

JOHNSON KENNETH W
 Form 4
 March 24, 2009

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
 JOHNSON KENNETH W

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)
 SVP & General Counsel

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.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|

Edgar Filing: JOHNSON KENNETH W - Form 4

| (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) | \$ 10.12 | 03/20/2009 | D ⁽¹⁾ | | | 118 | 02/07/2002 | 02/07/2011 | Common Stock | 118 |
| Stock Option (right to buy Common Stock) | \$ 10.12 | 03/20/2009 | D ⁽¹⁾ | | | 4,881 | 02/07/2002 | 02/07/2011 | Common Stock | 4,881 |
| Stock Option (right to buy Common Stock) | \$ 8.84 | 03/20/2009 | D ⁽¹⁾ | | | 7,500 | 04/02/2003 | 04/02/2012 | Common Stock | 7,500 |
| Stock Option (right to buy Common Stock) | \$ 27.56 | 03/20/2009 | D ⁽¹⁾ | | | 1,228 | 02/05/2005 | 02/05/2014 | Common Stock | 1,228 |
| Stock Option (right to buy Common Stock) | \$ 27.56 | 03/20/2009 | D ⁽¹⁾ | | | 2,400 | 02/05/2005 | 02/05/2014 | Common Stock | 2,400 |
| Stock Option (right to buy Common Stock) | \$ 27.56 | 03/20/2009 | D ⁽¹⁾ | | | 8,871 | 02/05/2005 | 02/05/2014 | Common Stock | 8,871 |
| Stock Option | \$ 14 | 03/20/2009 | D ⁽¹⁾ | | | 6,250 | 12/31/2005 | 05/11/2015 | Common Stock | 6,250 |

| | | | | | | | | | |
|------------------------------------------|----------|------------|------------------|-------|------------|------------|--------------|-------|--|
| (right to buy Common Stock) | | | | | | | | | |
| Stock Option (right to buy Common Stock) | \$ 12 | 03/20/2009 | D ⁽¹⁾ | 6,250 | 12/31/2005 | 05/11/2015 | Common Stock | 6,250 | |
| Stock Option (right to buy Common Stock) | \$ 10 | 03/20/2009 | D ⁽¹⁾ | 1,250 | 12/31/2005 | 05/11/2015 | Common Stock | 1,250 | |
| Stock Option (right to buy Common Stock) | \$ 10 | 03/20/2009 | D ⁽¹⁾ | 5,000 | 12/31/2005 | 05/11/2015 | Common Stock | 5,000 | |
| Stock Option (right to buy Common Stock) | \$ 8 | 03/20/2009 | D ⁽¹⁾ | 2 | 12/31/2005 | 05/11/2015 | Common Stock | 2 | |
| Stock Option (right to buy Common Stock) | \$ 8 | 03/20/2009 | D ⁽¹⁾ | 6,248 | 12/31/2005 | 05/11/2015 | Common Stock | 6,248 | |
| Stock Option (right to buy Common Stock) | \$ 10.56 | 03/20/2009 | D ⁽¹⁾ | 6,350 | 11/15/2007 | 12/19/2016 | Common Stock | 6,350 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| | | | SVP & General Counsel | |

JOHNSON KENNETH W
901 FIFTH AVENUE,
SUITE 1000
SEATTLE, WA 98164

Signatures

Kenneth W.
Johnson

03/24/2009

**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).

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.