

## CRESCENT REAL ESTATE EQUITIES CO

Form 4

August 21, 2007

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
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 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 \*  
 Stevens Suzanne M

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  
 \_\_\_\_X\_\_\_\_ Officer (give title below) \_\_\_\_ Other (specify below)  
 SVP & Chief Accounting Officer

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

FORT WORTH, TX 76102

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of<br>(D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|---|--|--|--|---|
| Common<br>Shares                      | 08/03/2007                              |   | D                                       | 939 <sup>(1)</sup> D   | \$<br>22.8 0   | D  |   |
| Common<br>Shares                      | 08/03/2007                              |   | D                                       | 2,179 D  | \$<br>22.8 0   | I  | By 401(k)<br>Plan <sup>(2)</sup>                                  |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474  
 (9-02)

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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 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 |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option (Right to Buy)                               | \$ 15.8125   | 08/03/2007                           |  | D                              | 42,131<br>(9)   | (3) 11/04/2009   | Common Shares   | 42,131                     |
| Units of limited partnership of Operating Partnership (4) | (6)  | 08/03/2007                           |  | D                              | 24,750<br>(9)   | (5) 06/30/2010(7)  | Common Shares   | 49,500                     |
| Units of limited partnership of Operating Partnership (4) | (6)  | 08/03/2007                           |  | D                              | 15,000<br>(9)   | (8) 06/30/2010(7)  | Common Shares   | 30,000                     |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships                    |
|--|----------------------------------|
|  | Director 10% Owner Officer Other |
| Stevens Suzanne M<br>777 MAIN STREET<br>SUITE 2100<br>FORT WORTH, TX 76102 | SVP & Chief Accounting Officer   |

## 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) Includes 367 shares acquired under Issuers Employee Stock Purchase Plan.

(2) Information based on most recent available plan statement of Crescent Real Estate Equities, Ltd. 401(k) plan.

(3) Options granted November 5, 1999, under the Second Amended and Restated 1995 Stock Incentive Plan, as amended, which became exercisable in 20% increments on the first, second, third, fourth and fifth anniversaries of the grant.

(4) Crescent Real Estate Equities Limited Partnership ("Operating Partnership")

Grant on December 1, 2004 by Operating Partnership pursuant 2004 Crescent Real Estate Equities Limited Partnership Long-Term Incentive Plan in transaction exempt under Rule 16b-3(d). 20% of Units vest when trailing 40 day trading day closing sale price average ("Average Close") equals or exceeds \$19; additional 20%, when Average Close equals or exceeds \$20; additional 20%, when Average Close equals or exceeds \$21; additional 20%, when Average Close equals or exceeds \$22.50; and final 20%, when Average Close equals or exceeds \$24. General Partner of Operating Partnership has discretionary authority to establish alternative vesting based on Issuer's achievement of annual performance targets as determined from time to time by the Compensation Committee of General Partner.

(5) Beginning on second anniversary of date of grant, and subject to six month holding period following vesting, each vested Unit exchangeable for cash equivalent of market of two Common Shares of Issuer stock or, at discretion of Issuer, but subject to shareholder approval, for two Common Shares of Issuer stock, subject to normal antidilution adjustments.

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

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). 20% of Units vest when the average of closing sale prices of a Common Share for preceding 40 trading days ("Average Close") equals or exceeds \$21; and additional 20%; when Average Close equals or exceeds \$22.50; and additional 20%; when Average Close equals or exceeds \$24; and additional 20%, when Average Close equals or exceeds \$25.50, and the final 20%, when Average Close equals or exceeds \$27. General Partner or Operating Partnership has discretionary authority to establish alternative vesting schedules based on Issuer's achievement of annual performance targets as determined from time to time by Compensation

(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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