CRESCENT REAL ESTATE EQUITIES CO
Form SC 13D/A
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

Crescent Real Estate Equities Company

(Name of Issuer)

Common Stock, $.01 par value

(Title of Class of Securities)

225756105

(CUSIP Number)

SPO Partners & Co.
William E. Oberndorf
591 Redwood Highway, Suite 3215
Mill Valley, California 94941
(415) 383-6600

with a copy to:

Phillip Gordon
Altheimer & Gray
10 South Wacker Drive
Chicago, Illinois 60606
(312) 715-4000

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

June 4 and June 5, 2002

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this Schedule because of Rule 13d-1(b)(3) or (4), check the following box. |_|

Check the following box if a fee is being paid with the statement. |_|

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP NO. 225756105

1	NAMES OF REPORTING PERSON: SPO Partners II, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 2,205,400 (1)	
	8	SHARED VOTING POWER: -0-	
	9	SOLE DISPOSITIVE POWER: 2,205,400 (1)	
	10	SHARED DISPOSITIVE POWER: -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 2,205,400 (1)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 2.1%		

14	TYPE OF REPORTING PERSON: PN

(1) Power is exercised through its sole general partner, SPO Advisory Partners, L.P.

SCHEDULE 13D

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1	NAMES OF REPORTING PERSON: SPO Advisory Partners, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: Not Applicable		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER: 2,205,400 (1)(2)
		8	SHARED VOTING POWER: -0-
		9	SOLE DISPOSITIVE POWER: 2,205,400 (1)(2)
		10	SHARED DISPOSITIVE POWER: -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 2,205,400 (1)(2)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 2.1%		
14	TYPE OF REPORTING PERSON: PN		

(1) Solely in its capacity as the sole general partner of SPO Partners II, L.P.
(2) Power is exercised through its corporate general partner, SPO Advisory Corp.

SCHEDULE 13D

CUSIP NO. 225756105

1	NAMES OF REPORTING PERSONS San Francisco Partners II, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions) (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f) [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: California		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 538,900 (1)	
	8	SHARED VOTING POWER -0-	
	9	SOLE DISPOSITIVE POWER 538,900 (1)	
	10	SHARED DISPOSITIVE POWER -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 538,900 (1)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.5%		
14	TYPE OF REPORTING PERSON: PN		

(1) Power is exercised through its sole general partner, SF Advisory Partners, L.P.

SCHEDULE 13D

CUSIP NO. 225756105

1	NAMES OF REPORTING PERSONS SF Advisory Partners, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: Not Applicable		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f) [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER 538,900 (1)(2)
		8	SHARED VOTING POWER -0-
		9	SOLE DISPOSITIVE POWER 538,900 (1)(2)
		10	SHARED DISPOSITIVE POWER -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 538,900 (1)(2)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES [_]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 0.5%		
14	TYPE OF REPORTING PERSON PN		

(1) Solely in its capacity as the sole general partner of San Francisco Partners II, L.P.
(2) Power is exercised through its corporate general partner, SPO Advisory Corp.

SCHEDULE 13D

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1	NAMES OF REPORTING PERSON: SPO Advisory Corp.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:	(a) [_] (b) [X]
3	SEC USE ONLY	
4	SOURCE OF FUNDS: Not Applicable	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f):	[_]
6	CITIZENSHIP OR PLACE OF ORGANIZATION: Delaware	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: -0-
	8	SHARED VOTING POWER: 2,744,300 (1)(2)
	9	SOLE DISPOSITIVE POWER: -0-
	10	SHARED DISPOSITIVE POWER: 2,744,300 (1)(2)

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 2,744,300 (1)(2)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	[_]
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):	

13	2.6%
14	TYPE OF REPORTING PERSON: CO

(1) Solely in its capacity as the general partner of SPO Advisory Partners, L.P. with respect to 2,205,400 of such shares; and solely in its capacity as the general partner of SF Advisory Partners, L.P. with respect to 538,900 of such shares.

(2) Power is exercised through its three controlling persons, John H. Scully, William E. Oberndorf and William J. Patterson.

SCHEDULE 13D

1	NAMES OF REPORTING PERSON: Netcong Newton Partners		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION California		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER 350,000 (1)
		8	SHARED VOTING POWER -0-
		9	SOLE DISPOSITIVE POWER 350,000 (1)
		10	SHARED DISPOSITIVE POWER: -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 350,000 (1)		

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.3%
14	TYPE OF REPORTING PERSON: PN

(1) Power is exercised through its sole general partner, John H. Scully.

SCHEDULE 13D

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1	NAMES OF REPORTING PERSON: Cranberry Lake Partners, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION California		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7	SOLE VOTING POWER 175,000 (1)
		8	SHARED VOTING POWER -0-
		9	SOLE DISPOSITIVE POWER 175,000 (1)
		10	SHARED DISPOSITIVE POWER: -0-
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 175,000 (1)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		
	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.2%		

13	
14	TYPE OF REPORTING PERSON: PN

(1) Power is exercised through its sole general partner, John H. Scully and Irene S. Scully as Trustees for the John and Irene Scully Trust, dated May 30, 1994.

SCHEDULE 13D

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1.	Name of Reporting Person: D.L. & W., Inc. Profit Sharing Retirement Plan	
2.	Check the Appropriate Box if a Member of a Group:	(a) [_] (b) [X]
3.	SEC Use Only	
4.	Source of Funds: WC	
5.	Check box if Disclosure of Legal Proceedings is Required Pursuant to Items 2(e) or 2(f):	[_]
6.	Citizenship or Place of Organization: California	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	Sole Voting Power: 200,300 (1)
	8.	Shared Voting Power: -0-
	9.	Sole Dispositive Power: 200,300 (1)
	10.	Shared Dispositive Power: -0-

11.	Aggregate Amount Beneficially Owned by Each Reporting Person: 200,300 (1)	
12.	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares:	[_]
13.	Percent of Class Represented by Amount in Row (11): 0.2%	
14.	Type of Reporting Person: CO	

(1) Power is exercised through its sole trustee, John H. Scully.

SCHEDULE 13D

CUSIP NO. 225756105

1	NAMES OF REPORTING PERSON: Phoebe Snow Foundation, Inc.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:	(a) [_] (b) [X]
3	SEC USE ONLY	
4	SOURCE OF FUNDS: WC	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]	
6	CITIZENSHIP OR PLACE OF ORGANIZATION California	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		
	7	SOLE VOTING POWER: 579,900 (1)
	8	SHARED VOTING POWER: -0-
	9	SOLE DISPOSITIVE POWER: 579,900 (1)
	10	SHARED DISPOSITIVE POWER: -0-

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 579,900 (1)	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	[_]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 0.6%	
14	TYPE OF REPORTING PERSON: CO	

(1) Power is exercised through its controlling person and sole director and executive officer, John H. Scully.

SCHEDULE 13D

CUSIP NO. 225756105

1	NAME OF REPORTING PERSON: John H. Scully		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: PF and Not Applicable		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 101,000 (1)	
	8	SHARED VOTING POWER: 4,049,500 (2)	
	9	SOLE DISPOSITIVE POWER: 101,000 (1)	
	10	SHARED DISPOSITIVE POWER: 4,049,500 (2)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 4,150,500 (1)(2)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 3.9%		
14	TYPE OF REPORTING PERSON: IN		

(1) 1,000 Shares held in John H. Scully Individual Retirement Account, a self-directed individual retirement account and 100,000 shares held in the

John and Irene Scully Living Trust.

(2) Of these, 2,744,300 shares are beneficially owned solely in his capacity as one of three controlling persons of SPO Advisory Corp., 350,000 shares are beneficially owned solely in his capacity as sole general partner of Netcong Newton Partners, 175,000 shares are beneficially owned solely in his capacity as trustee for the general partner of Cranberry Lake Partners, L.P., 200,300 shares are beneficially owned solely in his capacity as controlling person of D. L. & W., Inc. Profit Sharing Retirement Plan, 579,900 shares are beneficially owned solely in his capacity as controlling person of Phoebe Snow Foundation, Inc.

SCHEDULE 13D

CUSIP NO. 225756105

1	NAME OF REPORTING PERSON: Oberndorf Foundation		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION: California		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 60,000 (1)	
	8	SHARED VOTING POWER: -0-	
	9	SOLE DISPOSITIVE POWER: 60,000 (1)	
	10	SHARED DISPOSITIVE POWER: -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 60,000 (1)(2)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		

13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): (Less Than) 0.1%
14	TYPE OF REPORTING PERSON: CO

(1) Power is exercised through its two directors: William E. Oberndorf and Susan C. Oberndorf.

SCHEDULE 13D

CUSIP NO. 225756105

1	NAMES OF REPORTING PERSON: William E. Oberndorf		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: PF and Not Applicable		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 711,880 (1)	
	8	SHARED VOTING POWER: 3,007,100 (2)	
	9	SOLE DISPOSITIVE POWER: 711,880 (1)	
	10	SHARED DISPOSITIVE POWER: 3,007,100 (2)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 3,718,980 (1)(2)		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 3.5%		

14	TYPE OF REPORTING PERSON: IN

(1) 692,880 Shares held in William E. Oberndorf's Individual Retirement Accounts, which are self-directed, and 19,000 shares are owned by his children who share his household.
(2) Of these, 2,744,300 shares are beneficially owned solely in his capacity as one of three controlling persons of SPO Advisory Corp., 60,000 shares are beneficially owned solely in his capacity as a controlling person of Oberndorf Foundation, a family foundation, 130,800 shares are beneficially owned solely in his capacity as sole general partner of Oberndorf Family Partners, a family partnership and an aggregate of 72,000 shares are held in two trusts for the benefit of himself and his wife, Susan C. Oberndorf, for which he serves as trustee.

SCHEDULE 13D

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1	NAMES OF REPORTING PERSON: William J. Patterson		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:		(a) [_] (b) [X]
3	SEC USE ONLY		
4	SOURCE OF FUNDS: PF and Not Applicable		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 2,300	
	8	SHARED VOTING POWER: 2,744,300 (1)	
	9	SOLE DISPOSITIVE POWER: 2,300	
	10	SHARED DISPOSITIVE POWER: 2,744,300 (1)	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 2,746,600		

12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): 2.6%
14	TYPE OF REPORTING PERSON: IN

(1) Of these, 2,744,300 shares are beneficially owned solely in his capacity as one of three controlling persons of SPO Advisory Corp.

