

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 \*  
 ALBERTS DENNIS H

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)  
 President & COO

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)
				Code V Amount (D) Price			
Common Shares	08/03/2007		D	146,870 D \$ 22.8	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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Employee Stock Option (Right to Buy)	\$ 18.0625	08/03/2007		D	120,000 (10)	(1) 04/16/2010	04/16/2010	Common Shares	120,000
Option (Right to Buy)	\$ 35.02	08/03/2007		D	250,000 (10)	(2) 02/18/2012	02/18/2012	Common Shares	500,000
Employee Stock Option (Right to Buy)	\$ 21.84	08/03/2007		D	83,400 (10)	(3) 03/04/2011	03/04/2011	Common Shares	83,400
Units of limited partnership of Operating Partnership (4)	(5)	08/03/2007		D	250,000 (10)	(6) 06/30/2010(7)	06/30/2010(7)	Common Shares	500,000
Units of limited partnership of Operating Partnership (4)	(8)	08/03/2007		D	120,000 (10)	(9) 06/30/2010(7)	06/30/2010(7)	Common Shares	240,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ALBERTS DENNIS H 777 MAIN STREET SUITE 2100 FORT WORTH, TX 76102			President & COO	

## 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) Option granted April 17, 2000, pursuant to Issuer's Second Amended and Restated 1995 Stock Incentive Plan; vested and became exercisable in 20% increments on first, second, third, fourth and fifth anniversary dates of grant.
- (2) Option granted February 19, 2002, by Operating Partnership, in transaction exempt under Rule 16b-3, to purchase Units of limited partnership (Units) of Operating Partnership. Each Unit exchangeable for two Common Shares of Issuer stock, subject to normal antidilution adjustments, or cash equivalent to market value of two Common Shares of Issuer stock, at discretion of Issuer.
- (3) Option granted March 5, 2001, pursuant to Issuer's Second Amended and Restated 1995 Stock Incentive Plan; vested and became exercisable in 20% increments on first, second, third, fourth and fifth anniversary dates of grant.
- (4) Crescent Real Estate Equities Limited Partnership (Operating Partnership)
- (5) 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.
- (6) 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.
- (7) Applicable solely to unvested Units; not applicable to vested Units.
- (8) 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.
- (9) 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. 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, Reporting Person forfeited 80,000 Units leaving 120,000 Units remaining.
- (10) 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. 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.