Blake William C Form 4 June 20, 2011

FORM 4

Check this box

if no longer

subject to

Section 16.

Form 4 or

obligations

may continue.

Form 5

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

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

See Instruction 1(b).

(Print or Type Responses)

SEATTLE, WA 98164

1. Name and Address of Reporting Person *

Blake William C Symbol CRAY INC [CRAY] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) X Director 10% Owner Officer (give title Other (specify 901 FIFTH AVENUE, SUITE 1000 06/16/2011

2. Issuer Name and Ticker or Trading

below) (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line)

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

Issuer

Person

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed 4. Securities Acquired 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction(A) or Disposed of Form: Direct Indirect Securities (Instr. 3) Code (D) Beneficially (D) or Beneficial any (Month/Day/Year) (Instr. 8) (Instr. 3, 4 and 5) Owned Indirect (I) Ownership Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) (Instr. 3 and 4)

Amount

(D)

Price

6,188 Common 06/16/2011 D A 31,188 Stock

Code V

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)

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

Estimated average

burden hours per

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| 1. Title of | 2. | 3. Transaction Date | 3A. Deemed | 4. | 5. | 6. Date Exercis | sable and | 7. Title and | d 8. Price of | 9. Nu |
|-------------|-------------|---------------------|--------------------|------------|------------|-----------------|-----------|--------------|---------------|--------|
| Derivative | Conversion | (Month/Day/Year) | Execution Date, if | Transacti | onNumber | Expiration Date | e | Amount of | f Derivative | Deriv |
| Security | or Exercise | | any | Code | of | (Month/Day/Yo | ear) | Underlying | g Security | Secui |
| (Instr. 3) | Price of | | (Month/Day/Year) | (Instr. 8) | Derivative | | | Securities | (Instr. 5) | Bene |
| | Derivative | | • | | Securities | S | | (Instr. 3 ar | nd 4) | Owne |
| | Security | | | | Acquired | | | | | Follo |
| | • | | | | (A) or | | | | | Repo |
| | | | | | Disposed | | | | | Trans |
| | | | | | of (D) | | | | | (Instr |
| | | | | | (Instr. 3, | | | | | |
| | | | | | 4, and 5) | | | | | |
| | | | | Code V | (A) (D) | Data I | 7mimatian | Title Am | avet | |
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| | | | | | | | | | mber | |
| | | | | | | | | of | | |
| | | | | | | | | Sha | res | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | | | | |
|---|---------------|-----------|---------|-------|--|--|--|
| 1 8 | Director | 10% Owner | Officer | Other | | | |
| Blake William C 901 FIFTH AVENUE, SUITE 1000 SEATTLE, WA 98164 | X | | | | | | |

Signatures

By Michael C. Piraino, Attorney-in-Fact for William C. 06/20/2011 Blake

> **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).

Restricted stock award: 3,094 shares will vest on the earlier of (i) June 16, 2012 and (ii) the date that is immediately prior to the date of the next annual meeting of shareholders (the "Annual Meeting"); and the remaining 3,094 shares will vest the earlier of (i) June 16, 2013 and (ii) the date that is immediately prior to the date of the annual meeting of shareholders following the Annual Meeting.

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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