SCHEDULE 13D

CUSIP NO. 225756105

1	NAMES OF REPORTING PERSON: Michael B. Yuen
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]
3	SEC USE ONLY
4	SOURCE OF FUNDS: PF
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]
6	CITIZENSHIP OR PLACE OF ORGANIZATION USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER: 2,540
	8. SHARED VOTING POWER: -0-
	9. SOLE DISPOSITIVE POWER: 2,540
	10. SHARED DISPOSITIVE POWER: -0-

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 2,540
	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:

12	[_]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): (LESS THAN) 0.1%
14	TYPE OF REPORTING PERSON: IN

SCHEDULE 13D

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1	NAMES OF REPORTING PERSON: Jane Y. Liou		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3	SEC USE ONLY		
4	SOURCE OF FUNDS: WC		
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER: 750	
	8	SHARED VOTING POWER: -0-	
	9	SOLE DISPOSITIVE POWER: 750	
	10	SHARED DISPOSITIVE POWER: -0-	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 750		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): (Less Than) 0.1%		

14	TYPE OF REPORTING PERSON: IN

SCHEDULE 13D

CUSIP NO. 225756105

1.	NAMES OF REPORTING PERSON: Edward H. McDermott		
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP: (a) [_] (b) [X]		
3.	SEC USE ONLY		
4.	SOURCE OF FUNDS: PF		
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]		
6.	CITIZENSHIP OR PLACE OF ORGANIZATION USA		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		7.	SOLE VOTING POWER: 400
		8.	SHARED VOTING POWER: -0-
		9.	SOLE DISPOSITIVE POWER: 400
		10.	SHARED DISPOSITIVE POWER: -0-
11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 400		
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES: [_]		
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): (LESS THAN) 0.1%		
14.	TYPE OF REPORTING PERSON: IN		

SCHEDULE 13D

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1.	NAMES OF REPORTING PERSON: David M. Kashen	
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:	(a) [_] (b) [X]
3.	SEC USE ONLY	
4.	SOURCE OF FUNDS: PF	
5.	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(e) or 2(f): [_]	
6.	CITIZENSHIP OR PLACE OF ORGANIZATION USA	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER: 300
	8.	SHARED VOTING POWER: -0-
	9.	SOLE DISPOSITIVE POWER: 300
	10.	SHARED DISPOSITIVE POWER: -0-

11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON: 300	
12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	[_]
13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11): (LESS THAN) 0.1%	
14.	TYPE OF REPORTING PERSON: IN	

This Amendment No. 3 amends the Schedule 13D (the "Original Schedule 13D") filed with the Securities Exchange Commission ("SEC") on November 17, 2000. Unless otherwise stated herein, the Original Schedule 13D, as previously amended, remains in full force and effect. Terms used herein and not defined herein shall have the meanings ascribed thereto in the Original Schedule 13D, as amended by Amendment No. 1 to Schedule 13D filed with the SEC on February 26, 2001 and as further amended by Amendment No. 2 to Schedule 13D filed with the SEC on December 13, 2001.

Item 1. Security and Issuer.

This statement relates to the shares of common stock, par value $.01 per share (the "Shares") of Crescent Real Estate Equities Company, a Texas corporation (the "Issuer"). The principal executive offices of the Issuer are located at 777 Main Street, Suite 2100, Fort Worth, Texas 76102.

Item 2. Identity and Background.

(a) Pursuant to Rules 13d-1(f)(1)-(2) of Regulation 13D-G of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Act"), the undersigned hereby file this Schedule 13D Statement on behalf of SPO Partners II, L.P., a Delaware limited partnership ("SPO"), SPO Advisory Partners, L.P., a Delaware limited partnership ("SPO Advisory Partners"), San Francisco Partners II, L.P., a California limited partnership ("SFP"), SF Advisory Partners, L.P., a Delaware limited partnership ("SF Advisory Partners"), SPO Advisory Corp., a Delaware corporation ("SPO Advisory Corp."), Netcong Newton Partners, a California limited partnership ("NNP"), Cranberry Lake Partners, L.P., a California limited partnership ("CLP"), D. L. & W., Inc. Profit Sharing Retirement Plan, a California corporation ("DLW"), Phoebe Snow Foundation, Inc., a California corporation ("PS Foundation"), John H. Scully ("JHS"), Oberndorf Foundation, a California corporation ("O Foundation"), William E. Oberndorf ("WEO"), William J. Patterson ("WJP"), Michael B Yuen ("MBY"), Jane Y. Liou ("JYL"), Edward H. McDermott ("EHM") and David M. Kashen ("DMK"). SPO, SPO Advisory Partners, SFP, SF Advisory Partners, SPO Advisory Corp., NNP, CLP, DLW, PS Foundation, JHS, O Foundation, WEO, WJP, MBY, JYL, EHM, and DMK are sometimes hereinafter referred to as the "Reporting Persons." The Reporting Persons are making this single, joint filing because they may be deemed to constitute a "group" within the meaning of Section 13(d)(3) of the Act, although neither the fact of this filing nor anything contained herein shall be deemed to be an admission by the Reporting Persons that a group exists. For the purposes of this and future filings, SF Advisory Corp. II shall no longer be a Reporting Person.

(b)-(c)

SPO

SPO, formerly known as Main Street Partners, L.P., is a Delaware limited partnership, the principal business of which is the purchase, sale, exchange, acquisition and holding of investment securities. The principal business address of SPO, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to SPO Advisory Partners, the sole general partner of SPO, is set forth below.

SPO Advisory Partners

SPO Advisory Partners, formerly known as MS Advisory Partners, is a Delaware limited partnership, the principal business of which is serving as the sole general partner of SPO. The principal business address of SPO Advisory Partners, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to SPO Advisory Corp., the general partner of SPO Advisory Partners, is set forth below.

SFP

SFP is a California limited partnership, the principal business of which is the purchase, sale, exchange, acquisition and holding of investment securities. The principal business address of SFP, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to SF Advisory Partners, the sole general partner of SFP, is set forth below.

SF Advisory Partners

SF Advisory Partners is a Delaware limited partnership, the principal business of which is serving as the sole general partner of SFP. The principal business address of SF Advisory Partners, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to SPO Advisory Corp., the general partner of SF Advisory Partners, is set forth below.

SPO Advisory Corp.

SPO Advisory Corp., formerly known as SF Advisory Corp., is a Delaware corporation, the principal business of which is serving as the general partner of each of SPO Advisory Partners and SF Advisory Partners. The principal address of SPO Advisory Corp., which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to JHS, WEO and WJP, the three controlling persons of SPO Advisory Corp., is set forth below.

NNP

NNP is a California limited partnership, the principal business of which is the purchase, sale, exchange, acquisition and holding of investment securities. The principal business address of NNP, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to JHS, the sole general partner of NNP, is set forth below.

CLP

CLP is a California limited partnership, the principal business of which is the purchase, sale, exchange, acquisition and holding of investment securities. The principal business address of CLP, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to JHS, trustee for the sole general partner of CLP, is set forth below.

DLW

DLW is a California corporation, the principal purpose of which is to be a profit-sharing plan. The principal business address of DLW, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to JHS, controlling person of DLW, is set forth below.

PS Foundation

PS Foundation is a California corporation, whose principal purpose is to be a private, grant-making charitable entity. The principal business address of PS Foundation, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to JHS, sole director and controlling person of PS Foundation, is set forth below.

JHS

JHS' business address is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. His present principal occupation is serving as a managing director of SPO Partners & Co., a Delaware corporation. The principal business of SPO Partners & Co. is operating as an investment firm. The principal address of SPO Partners & Co., which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. JHS is one of three controlling persons of SPO Advisory Corp., the corporate general partner of each of SPO Advisory Partners and SF Advisory Partners. JHS is also the sole director and controlling person of PS Foundation, the controlling person of DLW, the sole general partner of NNP, and trustee for the sole general partner of CLP.

O Foundation

O Foundation is a non-profit California corporation, the principal purpose of which is to give charitable distributions. The principal business address of O Foundation, which also serves as its principal office, is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Pursuant to Instruction C to Schedule 13D of the Act, certain information with respect to WEO, controlling person of O Foundation, is set forth below.

WEO

WEO's business address is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. His present principal occupation is serving as a managing director of SPO Partners & Co. WEO is one of three controlling persons of SPO Advisory Corp., the corporate general partner of SPO Advisory Partners and SF Advisory Partners. WEO is also the controlling person of O Foundation.

WJP

WJP's business address is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. His present principal occupation is serving as a managing director of SPO Partners & Co. WJP is one of three controlling persons of SPO Advisory Corp., the corporate general partner of SPO Advisory Partners and SF Advisory Partners.

MBY

MBY's business address is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. His present principal occupation is as a partner for SPO Partners & Co.

JYL

JYL's business address is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. Her present principal occupation is as an associate for SPO Partners & Co.

EHM

EHM's business address is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. His present principal occupation is as a partner for SPO Partners & Co.

DMK

DMK's business address is 591 Redwood Highway, Suite 3215, Mill Valley, California 94941. His present principal occupation is as an associate for SPO Partners & Co.

(d) None of the entities or persons identified in this Item 2 has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the entities or persons identified in this Item 2 has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) All of the natural persons identified in this Item 2 are citizens of the United States of America.

Item 3. Source and Amount of Funds or Other Consideration.

The source and amount of the funds used or to be used by the Reporting Persons to purchase Shares are as follows:

Name	Source of Funds	Amount of Funds
SPO	Working Capital (1)	$ 70,949,613.73
SPO Advisory Partners	Not Applicable	Not Applicable
SFP	Working Capital (1)	$ 17,393,455.90
SPO Advisory Partners	Not Applicable	Not Applicable
SPO Advisory Corp.	Not Applicable	Not Applicable
NNP	Working Capital (1)	$ 7,264,770.00
CLP	Working Capital (1)	$ 3,517,445.00
DLW	Working Capital (1)	$ 4,125,755.86
PS Foundation	Working Capital (1)	$ 12,146,581.27
JHS	Personal Funds (2)	$ 2,184,697.70
O Foundation	Working Capital (1)	$ 1,292,412.00
WEO	Personal Funds (2)	$ 20,364,434.25

WJP	Personal Funds (2)	$ 49,509.56
MBY	Personal Funds (2)	$ 47,986.99
JYL	Personal Funds (2)	$ 16,170.00
EHM	Personal Funds (2)	$ 9,039.90
DMK	Personal Funds (2)	$ 5,147.95

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(1) As used herein, the term "Working Capital" includes income from the business operations of the entity plus sums borrowed from banks and brokerage firm margin accounts to operate such business in general. None

of the funds reported herein as "Working Capital" were borrowed or otherwise obtained for the specific purpose of acquiring, handling, trading or voting the Shares.

