SCOTT STEVEN LEE

Form 4 April 12, 2007

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5
obligations
may continue.
See Instruction

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

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

SCOTT STEVEN LEE Issuer Symbol CRAY INC [CRAY] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner _X__ Officer (give title Other (specify 411 FIRST AVENUE S., SUITE 600 04/11/2007 below) SVP & Chief Technology Officer

2. Issuer Name and Ticker or Trading

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

6. Individual or Joint/Group Filing(Check Applicable Line)
X Form filed by One Reporting Person
_ Form filed by More than One Reporting Person

5. Relationship of Reporting Person(s) to

SEATTLE, WA 98104

(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. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)				5. Amount of Securities Beneficially Owned Following	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(A) or (D)	Price	Reported Transaction(s) (Instr. 3 and 4)		
Common Stock (1)	04/11/2007		M	1,900 (2)	A	\$ 3.804	24,000	D	
Common Stock (1)	04/11/2007		S	645 (2)	D	\$ 13.83	23,355	D	
Common Stock (1)	04/11/2007		S	900 (2)	D	\$ 13.82	22,455	D	
Common Stock (1)	04/11/2007		S	355 (2)	D	\$ 13.8	22,100	D	
Common Stock							749	I	By 401(k) Plan

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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)

Deri Secu	tr. 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. 5. Number Transaction Derivative Code Securities (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
					Code V			Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Em Opt	ployee tions (1)	\$ 3.804	04/11/2007		M		1,900	12/31/2005	09/26/2015	Common	1,900

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

SCOTT STEVEN LEE 411 FIRST AVENUE S., SUITE 600 SEATTLE, WA 98104

SVP & Chief Technology Officer

Signatures

Steven L. Scott by Kenneth W. Johnson, Attorney-in-Fact

04/12/2007

**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) Pursuant to a previously executed Rule 10b5-1 Plan.
- (2) Non-qualified stock option.

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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