

CRESCENT REAL ESTATE EQUITIES CO  
 Form 4  
 August 21, 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 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 \*  
 PORTER CHRISTOPHER T

2. Issuer Name and Ticker or Trading Symbol  
 CRESCENT REAL ESTATE EQUITIES CO [CEI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 777 MAIN STREET, SUITE 2100  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 08/03/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Senior VP and Treasurer

FORT WORTH, TX 76102

(City) (State) (Zip)

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

**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)
				(A) or (D) Price			
Series B Preferred <sup>(1)</sup>	08/03/2007		D	1,000 D <u>(1)</u>	0	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 Security (Instr. 3 and 4)	Amount or Number of Shares
Units of limited partnership of Operating Partnership <sup>(2)</sup>	<sup>(3)</sup>	08/03/2007		D	30,000 <sup>(8)</sup>	<sup>(4)</sup> 06/30/2010 <sup>(5)</sup>	Common Shares	60,000
Units of limited partnership of Operating Partnership <sup>(2)</sup>	<sup>(6)</sup>	08/03/2007		D	15,000 <sup>(8)</sup>	<sup>(7)</sup> 06/30/2010 <sup>(5)</sup>	Common Shares	30,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PORTER CHRISTOPHER T 777 MAIN STREET SUITE 2100 FORT WORTH, TX 76102			Senior VP and Treasurer	

## Signatures

David M. Dean, as Attorney-in-Fact on behalf of Reporting Person 08/21/2007

\_\_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) 9.50% Series B Cumulative Redeemable Preferred Shares
- (2) Crescent Real Estate Equities Limited Partnership (Operating Partnership)
- (3) Beginning on second anniversary of date of grant, each vested Unit exchangeable for cash equivalent to market value of two Common Shares of Issuer stock or, at discretion of Issuer, but subject to shareholder approval.

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Grant on December 1, 2004, by Operating Partnership pursuant to 2004 Crescent Real Estate Equities Limited Partnership Long-Term Incentive Plan in transaction exempt under Rule 16b-3(d). Grant provides for 20% Units to vest when trailing 40 trading day closing sale price average (Average Close) equals or exceeds \$19 (vested on 8/3/05); additional 20% vest when Average Close equals or exceeds \$20 (vested on 11/25/05); additional 20% vest when Average Close equals or exceeds \$21 (vested on 3/10/06); additional 20% vest when Average Close equals or exceeds \$22.50; and final 20% vest when Average Close equals or exceeds \$24.

(5) Applicable solely to unvested Units; not applicable to vested Units.

(6) Beginning on second anniversary of date of grant, each vested Unit exchangeable for cash equivalent to market value of two Common Shares of Issuer stock or, at discretion of Issuer, but subject to shareholder approval.

Grant on May 16, 2005, by Operating Partnership pursuant to 2005 Crescent Real Estate Equities Limited Partnership Long-Term Incentive Plan in transaction exempt under Rule 16b-3(d). Grant provides for 20% Units to vest when trailing 40 trading day closing sale price average (Average Close) equals or exceeds \$21; additional 20% vest when Average Close equals or exceeds \$22.50; additional 20% vest when Average Close equals or exceeds \$24; additional 20% vest when Average Close equals or exceeds \$25.50; and final 20% vest when Average Close equals or exceeds \$27.

(8) In connection with the Agreement and Plan of Merger, pursuant to which Crescent Real Estate Equities Company and Crescent Real Estate Equities Limited Partnership were acquired by affiliates of Morgan Stanley Real Estate on August 3, 2007, holders of partnership Units (including unvested Units) received merger consideration of \$45.60 per Unit and \$22.80 per Common Share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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