(2) As used herein, the term "Personal Funds" includes sums borrowed from banks and brokerage firm margin accounts, none of which were borrowed or otherwise obtained for the specific purpose of acquiring, handling, trading or voting the Shares.

Item 4. Purpose of Transaction

The Reporting Persons acquired the Shares reported herein for investment purposes. Consistent with such purposes, the Reporting Persons have had, and may have in the future, discussions based on publicly available information with management of the Issuer concerning the Issuer's recent operating history as well as the Issuer's general business outlook and prospects.

Depending on market conditions and other factors that each may deem material to its investment decision, each of the Reporting Persons may purchase additional Shares in the open market or in private transactions or may dispose of all or a portion of the Shares that such Reporting Person now owns or hereafter may acquire.

Except as set forth in this Item 4, the Reporting Persons have no present plans or proposals that relate to or that would result in any of the actions specified in clauses (a) through (j) of Item 4 of Schedule 13D of the Act.

Item 5. Interest in Securities of the Issuer.

(a) Percentage interest calculations for each Reporting Person are based upon the Issuer having 105,217.192 total outstanding shares of common stock, as reported on the Issuer's 10-Q filed with the Securities Exchange Commission on May 10, 2002.

SPO

The aggregate number of Shares that SPO owns beneficially, pursuant to Rule 13d-3 of the Act, is 2,205,400 Shares, which constitutes approximately 2.1% of the outstanding Shares.

SPO Advisory Partners

Because of its position as the sole general partner of SPO, SPO Advisory Partners may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 2,205,400 Shares, which constitutes approximately 2.1% of the outstanding Shares.

SFP

The aggregate number of Shares that SFP owns beneficially, pursuant to Rule 13d-3 of the Act, is 538,900 Shares, which constitutes approximately 0.5% of the outstanding Shares.

SF Advisory Partners

Because of its position as the sole general partner of SFP, SF Advisory Partners may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 538,900 Shares, which constitutes approximately 0.5% of the outstanding Shares.

SPO Advisory Corp.

Because of its positions as the general partner of each of SPO Advisory Partners, and SF Advisory Partners, SPO Advisory Corp. may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 2,744,300 Shares in the aggregate, which constitutes approximately 2.6% of the outstanding Shares.

NNP

The aggregate number of Shares that NNP owns beneficially, pursuant to Rule 13d-3 of the Act, is 350,000 Shares, which constitutes approximately 0.3% of the outstanding Shares.

CLP

The aggregate number of Shares that CLP owns beneficially, pursuant to Rule 13d-3 of the Act, is 175,000 Shares, which constitutes approximately 0.2% of the outstanding Shares.

DLW

The aggregate number of Shares that DLW owns beneficially, pursuant to Rule 13d-3 of the Act, is 200,300 Shares, which constitutes approximately 0.2% of the outstanding Shares.

PS Foundation

The aggregate number of Shares that PS Foundation owns beneficially, pursuant to Rule 13d-3 of the Act, is 579,900 Shares, which constitutes approximately 0.6% of the outstanding Shares.

JHS

Individually, and because of his positions as a control person of SPO Advisory Corp., NNP, CLP, DLW, and PS Foundation, JHS may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 4,150,500 Shares, which constitutes approximately 3.9% of the outstanding Shares.

O Foundation

The aggregate number of Shares that O Foundation owns beneficially, pursuant to Rule 13d-3 of the Act, is 60,000 Shares, which constitutes less than 0.1% of the outstanding Shares.

WEO

Individually, and because of his positions as a control person of SPO Advisory Corp., O Foundation and Oberndorf Family Partners, WEO may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 3,718,980 Shares in the aggregate, which constitutes approximately 3.5% of the outstanding Shares.

WJP

Individually, and because of his position as a control person of SPO Advisory Corp., WJP may, pursuant to Rule 13d-3 of the Act, be deemed to be the beneficial owner of 2,746,600 Shares in the aggregate, which constitutes approximately 2.6% of the outstanding Shares.

MBY

The aggregate number of Shares that MBY owns beneficially, pursuant to Rule 13d-3 of the Act, is 2,540 Shares, which constitutes less than 0.1% of the outstanding Shares.

JYL

The aggregate number of shares that JYL owns beneficially, pursuant to Rule 13d-3 of the Act, is 750 Shares, which constitutes less than 0.1% of the outstanding Shares.

EHM

The aggregate number of shares that EHM owns beneficially, pursuant to Rule 13d-3 of the Act, is 400 Shares, which constitutes less than 0.1% of the outstanding Shares.

DKM

The aggregate number of shares that DKM owns beneficially, pursuant to Rule 13d-3 of the Act, is 300 Shares, which constitutes less than 0.1% of the outstanding Shares.

To the best of the knowledge of each of the Reporting Persons, other than as set forth above, none of the persons named in Item 2 hereof is the beneficial owner of any Shares.

(b)

SPO

Acting through its sole general partner, SPO has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,205,400 Shares.

SPO Advisory Partners

Acting through its two general partners and in its capacity as the sole general partner of SPO, SPO Advisory Partners has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,205,400 Shares.

SFP

Acting through its sole general partner, SFP has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 538,900 Shares.

SF Advisory Partners

Acting through its general partner and in its capacity as the sole general partner of SFP, SF Advisory Partners has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 538,900 Shares.

SPO Advisory Corp.

Acting through its controlling persons and in its capacities as the general partner of each of SPO Advisory Partners and SF Advisory Partners, SPO Advisory Corp. has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,744,300 Shares in the aggregate.

NNP

Acting through its sole general partner, NNP has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 350,000 Shares.

CLP

Acting through its sole general partner, CLP has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 175,000 Shares.

DLW

Acting through its controlling person, DLW has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 200,300 Shares.

PS Foundation

Acting through its controlling person, PS Foundation has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 579,900 Shares.

JHS

As one of three controlling persons of SPO Advisory Corp., which is the general partner of each of SPO Advisory Partners and SF Advisory Partners, JHS may be deemed to have shared power with WEO and WJP to vote or to direct the vote and to dispose or to direct the disposition of 2,744,300 Shares held by SPO and SFP in the aggregate. Because of his positions as a control person of NNP, CLP, DLW, and PS Foundation, JHS may be deemed to have shared power to vote or to direct the vote and to dispose or to direct the disposition of 1,305,200 shares held by NNP, CLP, DLW, and PS Foundation in the aggregate. JHS has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 101,000 Shares.

O Foundation

Acting through its controlling person, O Foundation has the sole power to vote or to direct the vote and to dispose or to direct the disposition of

60,000 Shares.

WEO

WEO has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 711,880 Shares. As one of three controlling persons of SPO Advisory Corp., which is the general partner of each of SPO Advisory Partners and SF Advisory Partners, WEO may be deemed to have shared power with JHS and WJP to vote or to direct the vote and to dispose or to direct the disposition of 2,744,300 Shares held by SPO and SFP in the aggregate. As the controlling person of O Foundation, WEO may be deemed to have shared power to vote or to direct the vote and to dispose or to direct the disposition of 60,000 Shares. As the sole general partner of Oberndorf Family Partners, a family partnership, WEO may be deemed to have shared power to vote or direct the vote and to dispose of or to direct the disposition of 130,800 Shares. WEO may be deemed to have shared power to vote or to direct the vote and to dispose or to direct the disposition of 72,000 Shares held in two trusts for himself and his wife Susan C. Oberndorf.

WJP

As one of three controlling persons of SPO Advisory Corp., which is the general partner of each of SPO Advisory Partners and SF Advisory Partners, WJP may be deemed to have shared power with JHS and WEO to vote or to direct the vote and to dispose or to direct the disposition of 2,744,300 Shares held by SPO and SFP in the aggregate. WJP has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,300 Shares.

MBY

MBY has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 2,540 Shares.

JYL

JYL has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 750 Shares.

EHM

EHM has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 400 Shares.

DKM

DKM has the sole power to vote or to direct the vote and to dispose or to direct the disposition of 300 Shares.

(c) During the past sixty (60) days, none of the Reporting Persons purchased or sold Shares, except the following sales which were effected in open market transactions:

Reporting Person	Date	Shares Sold	Average Price	Exchange
SPO	06/04/02	800,000	$19.0132	3rd Exchange
SFP	06/04/02	200,000	$19.0132	3rd Exchange

SPO	06/04/02	17,300	$19.0132	NYSE
SFP	06/04/02	4,300	$19.0132	NYSE
SPO	06/05/02	83,800	$19.4110	NYSE
SFP	06/05/02	21,000	$19.4110	NYSE
SPO	06/05/02	27,000	$19.2000	3rd Exchange
SFP	06/05/02	6,700	$19.2000	3rd Exchange
SPO	06/05/02	209,200	$19.1000	3rd Exchange
SFP	06/05/02	52,300	$19.1000	3rd Exchange

(d) Each of the Reporting Persons affirms that no person other than such Reporting Person has the right to receive or the power to direct the receipt of distributions with respect to, or the proceeds from the sale of, the Shares owned by such Reporting Person.

(e) As of June 5, 2002, the Reporting Persons ceased to be the owners of more than five percent (5%) of the outstanding Shares.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Except as set forth herein or in the Exhibits filed herewith, there are no other contracts, arrangements, understandings or relationships of the type required to be disclosed in response to Item 6 of Schedule 13D of the Act with respect to the Shares owned by the Reporting Persons.

Item 7. Material to be Filed as Exhibits.

Exhibit A - Agreement pursuant to Rule 13d-1(f)(1)(iii)

Exhibit B - Power of Attorney for David M. Kashen

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATED: June 5, 2002

/s/ Phillip Gordon

Phillip Gordon

Attorney-in-Fact for:

SPO PARTNERS II, L.P. (2)
SPO ADVISORY PARTNERS, L.P. (2)
SAN FRANCISCO PARTNERS II, L.P. (2)
SF ADVISORY PARTNERS, L.P. (2)
SPO ADVISORY CORP. (2)
NETCONG NEWTON PARTNERS (2)
CRANBERRY LAKE PARTNERS, L.P (2)
D. L. & W., INC. PROFIT SHARING RETIREMENT PLAN (2)
PHOEBE SNOW FOUNDATION, INC. (2)
JOHN H. SCULLY (2)
OBERNDORF FOUNDATION (2)
WILLIAM E. OBERNDORF (2)
WILLIAM J. PATTERSON (2)
MICHAEL B. YUEN (2)

JANE Y. LIOU (2)
EDWARD H. MCDERMOTT (2)
DAVID M. KASHEN (1)

(1) A Power of Attorney authorizing Philip Gordon or act on behalf of this person or entity is attached as an exhibit to this filing.

