

KUGEL WAYNE J
Form 4
May 15, 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)
05/13/2009

____ 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)			
			Code	V	Amount (A) or Price (D)					
Common Stock	05/13/2009		A		40,000 (1)	A	\$ 3.755	59,950	D	

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)

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1. Title of Derivative Security (Instr. 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. Transaction Code (Instr. 8)	5. Number of Derivative Securities 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)	Amount or Number of Shares			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	
Stock Option Grant ⁽²⁾	\$ 3.74	05/13/2009		A		40,000		05/13/2010	05/13/2019	Common	40,000

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 05/15/2009

__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).
- (1) Restricted stock award, 20,000 shares will vest on May 15, 2011 and remaining 20,000 shares will vest in full on May 15, 2013.
- (2) The option will vest 25% on May 13, 2010 and 1/36th of the balance monthly thereafter to vest in full on May 13, 2013; all options 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.