

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 \*  
 ROWSEY PAUL E III

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)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | Code V Amount (A) or (D) Price                                    |   |  |                                   |
| Common Shares                   | 08/03/2007                           |  | D                              | 32,227 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 Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (Right to Buy)                | \$ 20.75   | 08/03/2007                           |  | D                              | 14,000<br>(6)   | (1) 06/11/2010   | Common Shares   | 14,000                        |
| Stock Option (Right to Buy)                | \$ 19.2399   | 08/03/2007                           |  | D                              | 14,000<br>(6)   | (2) 06/09/2012   | Common Shares   | 14,000                        |
| Stock Option (Right to Buy)                | \$ 16.45   | 08/03/2007                           |  | D                              | 14,000<br>(6)   | (3) 06/01/2013   | Common Shares   | 14,000                        |
| Stock Option (Right to Buy)                | \$ 16.36   | 08/03/2007                           |  | D                              | 14,000<br>(6)   | (4) 06/27/2014   | Common Shares   | 14,000                        |
| Stock Option (Right to Buy)                | \$ 18.65   | 08/03/2007                           |  | D                              | 14,000<br>(6)   | (5) 06/09/2015   | Common Shares   | 14,000                        |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| ROWSEY PAUL E III<br>777 MAIN STREET<br>SUITE 2100<br>FORT WORTH, TX 76102 | X             |           |         |       |

## 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) Annual Option grant to Independent Directors on June 12, 2000, pursuant to terms of Issuer's Second Amended and Restated 1995 Stock Incentive Plan; vest in 20% increments on first, second, third, fourth and fifth anniversary dates of grant.
- (2) Annual Option grant to Independent Directors on June 10, 2002, pursuant to terms of Issuer's Third Amended and Restated 1995 Stock Incentive Plan; vest in 20% increments on first, second, third, fourth and fifth anniversary dates of grant.
- (3) Annual Option grant to Independent Directors on June 2, 2003, pursuant to terms of Issuer's Third Amended and Restated 1995 Stock Incentive Plan; vest in 20% increments on first, second, third, fourth and fifth anniversary dates of grant.
- (4) Annual Option grant to Independent Directors on June 28, 2004, pursuant to terms of Issuer's Third Amended and Restated 1995 Stock Incentive Plan; vest in 20% increments on first, second, third, fourth and fifth anniversary dates of grant.
- (5) Annual Option grant to Independent Directors on June 10, 2005, pursuant to terms of Issuer's Third Amended and Restated 1995 Stock Incentive Plan; vest in 20% increments on first, second, third, fourth and fifth anniversary dates of grant.

- 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 Issuer's stock (including vested and unvested stock options granted by Issuer) received merger consideration of \$22.80 per Common Share.
- (6)

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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