(2) A Power of Attorney authorizing Phillip Gordon to act on behalf of this person or entity has been previously filed with the Securities and Exchange Commission.

EXHIBIT INDEX

Exhibit	Document Description	Page No.
A	Agreement Pursuant to Rule 13d-1(f)(1)(iii)	1
B	Power of Attorney for David M. Kashen	2

Exhibit A

Pursuant to Rule 13d-1(f)(1)(iii) of Regulation 13D-G of the General Rules and Regulations of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the undersigned agrees that the statement to which this Exhibit is attached is filed on behalf of each of them in the capacities set forth below.

DATED: June 5, 2002

/s/ Phillip Gordon

Phillip Gordon

Attorney-in-Fact for:

SPO PARTNERS II, L.P. (2)
SPO ADVISORY PARTNERS, L.P. (2)
SAN FRANCISCO PARTNERS II, L.P. (2)
SF ADVISORY PARTNERS, L.P. (2)
SPO ADVISORY CORP. (2)
NETCONG NEWTON PARTNERS (2)
CRANBERRY LAKE PARTNERS, L.P (2)
D. L. & W., INC. PROFIT SHARING RETIREMENT PLAN (2)
PHOEBE SNOW FOUNDATION, INC. (2)
JOHN H. SCULLY (2)
OBERNDORF FOUNDATION (2)
WILLIAM E. OBERNDORF (2)
WILLIAM J. PATTERSON (2)

MICHAEL B. YUEN (2)
JANE Y. LIOU (2)
EDWARD H. MCDERMOTT (2)
DAVID M. KASHEN (1)

(1) A Power of Attorney authorizing Philip Gordon or act on behalf of this person or entity is attached as an exhibit to this filing.

(2) A Power of Attorney authorizing Phillip Gordon to act on behalf of this person or entity has been previously filed with the Securities and Exchange Commission.

Exhibits: Page 1

EXHIBIT B

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, David M. Kashen, has made, constituted and appointed, and by these presents does make, constitute and appoint Phillip Gordon the true and lawful attorney-in-fact and agent for David M. Kashen, and in his name, place and stead to execute, acknowledge, deliver and file any and all filings required by Section 13 and Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, including, but not limited to, Schedules 13D, Forms 3, Forms 4 and Forms 5, hereby ratifying and confirming all that said attorney-in-fact and agent may do or cause to be done by virtue hereof.

The validity of this Power of Attorney shall not be affected in any manner by reason of the execution, at any time, of other powers of attorney by the undersigned in favor of persons other than the attorney-in-fact named herein.

WITNESS THE EXECUTION HEREOF this 5th day of June, 2002 by David M. Kashen.

/s/ David M. Kashen

DAVID M. KASHEN

STATE OF California)
COUNTY OF Marin)

/s/ Kim M. S. Silva

Notary Public

Exhibits: Page 2

GN="bottom">$66,030

Delbert H. Tanner

$36,450 $15,000 $51,450

Jon P. Vrabely(3)

Steven A. Wise(4)

$26,055 $15,000 $41,055

(1) The Chairman of the Board of Directors, Mr. R.S. Evans, receives an annual cash retainer fee of $63,000 and receives no other cash compensation for his service on the Board and its Committees.

Non-employee directors, other than Mr. Evans, receive the following cash compensation:

Annual retainer	Board members	$ 20,250
Annual retainer	Audit Committee chairman	$ 8,100
Annual retainer	other Audit Committee members	$ 1,215
Annual retainer	Management Organization & Compensation Committee chairman	$ 2,430
Annual retainer	Executive Committee members	$ 1,620
Meeting fee		$ 1,620

(2) Amounts represent the grant date fair value of stock awards computed in accordance with the provisions of Financial Accounting Standards Board Accounting Standard Codification Topic 718 (formerly referred to as Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*). The per-share grant date fair value is computed as the average of the high and low stock prices on the date of grant.

In accordance with the Company s non-employee directors stock compensation program, each non-employee director is awarded, on the date of the Annual Meeting of Stockholders, a grant of restricted stock units (RSUs) for a number of shares equal to the lesser of (i) shares valued at $15,000, or (ii) 15,000 shares. The RSUs vest in full on the date of the next Annual Meeting of Stockholders or upon a change of control of the Company. The shares of stock represented by vested RSUs are delivered to the director upon cessation of his service on the Board.

In accordance with the above-described program, each non-employee director was awarded 11,152 RSUs on April 23, 2012, the date of the 2012 Annual Meeting of Stockholders, on which date the per-share fair value was $1.345. The RSUs vest on April 22, 2013, the date of the 2013 Annual Meeting of Stockholders. The aggregate number of RSUs held by each non-employee director at December 31, 2012 is as follows: Mr. Evans 31,813; each of Messrs. Bigelow, Forté, Glass, Matheney and Tanner 35,251.

(3) See the Summary Compensation Table in this Proxy Statement for compensation disclosure related to Mr. Vrabely, the Company s President and Chief Executive Officer. Directors who are also employees of the Company receive no additional compensation for serving on the Board.

(4) Mr. Wise resigned from the Board of Directors in December 2012. The 11,152 RSUs granted to Mr. Wise in 2012 had not vested at the time of his resignation and were forfeited.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed with management the financial statements for fiscal year 2012 audited by KPMG LLP, the Company s independent registered public accounting firm. The Audit Committee has discussed with KPMG LLP various matters related to the financial statements, including those matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards, AU 380). The Audit Committee has also received the written disclosures and the letter from KPMG LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the Audit Committee concerning independence, and has discussed with KPMG LLP its independence. Management is responsible for the preparation, presentation and integrity of the Company s financial statements, the Company s internal controls and financial reporting process and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The Company s independent auditors are responsible for performing an independent audit of the Company s financial statements and expressing an opinion as to their conformity with generally accepted accounting principles. Based upon such review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2012 filed with the Securities and Exchange Commission.

Other than Mr. Matheney, who is a practicing certified public accountant, the members of the Audit Committee are not professionally engaged in the practice of auditing or accounting. The members of the Audit Committee are not, and do not represent themselves to be, performing the functions of auditors or accountants. Members of the Audit Committee may rely without independent verification on the information provided to them and on representations made by management and the independent auditors. Accordingly, the Audit Committee s oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles or appropriate internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee s considerations and discussions referred to above do not assure that the audit of the Company s financial statements has been carried out in accordance with generally accepted auditing standards, that the financial statements are presented in accordance with generally accepted accounting principles, or that the Company s auditors are in fact independent.

This report is not to be deemed soliciting material or deemed to be filed with the Securities and Exchange Commission or subject to Regulation 14A of the Securities Exchange Act of 1934, except to the extent that the Company specifically requests that this report be treated as soliciting material or specifically incorporates it by reference into a document filed with the Securities and Exchange Commission.

Submitted by:

The Audit Committee of the Board of Directors of Huttig Building Products, Inc.

J. Keith Matheney Chairman

E. Thayer Bigelow

Richard S. Forté

EXECUTIVE OFFICERS

Huttig s executive officers as of March 15, 2013 and their respective ages and positions are set forth below:

Name	Age	Position
Jon P. Vrabely	47	President and Chief Executive Officer
Philip W. Keipp	51	Vice President, Chief Financial Officer and Secretary
Gregory W. Gurley	58	Vice President, Product Management and Marketing
Brian D. Robinson	51	Vice President, Chief Information Officer

Set forth below are the positions held with the Company and the principal occupations and employment during the past five years of Huttig s executive officers.

Jon P. Vrabely was named President and Chief Executive Officer in 2007. He was also appointed to the Board of Directors in 2007.

Philip W. Keipp joined the Company in July 2009 as its Vice President, Chief Financial Officer and Secretary. Prior to joining Huttig, Mr. Keipp was employed at HD Supply Waterworks, Ltd., a leading distributor of water and wastewater transmission products, and its predecessor companies from 1996 to February 2008, serving as the Chief Financial Officer and Chief Operating Officer from 2007 to February 2008.

Gregory W. Gurley was named Vice President, Product Management and Marketing in 2007.

Brian D. Robinson was named Vice President, Chief Information Officer in 2006.

BENEFICIAL OWNERSHIP OF COMMON STOCK

BY DIRECTORS AND MANAGEMENT

The following table sets forth the number of shares of common stock beneficially owned, directly or indirectly, by the Company s directors, the executive officers named in the Summary Compensation Table and all of the Company s directors and executive officers as a group, as of February 22, 2013. Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to the Company s securities. Except as indicated in footnotes to this table, the Company believes that the stockholders named in this table have sole voting and investment power with respect to all shares of common stock shown to be beneficially owned by them.

	Unrestricted Shares Owned(1)	Shares in 401(k) Plan	Restricted Shares/ Restricted Stock Units(2)	Shares Underlying Exercisable Options(3)	Total Shares Beneficially Owned	Percent of Shares Outstanding
Non-Employee Directors:						
R. S. Evans	746,818(4)		31,813		778,631	3.20%
E. Thayer Bigelow	8,593		35,251		43,844	*
Richard S. Forté	8,902		35,251		44,153	*
Donald L. Glass	70,000		35,251		105,251	*
J. Keith Matheney	30,000(5)		35,251		65,251	*
Delbert H. Tanner	139,800		35,251		175,051	*
Named Executive Officers:						
Jon P. Vrabely	753,750	8,937	349,667	10,000	1,122,354	4.62%
Philip W. Keipp	237,500		156,667		394,167	1.62%
Gregory W. Gurley	215,867	2,094	108,333		326,294	1.34%
Directors and executive officers as a group (10 persons)	2,440,863	50,601	922,068	10,000	3,423,532	14.08%

* Represents holdings of less than 1%.

(1) Includes previously restricted shares, the restrictions on which have lapsed.

(2) Includes restricted shares issued under the Company s stock plans to executive officers that have not vested as of February 22, 2013 and restricted stock units issued under the Company s stock plans to non-employee directors.

(3) Includes shares underlying options granted under the Company s stock plans which are exercisable within 60 days of February 22, 2013, in accordance with Rule 13d-3 under the Securities Exchange Act of 1934.

(4) Does not include 107 shares owned by Mr. Evans spouse, the beneficial ownership of which is expressly disclaimed by Mr. Evans.

(5) Shares are held in a Matheney family trust.

