	05/11/2006	05/11/2015	Common Stock	6,250	
Stock Option (right to buy Common Stock)	\$ 12	03/20/2009	D	(1)		6,250	05/11/2006	05/11/2015	Common Stock	6,250	
Stock Option (right to buy Common Stock)	\$ 10	03/20/2009	D	(1)		6,250	05/11/2006	05/11/2015	Common Stock	6,250	
Stock Option (right to buy Common Stock)	\$ 8	03/20/2009	D	(1)		6,250	05/11/2006	05/11/2015	Common Stock	6,250	
Stock Option	\$ 10.56	03/20/2009	D	(1)		6,350	12/19/2007	12/19/2016	Common Stock	6,350	

(right to
buy
Common
Stock)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KUGEL WAYNE J 901 FIFTH AVENUE, SUITE 1000 SEATTLE, WA 98164			Senior Vice President	

Signatures

Wayne J. Kugel by Kenneth W. Johnson, Attorney-in-Fact	03/24/2009
<small>**Signature of Reporting Person</small>	<small>Date</small>

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).

The options were tendered in exchange for a cash payment pursuant to an issuer tender offer described in the Tender Offer Statement on (1) Schedule TO filed with the Commission on February 20, 2009, as amended on March 10, 2009. This transaction is exempt from Section 16(b) of the Securities Exchange Act of 1934 pursuant to Rule 16b-3(e).

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.