

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 *
 RAINWATER RICHARD E

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)
 Chairman

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 | | 821,007 | D | \$ 22.8 |
| Common Shares | 08/03/2007 | | D | | 12,525 | D | \$ 22.8 |
| Common Shares | 08/03/2007 | | D | | 10,586 | D | \$ 22.8 |
| Common Shares | 08/03/2007 | | D | | 2,935,127 | D | \$ 22.8 |
| Common Shares | 08/03/2007 | | D | | 544,704 | D | \$ 22.8 |

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| | | | | | | | | | |
|---------------|------------|--|---|---------|---|---------|---|---|---------------------------------------|
| Common Shares | 08/03/2007 | | D | 650,000 | D | \$ 22.8 | 0 | I | By CRUT No. 3 ⁽⁴⁾ |
| Common Shares | 08/03/2007 | | D | 200,000 | D | \$ 22.8 | 0 | I | By Spouse's CRUT No. 1 ⁽⁵⁾ |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Units of limited partnership of Operating Partnership ⁽⁶⁾ | <u>(7)</u> | 08/03/2007 | | D | 2,303,628 ⁽¹⁰⁾ | <u>(8)</u> <u>(9)</u> | Common Shares 4,607,2 |
| Units of limited partnership of Operating Partnership ⁽⁶⁾ | <u>(7)</u> | 08/03/2007 | | D | 259,805 ⁽¹⁰⁾ | <u>(8)</u> <u>(9)</u> | Common Shares 519,6 |
| Units of limited partnership of Operating Partnership ⁽⁶⁾ | <u>(7)</u> | 08/03/2007 | | D | 24,753 ⁽¹⁰⁾ | <u>(8)</u> <u>(9)</u> | Common Shares 49,50 |
| Units of limited partnership | <u>(7)</u> | 08/03/2007 | | D | 3,135,481 ⁽¹⁰⁾ | <u>(8)</u> <u>(9)</u> | Common Shares 6,270,9 |

of
Operating
Partnership
(6)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------|-------|
| | Director | 10% Owner | Officer | Other |
| RAINWATER RICHARD E 777 MAIN STREET SUITE 2100 FORT WORTH, TX 76102 | X | | Chairman | |

Signatures

| | |
|---|------------|
| Richard E. Rainwater, by Melissa Parrish, Attorney-in-Fact | 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) Rainwater, Inc. (RI) is wholly owned by Reporting Person. Office Towers LLC (OT) is wholly owned by Reporting Person and RI.
The Richard E. Rainwater 1995 Charitable Remainder Unitrust No. 1 dated March 10, 1995 (CRUT), Richard E. Rainwater, Successor Trustee to J. Randall Chappel, Successor Trustee to Richard E. Rainwater, Original Trustee. Reporting Person is sole trustee and settlor of CRUT, exercises investment control over stock held by CRUT, and may have a pecuniary interest in stock held by CRUT; however, inclusion of CRUT stockholdings in this report shall not be deemed an admission that Reporting Person is the beneficial owner of such securities for purposes of Section 16.
- (2) 49,864 shares attributed to spouse are held by general partnership of which spouse is a general partner and represent her proportional interest in Issuer securities held by general partnership. Reporting Person disclaims beneficial ownership of 544,704 shares and 259,805 Units owned (directly or indirectly) by spouse; this report shall not be deemed an admission that the Reporting Person is the beneficial owner of such securities for purposes of Section 16 or any other purpose.
- (3) The Richard E. Rainwater Charitable Remainder Unitrust No. 3, dated December 21, 2005 (CRUT No. 3), Richard E. Rainwater, Trustee. Reporting Person is sole trustee and settlor of CRUT No. 3, exercises investment control over stock held by CRUT No. 3, and may have a pecuniary interest in stock held by CRUT No. 3; however, inclusion of CRUT No. 3 stockholdings in this report shall not be deemed an admission that Reporting Person is the beneficial owner of such securities for purposes of Section 16.
- (4) The Darla D. Moore Charitable Remainder Unitrust No. 1, dated January 7, 2005 (Spouse's CRUT No. 1), Darla D. Moore, Trustee. Spouse is sole trustee and settlor of Spouse's CRUT No. 1, exercises investment control over stock held by Spouse's CRUT No. 1, and may have a pecuniary interest in stock held by Spouse's CRUT No. 1; however, inclusion of Spouse's CRUT No. 1 stockholdings in this report shall not be deemed an admission that Reporting Person is the beneficial owner of such securities for purposes of Section 16.
- (5) Crescent Real Estate Equities Limited Partnership (Operating Partnership)
- (6) Each Unit is exchangeable for two Common Shares, subject to normal antidilution adjustments, or cash equivalent to market value of two Common Shares, at discretion of Issuer.
- (7) Immediately
- (8) Not applicable
- (9) 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, holders of partnership units received merger consideration of \$45.60 per unit and \$22.80 per Common Share.
- (10)

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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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