PRINCIPAL STOCKHOLDERS OF THE COMPANY

The following table sets forth the ownership of common stock by each person known by the Company to beneficially own more than 5% of the common stock based on the number of shares of common stock outstanding as of February 22, 2013. Except as indicated in footnotes to this table, the Company believes that the stockholders named in this table have sole voting and dispositive power with respect to all shares of common stock shown to be beneficially owned by them.

Name and Address of Beneficial Owner	**Amount and Nature of Beneficial Ownership**	**Percent of Class**
JB Capital Partners LP and Alan Weber 5 Evan Place Armonk, New York 10504	1,774,835(1)	7.30%
Arnold B. Siemer and Andrew F. Bohutinsky 7795 Walton Parkway Suite 175 New Albany, Ohio 43054	1,716,400(2)	7.06%
Phillip Hauser, Josef Hauser, Fritz Hauser Hauser Familiengesellschaft mbH, and Hauser & Friends AG Wilhem-Hamm-Strasse 15 77654 Offenburg Germany	1,355,467(3)	5.58%
Paradigm Capital Management, Inc. Nine Elk Street Albany, New York 12207	1,332,670(4)	5.48%

(1) This information is based solely on a Schedule 13D filed jointly by JB Capital Partners LP and Alan Weber with the SEC on December 31, 2012. According to such Schedule 13D, each member of the filing group has shared voting and dispositive power with respect to all of the shares.

(2) This information is based solely on a Schedule 13G/A filed jointly by Arnold B. Siemer and Andrew F. Bohutinsy with the SEC on February 13, 2013. According to such Schedule 13G/A, each member of the filing group has sole voting and dispositive power with respect to all of the shares. According to such Schedule 13G/A, Mr. Siemer beneficially owns 1,280,000 of the shares and Mr. Bohutinskly beneficially owns 436,400 of the shares, and each member of the group disclaims beneficial ownership of the shares owned by the other member of the group.

(3) This information is based solely on a Schedule 13G/A filed jointly by Phillip Hauser, Josef Hauser, Fritz Hauser, Hauser Familiengesellschaft mbH and Hauser & Friends AG with the SEC on February 11, 2013. According to such Schedule 13G/A: Phillip

Hauser beneficially owns 1,355,467 of the shares and has sole voting and dispositive power with respect to 1,322,967 of such shares and shared voting and dispositive power with respect to 32,500 of such shares; Josef Hauser and Hauser Familiengesellschaft mbH each beneficially own 1,322,967 of the shares and each has sole voting and dispositive power with respect to such shares; Fritz Hauser beneficially owns 32,500 shares and has shared voting and dispositive power with respect to such shares; and Hauser & Friends AG beneficially owns 32,500 shares and has sole voting and dispositive power with respect to such shares. The address in the table above is for Josef Hauser, Fritz Hauser and Hauser Familiengesellschaft mbH. The address for Phillip Hauser and Hauser & Friends AG is: Kittelgasse 3, 77652 Offenburg, Germany.

(4) This information is based solely on a Schedule 13G/A filed by Paradigm Capital Management, Inc. with the SEC on February 12, 2013. According to such Schedule 13G/A, Paradigm Capital Management, Inc. has sole voting and dispositive power with respect to all of the shares.

REPORT ON EXECUTIVE COMPENSATION BY THE MANAGEMENT ORGANIZATION AND

COMPENSATION COMMITTEE OF THE COMPANY

The Management Organization and Compensation Committee (the Committee) has reviewed and discussed with management the disclosures contained in the Compensation Discussion and Analysis section of this Proxy Statement. Based upon this review and its discussions, the Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis section of this Proxy Statement be included in the Company s Proxy Statement on Schedule 14A for the Company s 2013 Annual Meeting of Stockholders filed with the SEC.

Submitted by:

The Management Organization and Compensation Committee of the Board of Directors of Huttig Building Products, Inc.

E. Thayer Bigelow Chairman

Donald L. Glass

Delbert H. Tanner

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Management Organization and Compensation Committee (the Committee) of the Board of Directors of the Company is responsible for overseeing the Company s executive compensation programs.

Philosophy

The primary objective of our executive compensation program is to attract and retain qualified employees. Our compensation program is designed to reward individual performance, Company performance and increases in Company stockholder value. Accordingly, executive compensation is based on our pay-for-performance philosophy, which emphasizes executive performance measures that correlate closely with the achievement of both shorter-term performance objectives and longer-term stockholder value. To this end, a substantial portion of our executives compensation is at-risk. The percentage of compensation at risk increases with position level. This provides more upside potential and downside risk for senior positions because these roles have greater influence on the performance of the company as a whole.

Overview

Executive compensation is comprised of the following components:

- base salary;
- annual incentive compensation;
- long-term equity incentive awards;
- defined contribution plan; and
- perquisites and other personal benefits.

Each of these components represents a portion of each executive officer s total compensation package, although participation in the defined contribution plan is at the option of the executive officer. Our policy for allocating between long-term and currently paid compensation is to ensure adequate base compensation to attract and retain qualified personnel, while providing incentives to maximize long-term value for the Company and its stockholders. There is no pre-established policy or formula for the allocation between either cash and non-cash or short-term and long-term incentive compensation.

Process

On an annual basis, the Committee reviews and evaluates the performance and leadership of the executive officers and recommends to the independent members of the Board of Directors all compensation actions affecting the CEO. The Committee also annually reviews with the CEO his evaluation of the performance of the other executive officers and recommends to the Board of Directors all compensation actions affecting such officers.

To assist it in its review of executive compensation, the Committee periodically engages outside consultants to provide competitive compensation information. The Committee uses the peer group compensation data to inform its decisions; however, the Committee did not, for 2012, target elements of the executives compensation to be competitive with a peer group. The 2012 compensation decisions were made based on the factors described below under Base Salaries , Annual Incentive Compensation and Equity Incentive Awards .

Base Salaries

In connection with the Company s cost control efforts in response to the prolonged, severe decline in the housing market, no incumbent executive officer has received a base salary increase since 2007. In addition, the Company instituted a 10% reduction in the base salaries of certain employees, including each of the executive officers, which became effective in November 2011 and which, for the executive officers, is still in effect.

The current base salary for each of the executive officers named in the Summary Compensation Table (the named executive officers), after giving effect to the 10% reduction instituted in November 2011, is as follows:

Name and Principal Position	**2012 Base Salary**
Jon P. Vrabely President and Chief Executive Officer	$ 360,000
Philip W. Keipp Vice President, Chief Financial Officer and Secretary	$ 225,000
Gregory W. Gurley Vice President, Product Management and Marketing	$ 202,500

The Company believes that all of the base salaries of the Company s executive officers are at levels that, considering the current economic environment, are appropriate for executives of a public corporation of the Company s size and industry category.

Annual Incentive Compensation

The Company s annual incentive compensation program is based on the principle of economic value added (EVA). EVA is a measurement of the amount by which the Company s after-tax profits, after certain adjustments, exceed the cost of capital employed by the Company. The Company believes that, as compared to other common performance measures such as return on equity or growth in earnings per share, EVA has a higher correlation with the Company s overall financial performance and the creation of long-term stockholder value. Although the plan is formula driven, the Committee retains discretion to review and adjust the calculation and its impact on individuals for reasonableness.

All of the Company s executive officers participate in the Company s EVA Incentive Compensation Plan, which the Committee administers. Each year, the Committee approves the cost of capital used in the EVA formula. The amount of the EVA bonus pool available for awards is determined after the end of each year.

2012 EVA Pool and Awards

In February 2013, the Committee approved the EVA bonus pool calculation for the Company for 2012. For 2012, the EVA bonus pool was calculated with two components: a percentage of the absolute EVA generated for 2012 and a percentage of the improvement in EVA from 2011 to 2012. In calculating the 2012 bonus pool, the

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Committee used a weighted average cost of capital of 4.44%. The Committee determined that the 2012 EVA bonus pool would be 6% of the negative 2012 EVA of $(120,000) plus 10% of the $13,075,000 improvement in EVA from 2011 to 2012. This resulted in a total bonus pool for 2012 of $1,300,000, of which $748,930 was allocated to the named executive officers as set forth below:

Name and Principal Position	2012 EVA Bonus Earned
Jon P. Vrabely President and Chief Executive Officer	$ 365,690
Philip W. Keipp Vice President, Chief Financial Officer and Secretary	$ 212,940
Gregory W. Gurley Vice President, Product Management and Marketing	$ 170,300

The Committee determined that no portion of the 2012 EVA bonus awards would be subject to forfeiture, assuming the executive s continued employment and that such awards are to be paid on such date or dates in 2013 as Mr. Vrabely in his discretion shall determine.

In approving the EVA bonus pool for 2012, the Committee considered the executives performance through the prolonged, severe decline in the housing industry, that none of the named executive officers received a base salary increase since 2007 and that the base salary of each was reduced by 10% effective November 2011.

2011 EVA Awards

In February 2012, the Committee approved a total EVA bonus pool for 2011 of $399,000, but did not at that time allocate any part of the 2011 EVA bonus pool to any of the named executive officers or to any other participant. No portion of the 2011 EVA bonus pool was paid in 2012. The pool earned interest at the 2011 cost of capital of 4.99%, resulting in a pool of $419,000, including interest. In February 2013, the Committee allocated the 2011 EVA bonus pool to the participants, including $250,688 to the named executive officers as set forth below.

Name and Principal Position	2011 EVA Bonus Earned
Jon P. Vrabely President and Chief Executive Officer	$ 125,700
Philip W. Keipp Vice President, Chief Financial Officer and Secretary	$ 66,328
Gregory W. Gurley Vice President, Product Management and Marketing	$ 58,660

The Committee determined that no portion of the 2011 EVA bonus awards would be subject to forfeiture, assuming the executive s continued employment and that such awards are to be paid on such date or dates in 2013 as Mr. Vrabely in his discretion shall determine.

Equity Incentive Awards

The Company s equity award program is a long-term incentive program which the Company considers to be a key retention tool. In making decisions regarding long-term equity incentive awards for executive officers, the Committee considers factors such as each individual s performance and responsibilities. In 2012, each of the executive officers of the Company received grants of restricted stock under the Company s 2005 Executive Incentive Compensation Plan (the Executive Equity Plan). The awards vest ratably over three years assuming the executive s continued employment and vest immediately in the event of the executive s death, permanent disability, retirement or upon a change in control of the Company.

