

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
Estimated average burden hours per response... 0.5

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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 *
GOFF JOHN C

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)
Vice Chairman of Board, CEO

FORT WORTH, TX 76102

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Shares	08/03/2007		D		1,769,102 (1)	D	\$ 22.8 0
Common Shares	08/03/2007		D		197,368	I	\$ 22.8 0
Common Shares	08/03/2007		D		19,801	I	\$ 22.8 0

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

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SEC 1474 (9-02)

number.

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 Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Units of limited partnership of Operating Partnership ⁽⁴⁾	<u>(5)</u>	08/03/2007		D	830,205 <u>(18)</u>	<u>(6)</u>	<u>(7)</u>	Common Shares
Units of limited partnership of Operating Partnership ⁽⁴⁾	<u>(5)</u>	08/03/2007		D	76,280 <u>(18)</u>	<u>(6)</u>	<u>(7)</u>	Common Shares
Employee Stock Option (Right to Buy)	\$ 15.8125	08/03/2007		D	400,000	<u>(9)</u>	11/04/2009	Common Shares
Option (Right to Buy) ⁽⁷⁾	<u>(8)</u>	08/03/2007		D	100,000 <u>(18)</u>	<u>(10)</u>	11/04/2009 ⁽¹⁰⁾	Common Shares
Option (Right to Buy)	\$ 35.02	08/03/2007		D	1,278,571 <u>(18)</u>	<u>(11)</u>	02/18/2012	Common Shares
Option (Right to Buy)	\$ 35.02	08/03/2007		D	221,429 <u>(18)</u>	<u>(12)</u>	02/18/2012	Common Shares
Units of limited partnership of Operating Partnership	<u>(13)</u>	08/03/2007		D	390,000 <u>(18)</u>	<u>(14)</u>	06/30/2010 ⁽¹⁶⁾	Common Shares

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1,200,000 options vested and became exercisable in 20% increments on second, third, fourth and fifth anniversaries of date of grant. 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.

- (12) Option granted February 19, 2002, by Operating Partnership, pursuant to Operating Partnership's 1996 Unit Incentive Plan, to purchase Units of limited partnership (Units) of Operating Partnership. Option vested 100% on first anniversary of date of grant. 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.
- (13) 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.
- (14) 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.
- (15) 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.
- (16) Applicable solely to unvested Units; not applicable to vested Units.
- (17) 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 120,000 Units leaving 180,000 Units remaining.
- (18) 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.

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