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In 2012, the Committee awarded a total of 970,250 shares of restricted stock to employees, including 380,000 shares awarded in February 2012 to the named executive officers of the Company. The number of shares of restricted stock granted to the named executive officers in 2012 and 2011 is as follows:

	Restricted Stock Grant	
Name and Principal Position	**2012 (# Shares)**	**2011 (# Shares)**
Jon P. Vrabely President and Chief Executive Officer	225,000	200,000
Philip W. Keipp Vice President, Chief Financial Officer and Secretary	90,000	80,000
Gregory W. Gurley Vice President, Product Management and Marketing	65,000	60,000

The Committee granted a greater number of restricted shares to each of the named executive officers in 2012 than in 2011. In making larger equity incentive awards, the Committee considered the executives performance through the prolonged, severe decline in the housing industry, that none of the named executive officers had received a base salary increase since 2007 and that the base salary of each was reduced by 10% effective November 2011. The Committee believes that increased awards of equity compensation provide an appropriate incentive to the executive officers that align their interests with those of the Company s stockholders, while controlling the direct costs to the Company for cash compensation.

Defined Contribution Plan

The Company provides retirement benefits to the named executive officers under the terms of its tax-qualified 401(k) defined contribution plan. The Company does not make matching contributions to the plan. The named executive officers participate in the plan on substantially the same terms as our other participating employees. The Company does not maintain any defined benefit or supplemental retirement plans.

Perquisites and Other Personal Benefits

The Company provides the named executive officers with perquisites and other personal benefits that the Company believes are reasonable and consistent with its overall compensation program to better enable the Company to attract and retain superior employees for key positions. The Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers. The named executive officers are provided term life insurance coverage and reimbursement for relocation expenses, if applicable. Certain named executive officers are provided use of a leased Company automobile or a car allowance. In certain instances, as determined on a case-by-case basis, the Company provides signing bonuses for new hires and reimbursement for spouse travel in connection with business functions.

Costs of the perquisites and personal benefits described above for the named executive officers that meet the threshold established by SEC regulations are included in the Summary Compensation Table below in the All Other Compensation column.

Termination of Deferred Compensation Plan

The Company s Deferred Compensation Plan (DCP) permitted eligible employees including each of the named executive officers who elected to participate to defer receipt of and taxation on up to 50% of their base salaries and bonuses under the DCP and 401(k) plan combined. Due to a low number of contributing participants and in order to eliminate the costs associated with administering the DCP, the Board approved management s recommendation that the DCP be terminated, effective August 1, 2011. The balances in the participants accounts were paid to the participants over a period of up to 17 months following termination.

Defined Benefit Plan

The Company does not sponsor a defined benefit pension plan for salaried employees.

Change of Control Agreements

The Company has entered into change of control agreements with certain key employees, including the named executive officers. The change of control agreements are designed to promote stability and continuity of senior management. The change of control agreements provide benefits only upon an involuntary termination or constructive termination of the officer within three years following a change-in-control. In addition, the Company s equity incentive plans and the award agreements under such plans provide that all restrictions on restricted stock lapse in the event of a change in control of the Company, and that all stock options become fully vested and exercisable either immediately upon a change in control or in the event that the employee is terminated following a change of control, depending on the plan. Further, the EVA Incentive Compensation Plan provides that the participants entire deferred balances, if any, become payable upon a change in control. Information regarding payments and benefits that would accrue to the named executive officers under such arrangements is provided under the heading Potential Payments Upon Termination or Change in Control below.

Employment Agreements

During 2012, no named executive officer was party to a written employment agreement, except Mr. Vrabely, whose compensation is discussed below under Compensation of Chief Executive Officer .

Compensation of Chief Executive Officer

Term of Employment

Effective January 1, 2007, Jon P. Vrabely was appointed as the Company s President and Chief Executive Officer. In connection with such appointment, the Company entered into a written employment agreement with Mr. Vrabely. The current term of the agreement expires on December 31, 2013; however, the agreement automatically extends for an additional year on that date and on each succeeding December 31 unless either Mr. Vrabely or the Company provides written notice of their intent to terminate at least 90 days prior to December 31.

Base Salary

Mr. Vrabely s employment agreement provides for an initial base salary of $400,000 per year beginning January 1, 2007. In connection with the Company s cost control efforts, the executive officers, including Mr. Vrabely, have received no base salary increases since 2007. In addition, in November 2011, the Company instituted a 10% reduction in the base salaries of the executive officers, including Mr. Vrabely, which reduction is still in effect. This reduction has resulted in a reduction of Mr. Vrabely s annual base salary to $360,000.

Annual Incentive Compensation

Mr. Vrabely s employment agreement provides that he is to receive up to a 30% allocation of the EVA bonus pool under the Company s EVA Incentive Compensation Plan. In February 2013, the Committee approved a total 2012 EVA bonus pool of $1,300,000, of which Mr. Vrabely was allocated $365,690 or approximately 28%.

In February 2012, the Committee approved a total 2011 EVA bonus pool of $399,000, no part of which was allocated at that time. No part of the 2011 EVA bonus pool was paid in 2012 and the pool earned interest at the 2011 cost of capital of 4.99%. In February 2013, the Committee allocated $125,700 of the 2011 EVA bonus pool of $419,000, including interest, to Mr. Vrabely, or approximately 30%. For a discussion of the annual incentive compensation payable to Mr. Vrabely and the other named executive officers, see pages 15 and 16 above.

Equity Incentive Compensation

Mr. Vrabely received a grant of 200,000 shares of restricted stock in January 2011, 225,000 shares of restricted stock in February 2012, and 133,000 shares of restricted stock in January 2013. All of the restricted shares vest one-third on the first anniversary of the date of grant, one-third on the second anniversary of the date of grant, and one-third on the third anniversary of the date of grant. Company stock awards held by Mr. Vrabely at the end of 2012 are reflected in the Outstanding Equity Awards at December 31, 2012 table on page 22.

Severance/Change of Control

Mr. Vrabely s employment agreement also provides that he is to receive a severance payment of twice his current salary (without regard to the 10% salary reduction) and average bonus for the past three years if the Company terminates him without cause during the term of the agreement or fails to renew his employment at the end of the term. The agreement also includes change of control provisions with the same terms as the change of control agreements with the other named executive officers. The change of control agreement terms are described below under Potential Payments Upon Termination or Change in Control Change of Control Arrangements .

Perquisites and Other Benefits

Finally, Mr. Vrabely s employment agreement states that he is to be provided use of a Company-provided automobile and is to receive other employee benefits provided by the Company and generally available to executive officers.

The Committee believes that Mr. Vrabely s compensation, while higher than that of our other executive officers, is commensurate with such officers compensation, taking into consideration the level of Mr. Vrabely s responsibilities with the Company. The Committee s goals in setting Mr. Vrabely s compensation are similar to its goals for compensation to our executive officers generally: provide compensation that is competitive with that of the peer companies with which we compete for talent; align his interests with those of our stockholders through annual incentive compensation; and promote his retention through long-term equity incentives.

Post Year-End Stock Awards

In January 2013, the Board, upon recommendation of the Committee, granted the Chief Executive Officer, Jon P. Vrabely, 133,000 shares of restricted stock, and granted restricted stock to the other named executive officers as follows: Philip W. Keipp Vice President, Chief Financial Officer and Secretary 70,000 shares; and Gregory W. Gurley Vice President, Product Management and Marketing 45,000 shares.

Accounting and Tax Considerations

The Committee generally considers the accounting implications of stock awards and other compensation to the Company s executive officers in evaluating and establishing the Company s compensation policies and practices. In addition, Internal Revenue Code Section 162(m) limits the deductibility of annual compensation paid to certain executive officers to $1 million per employee unless the compensation meets certain specific requirements. The Company s EVA Incentive Compensation Plan is designed to meet the performance-based compensation exception to the Section 162(m) deductibility limit. As a matter of policy, the Committee attempts to develop and administer compensation programs that maintain deductibility under Section 162(m) for all executive compensation, except in circumstances where the materiality of the deduction is in the judgment of the Committee significantly outweighed by the incentive value of the compensation.

Assessment of Risk Relating to Compensation

The Committee believes it has allocated executive compensation among base salary and short and long-term compensation target opportunities in such a way as to not encourage excessive risk-taking. The performance metric for the annual incentive program is driven by broad-based corporate performance and encourages decision-making that is in the best long-term interests of the Company and its stockholders. The use of full value restricted stock awards under our long-term incentive program also mitigates risk and the multi-year vesting of those equity awards properly account for the time horizon of risk.

Summary Compensation Table

Shown below is information concerning the compensation for services rendered in all capacities to the Company for the years ended December 31, 2012 and December 31, 2011 for Jon P. Vrabely, the Company s President and Chief Executive Officer, and the two next most highly compensated individuals who served as executive officers of the Company at December 31, 2012 (collectively, the named executive officers).

Name and Principal Position	Year	Salary	Nonequity Incentive Plan Compensation(1)	Stock Awards(2)	All Other Compensation	Total
Jon P. Vrabely(3)	2012	$ 360,000	$ 365,690	$ 184,500	$ 558(4)	$ 910,748
President and	2011	$ 395,385	$ 125,700	$ 178,000	$ 630	$ 699,715
Chief Executive Officer						
Philip W. Keipp	2012	$ 225,000	$ 212,940	$ 73,800	$ 486(4)	$ 512,226
Vice President	2011	$ 247,116	$ 66,328	$ 71,200	$ 552	$ 385,196
Chief Financial Officer and						
Secretary						
Gregory W. Gurley	2012	$ 202,500	$ 170,300	$ 53,300	$ 15,189(5)	$ 441,289
Vice President Product	2011	$ 222,404	$ 58,660	$ 53,400	$ 15,303	$ 349,767
Management and Marketing						

(1) All of the named executive officers participate in the Company s annual incentive program, the EVA Incentive Compensation Plan (the EVA Plan). In February 2013, the Committee approved a total EVA bonus pool for 2012 under the EVA Plan of $1,300,000 of which $748,930 was allocated to the named executive officers as set forth above. The Committee determined that no portion of the 2012 EVA bonus awards would be banked or subject to forfeiture, assuming the participant s continued employment. The awards to the named executive officers are to be paid on such date or dates in 2013 as determined by Mr. Vrabely in his discretion.

In February 2012, the Committee approved a total EVA bonus pool for 2011 of $399,000, but did not at that time allocate any part of the 2011 EVA bonus pool to any of the named executive officers or to any other participant. No portion of the 2011 EVA bonus pool was paid in 2012. The pool earned interest at the 2011 cost of capital of 4.99%, resulting in a pool of $419,000, including interest. In February 2013, the Committee allocated the 2011 EVA bonus pool to the participants, including $250,688 to the named executive officers as set forth above. The Committee determined that no portion of the 2011 EVA bonus awards would be banked or subject to forfeiture, assuming the participant s continued employment. The awards to the named executive officers are to be paid on such date or dates in 2013 as determined by Mr. Vrabely in his discretion.

See further discussion of the EVA Plan in the section captioned Annual Incentive Compensation in the Compensation Discussion and Analysis section of this Proxy Statement.

(2) Represents the grant date fair value of restricted stock awards computed in accordance with the provisions of Financial Accounting Standards Board Accounting Standard Codification Topic 718 (formerly referred to as Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*). The per-share grant date fair value is computed as the average of the high and low stock prices on the date of grant. The 2012 awards were granted on February 21, 2012, on which date the per-share fair value was $0.82.

Restricted stock is granted under the Company s 2005 Executive Incentive Compensation Plan. Shares vest over three years, assuming continued employment, with one-third of the shares vesting on each of the first three anniversaries of the grant date. Shares are entitled to the payment of dividends; however, the Company has not paid dividends in the past and does not anticipate paying dividends in the foreseeable future.

(3)

See discussion of Mr. Vrabely s employment agreement in the section captioned Compensation of Chief Executive Officer in the Compensation Discussion and Analysis section of this Proxy Statement.

(4) No item included in All Other Compensation for Messrs. Vrabely or Keipp meets the footnote quantification threshold established by SEC regulations. The aggregate incremental cost to the Company of perquisites and personal benefits provided to Messrs. Vrabely and Keipp do not meet the inclusion threshold established by SEC regulations and are excluded from this amount.

(5) No item included in All Other Compensation for Mr. Gurley meets the footnote quantification threshold established by SEC regulations. Includes, among other items, a car allowance.

Outstanding Equity Awards at December 31, 2012

The following table sets forth certain information with respect to unexercised stock options and unvested shares of restricted stock held at December 31, 2012 by each of the executive officers listed in the Summary Compensation Table.

	Option Awards				Stock Awards	
Name	**Number of Securities Underlying Unexercised Options - Exercisable**	**Number of Securities Underlying Unexercised Options - Unexercisable**	**Option Exercise Price**	**Option Expiration Date**	**Number of Shares or Units of Stock That Have Not Vested**	**Market Value of Shares or Units of Stock That Have Not Vested(1)**
Jon P. Vrabely	10,000		$ 7.23	4/27/14	425,000(2)	$ 680,000
Philip W. Keipp					170,000(3)	$ 272,000
Gregory W. Gurley					125,000(4)	$ 200,000

(1) Computed based on the closing price of the Company s common stock on December 31, 2012 of $1.60.

(2) Mr. Vrabely s unvested restricted shares vest as follows: 66,666 shares vest on January 24, 2013; 66,667 shares vest on January 26, 2013; 75,000 shares vest on February 21, 2013; 66,667 shares vest on January 24, 2014; 75,000 shares vest on each of February 21, 2014 and February 21, 2015.

(3) Mr. Keipp s unvested restricted shares vest as follows: 26,666 shares vest on January 24, 2013; 26,667 shares vest on January 26, 2013; 30,000 shares vest on February 21, 2013; 26,667 shares vest on January 24, 2014; and 30,000 shares vest on each of February 21, 2014 and February 21, 2015.

(4) Mr. Gurley s unvested restricted shares vest as follows: 20,000 shares vest on each of January 24, 2013 and January 26, 2013; 21,667 shares vest on February 21, 2013; 20,000 shares vest on January 24, 2014; 21,666 shares vest on February 21, 2014 and 21,667 shares vest on February 21, 2015.

Option Exercises and Stock Vested 2012

The following table sets forth certain information with respect to shares of restricted stock which vested during the year ended December 31, 2012 for each of the executive officers listed in the Summary Compensation Table.

	Stock Awards	
Name	**Number of Shares Acquired on Vesting**	**Value Realized on Vesting(1)**
Jon P. Vrabely	183,333	$ 127,662(2)

Philip W. Keipp	86,666	$ 77,066(3)
Gregory W. Gurley	53,333	$ 37,133(4)

(1) Computed by multiplying the number of shares acquired on vesting by the market value of the shares on the vesting date.

(2) Mr. Vrabely s shares vested as follows: 66,667 shares vested on January 24, 2012, on which date the market value of the underlying shares was $0.70, 66,666 shares vested on January 26, 2012, on which date the market value of the underlying shares was $0.69, and 50,000 shares vested on January 27, 2012, on which date the market value of the underlying shares was $0.70.

(3) Mr. Keipp s shares vested as follows: 26,667 shares vested on January 24, 2012, on which date the market value of the underlying shares was $0.70, 26,666 shares vested on January 26, 2012, on which date the market value of the underlying shares was $0.69, and 33,333 shares vested on July 22, 2012, on which date the market value of the underlying shares was $1.20.

(4) Mr. Gurley s shares vested as follows: 20,000 shares vested on January 24, 2012, on which date the market value of the underlying shares was $0.70, 20,000 shares vested on January 26, 2012, on which date the market value of the underlying shares was $0.69, and 13,333 shares vested on January 27, 2012, on which date the market value of the underlying shares was $0.70.

Non-Qualified Deferred Compensation 2012

The following table sets forth certain information with respect to participation in the Company s non-qualified Deferred Compensation Plan during the year ended December 31, 2012 for each of the executive officers listed in the Summary Compensation Table.

Name	Executive Contributions in Last Fiscal Year	Registrant Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year End
Jon P. Vrabely					
Philip W. Keipp					
Gregory W. Gurley			$ 2,361(1)	$ (56,987)(2)	

Termination of Plan

Due to a low number of contributing participants and in order to eliminate administrative costs associated with the Plan, the Company s Deferred Compensation Plan (DCP) was terminated, effective August 1, 2011. As of December 31, 2012, the balances in the DCP participants accounts have been fully distributed to the participants.

(1) Amount is not reported as compensation for Mr. Gurley in the Summary Compensation Table.

(2) Amount represents the full distribution to Mr. Gurley of the balance in his account in connection with the termination of the DCP.

Potential Payments Upon Termination or Change in Control

Change of Control Arrangements

Except for certain severance benefits that may be payable under Mr. Vrabely s employment agreement (see discussion under Compensation of Chief Executive Officer on page 19 above), the Company does not provide any severance benefits to its named executive officers other than in connection with certain terminations following a change in control, as described below.

The Company has entered into separate change of control agreements with each of its named executive officers, except for Mr. Vrabely. The Company s change of control agreement with Mr. Vrabely is contained in his employment agreement, the current term of which expires on December 31, 2013 and which is automatically extended for additional one-year periods unless either the Company or Mr. Vrabely gives the other party notice at least 90 days prior to expiration that the period will not be extended. The change of control agreements with the other named executive officers are for an initial three-year period and are automatically extended for an additional year on each anniversary date of the agreement unless the Company gives notice that the period will not be extended.

Each agreement provides that if, within three years following a change of control of the Company, as defined below, the employee is terminated without cause or voluntarily terminates for good reason, as defined below, the employee will be entitled to the following, in addition to salary due at the date of termination: (i) a pro rata portion of the employee s highest annual bonus (the highest annual bonus is the greater of the annual bonus for the prior year or the average annual bonus for the prior three years), (ii) a lump sum payment equal to two times the employee s annual salary (without regard to the 10% salary reduction effective November 2011) and average bonus for the prior three years, (iii) the payment of deferred compensation, and (iv) continuation of benefits under the Company s welfare benefit plans for two years after termination. The foregoing amounts (other than the continuation of benefits) are to be paid in cash in a lump sum within 30 days following the employee s termination, except that, to the extent necessary to comply with Section 409A of the Internal Revenue Code, payments will be withheld until the first day of the seventh month following termination.

The change in control agreements define a change in control to mean, generally:

- the acquisition of at least 50% of the Company s outstanding shares;
- a change in the majority of the members of the Company s Board that is not supported by the incumbent Board;
- a merger or other business combination that results in the Company s stockholders immediately before the transaction owning less than 50% of the voting power after the transaction;
- a sale of substantially all of the Company s assets; or
- the approval of a plan for complete liquidation or dissolution of the Company.

The change in control agreements define cause to mean, generally:

- personal dishonesty or breach of fiduciary duty involving personal profit at the expense of the Company;
- repeated, deliberate violations of the employee s duties;
- commission of a criminal act related to the performance of the employee s duties;
- furnishing of proprietary confidential information about the Company to a competitor;
- habitual intoxication by alcohol or drugs during work hours; or
- conviction of a felony.

The change in control agreements define good reason to mean, generally:

- diminution in the employee s position, authority, duties or responsibilities;

- failure of the Company to provide the employee with compensation and benefits as described in the agreement;

- requiring the employee to be based at any office or location more than 35 miles from the location at which the employee was based prior to the change in control; or

- any purported termination by the Company of the employee s employment except as expressly permitted by the agreement.

If the Company s tax counsel determines that any economic benefit or payment or distribution by the Company to the employee pursuant to the agreement is subject to the excise tax imposed by Section 4999 of the

Internal Revenue Code, the Company will reduce the aggregate payments due to the employee under the agreement and any other agreement, plan or program of the Company to an amount that is one dollar less than the maximum amount allowable without becoming subject to the excise tax.

The change of control agreements prohibit the officer from doing the following during employment with the Company and for one year following termination: (i) engaging in any business that is competitive with the Company, (ii) soliciting for employment any current employee of the Company or any individual who had been employed by the Company in the one year prior thereto, and (iii) soliciting the business of the Company or doing business with any actual or prospective customer or supplier of the Company. The change of control agreements also prohibit the officer from disclosing any confidential information of the Company at any time.

The Company s equity incentive plans and the award agreements under such plans provide that all restrictions on restricted stock lapse in the event of a change in control of the Company, as defined below. In addition, the EVA Incentive Compensation Plan provides that the participants entire deferred balances become payable upon a change in control.

The Company s equity incentive plans define a change in control to mean, generally:

- the acquisition of at least 20% of the Company s outstanding shares;
- a change in the majority of the members of the Company s Board that is not supported by the incumbent Board;
- a merger or other business combination that results in the Company s stockholders immediately before the transaction owning less than 50% of the voting power after the transaction;
- a sale of substantially all of the Company s assets;
- the start of a tender offer for all or part of the Company s outstanding shares; or
- the approval of a plan for complete liquidation or dissolution of the Company.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Based solely upon a review of the forms furnished to the Company or written representations of certain persons, each director, officer and beneficial owner of 10% of the outstanding shares of the Company timely filed all required reports under Section 16(a) of the Securities Exchange Act of 1934 for fiscal 2012.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Repurchase of Shares from The Rugby Group Limited

In December 2012, the Company s largest stockholder at that time, The Rugby Group Limited sold the 5,755,940 shares of Company common stock owned by it in private transactions with a number of buyers, including the Company. Of those shares, the Company repurchased 1,000,000 shares for an aggregate purchase price of $1,100,000.

Policies with Respect to Related Party Transactions

The Company s Audit Committee charter requires that the Audit Committee, which is comprised entirely of independent directors, review all related party transactions and potential conflict of interest situations involving members of the Board of Directors or senior management. Current SEC rules define a related party transaction to include any transaction, arrangement or relationship in which the Company is a participant and the related party has a direct or indirect interest.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The Management Organization and Compensation Committee (the Compensation Committee) is comprised of Messrs. E. Thayer Bigelow, Donald L. Glass, and Delbert H. Tanner. No member of the Compensation Committee is or has ever been an officer or employee of the Company and no executive officer of the Company has served as a director or member of a compensation committee of another company of which any member of the Board of Directors is an executive officer.

PRINCIPAL ACCOUNTING FIRM SERVICES AND FEES

The following table sets forth the aggregate fees billed for the years ended December 31, 2012 and 2011 by KPMG LLP, the Company s principal accounting firm during those years.

	2012	**2011**
Audit Fees(1)	$ 338,000	$ 330,000
Audit-Related Fees(2)	18,000	
Tax Fees(3)	50,026	25,000
All Other Fees		
Total Fees	$ 406,026	$ 355,000

(1) Audit fees consist of fees for the following services: (a) the audit of the Company s annual financial statements, and (b) reviews of the Company s quarterly financial statements.

(2) Audit-related fees consist of fees for services related to SEC filings.

(3) Tax fees consist of fees for consultation and advice on business tax matters.

The Audit Committee has adopted a policy under which the independent auditors are prohibited from performing certain services in accordance with Section 202 of the Sarbanes-Oxley Act of 2002. The Audit Committee pre-approves all services to be provided by the independent auditors. The Audit Committee pre-approves the annual audit engagement terms and fees at the beginning of the year and pre-approves, if necessary, any changes in terms or fees resulting from changes in audit scope, Company structure or other matters. For services other than the annual audit engagement, if pre-approval by the full Audit Committee at a regularly scheduled meeting is not practical due to time limitations or otherwise, the Chairman of the Audit Committee may pre-approve such services and shall report any such pre-approval decision to the Audit Committee at the next regularly scheduled meeting.

ITEM 2 RATIFICATION OF APPOINTMENT OF KPMG LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2013

The Audit Committee has appointed KPMG LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013. KPMG LLP served as the Company s independent registered public accounting firm for the year ended December 31, 2012. A representative of KPMG LLP will be present, in person or via telephone, at the Company s 2013 Annual Stockholders Meeting, will have an opportunity to make a statement, if desired, and will be available to respond to appropriate questions from stockholders.

Although this appointment is not required to be submitted to a vote of stockholders, the Board of Directors believes it is appropriate to request that the stockholders ratify the appointment of KPMG LLP as the Company s independent registered accounting firm for the year ending December 31, 2013. If the stockholders do not so ratify, the Audit Committee will investigate the reasons for stockholder rejection and will reconsider the appointment.

The Board of Directors unanimously recommends a vote FOR ratification of the appointment of KPMG LLP as the Company s independent registered public accounting firm for the year ending December 31, 2013.

ITEM 3: ADVISORY VOTE ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

We are asking our stockholders to provide advisory approval of the compensation of our named executive officers, as described in this Proxy Statement. While this vote is advisory, and not binding on the Company, it will provide information to us regarding shareholder sentiment about our core principles and objectives, which we will be able to consider when determining executive compensation in the future.

Stockholders should review the Compensation Discussion and Analysis beginning on page 14, compensation tables, and related narratives appearing in this Proxy Statement for more information regarding the compensation of our named executive officers. As described in those sections, the primary objective of our executive compensation program is to attract and retain qualified employees. Our compensation program is designed to reward individual performance, Company performance and increases in Company stockholder value. Accordingly, executive compensation is based on our pay-for-performance philosophy, which emphasizes executive performance measures that correlate closely with the achievement of both shorter-term performance objectives and longer-term stockholder value. The Management Organization and Compensation Committee regularly reviews our executive compensation program to assure that it continues to meet these overall objectives.

We believe that the information we have provided above in this Proxy Statement demonstrates that our executive compensation program was designed appropriately and is working to ensure management s interests are aligned with our stockholders interests to support long-term value creation.

The Board of Directors unanimously recommends a vote FOR the following resolution:

RESOLVED, that the compensation of the Named Executive Officers as disclosed in the Proxy Statement is approved.

ITEM 4: ADVISORY VOTE ON FREQUENCY OF FUTURE ADVISORY VOTES ON COMPENSATION OF NAMED EXECUTIVE OFFICERS

We will include in our proxy materials for subsequent Annual Meetings a non-binding resolution similar to Item 3 above.

The Board is asking stockholders to express their opinion as to how frequently the advisory vote on compensation should be solicited: every year, every second year, or every third year. Although the frequency vote is advisory and non-binding, we will take the results of the vote into consideration in determining the frequency of advisory votes on executive compensation.

The Board believes that an annual advisory vote on executive compensation, providing the Board with timely information on stockholders views of the Company s compensation practices each year, is the best approach for the Company.

Accordingly, the Board of Directors unanimously recommends that stockholders vote in favor of holding the advisory vote on compensation EVERY YEAR .

MISCELLANEOUS

Solicitation of Proxies.

This solicitation of proxies for use at the Annual Meeting is being made by the Company, and the Company will bear all of the costs of the solicitation. In addition to the use of the mails, proxies may be solicited by personal interview, telephone and fax by directors, officers and employees of the Company, who will undertake such activities without additional compensation. Banks, brokerage houses and other institutions, nominees and fiduciaries will be requested to forward the proxy materials to the beneficial owners of the common stock held of record by such persons and entities and will be reimbursed for their reasonable expenses in forwarding such material.

Incorporation by Reference

The Report on Executive Compensation by the Management Organization and Compensation Committee of the Company, appearing in this Proxy Statement, will not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent that the Company specifically incorporates the report by reference, and the report will not otherwise be deemed filed under such Acts.

Next Annual Meeting; Stockholder Proposals

The Company s By-Laws provide that the Annual Meeting of stockholders of the Company will be held on the fourth Monday in April in each year unless otherwise determined by the Board of Directors. Appropriate proposals of stockholders intended to be presented at the 2014 Annual Meeting must be received by the Company for inclusion in the Company s Proxy Statement and form of proxy relating to that meeting on or before November 15, 2013. In addition, the Company s By-Laws provide that if stockholders intend to nominate directors or present proposals at the 2014 Annual Meeting other than through inclusion of such proposals in the Company s proxy materials for that meeting, then the Company must receive notice of such nominations or proposals no earlier than January 22, 2014 and no later than February 22, 2014. If the Company does not receive notice by that date, then such proposals may not be presented at the 2014 Annual Meeting.

Electronic Voting Instructions

Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 6:00 a.m., Eastern Daylight Time, on April 22, 2013.

Vote by Internet

Go to **www.envisionreports.com/HBP**

OR scan the QR code with your smartphone

Follow the steps outlined on the secured website.

Vote by telephone

Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone.

Follow the instructions provided by the recorded message.

Using a **black ink** pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas. ¨

Annual Meeting Proxy Card

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

+

A **Proposals The Board of Directors recommends a vote FOR all nominees, FOR Proposal 2, FOR Proposal 3 and for EVERY YEAR for Proposal 4.**

1. Election of Directors:

	For	Withhold		For	Withhold		For	Withhold
01 E. Thayer Bigelow	¨	¨	02 Richard S. Forté	¨	¨	03 Jon P. Vrabely	¨	¨

	For	Against	Abstain
2. Ratification of appointment of KPMG LLP as independent registered public accounting firm for 2013.	¨	¨	¨
3. To approve, by non-binding vote, executive compensation.	¨	¨	¨

	Every Year	Every 2 Years	Every 3 Years	Abstain
4. To recommend, by non-binding vote, the frequency of executive compensation votes.	¨	¨	¨	¨

B **Non-Voting Items**

Change of Address Please print your new address below.

Comments Please print your comments below.

Meeting Attendance

Mark the box to the right if you plan to attend the Annual Meeting. ¨

C **Authorized Signatures** **This section must be completed for your vote to be counted.** **Date and Sign Below**
Note: Please sign exactly as name appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Date (mm/dd/yyyy) Please print date below.

/ /

Signature 1 Please keep signature within the box.

Signature 2 Please keep signature within the box.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE

YOUR VOTE IS IMPORTANT

Regardless of whether you plan to attend the Annual Meeting of Stockholders, you can be sure your shares are represented at the meeting by promptly returning your proxy in the enclosed envelope.

Proxy card must be signed and dated on the reverse side.

q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE. q

Proxy Huttig Building Products, Inc.

Annual Meeting of Stockholders to Be Held on April 22, 2013

This Proxy is Solicited on Behalf of the Board of Directors

The undersigned does hereby appoint and constitute Jon P. Vrabely and Philip W. Keipp, and each of them, true and lawful agents and proxies of the undersigned, with power of substitution, and hereby authorizes each of them to vote, as directed on the reverse side of this card, or, if not so directed, in accordance with the Board of Directors recommendation, all shares of Huttig Building Products, Inc. held of record by the undersigned at the close of business on February 22, 2013 at the Annual Meeting of Stockholders of Huttig Building Products, Inc. to be in the First Floor Conference Room at 200 First Stamford Place, Stamford, Connecticut on Monday, April 22, 2013 at 2:00 p.m., local time, or at any adjournment or postponement thereof, with all the powers the undersigned would possess if then and there personally present, and to vote, in their discretion, upon such other matters as may come before said meeting.

The signer hereby revokes all proxies heretofore given by the signer to vote at said meeting or any adjournments or postponements thereof.

You are encouraged to specify your choices by marking the appropriate boxes, but you need not mark any boxes if you wish to vote in accordance with the Board of Directors recommendations. The proxies cannot vote your shares unless you sign and return this card or use the toll-free telephone number or the Internet as instructed on the reverse side. **This Proxy, when properly executed, will be voted in the manner directed herein. If no direction is made, this proxy will be voted FOR each nominee for election as a director, FOR proposal 2, FOR proposal 3 and for EVERY YEAR for proposal 4.**

(Continued, and to be signed, on the reverse side.)