

# SECURITIES AND EXCHANGE COMMISSION

## FORM 3

Filing Date: **2007-12-10** | Period of Report: **2007-12-03**  
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### REPORTING OWNER

#### **THOMPSON WILLIAM MICHAEL**

CIK: **1208296**

Type: **3** | Act: **34** | File No.: **000-22999** | Film No.: **071296192**

Mailing Address

*1775 BROADWAY 23RD FLR  
NEW YORK NY 10019*

### ISSUER

#### **TARRAGON CORP**

CIK: **1038217** | IRS No.: **942432628** | State of Incorporation: **NV** | Fiscal Year End: **1231**

SIC: **6798** Real estate investment trusts

Mailing Address

*3100 MONTICELLO AVENUE  
SUITE 200  
DALLAS TX 75205*

Business Address

*3100 MONTICELLO AVE  
STE 200  
DALLAS TX 75205  
2145992200*

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104  
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### INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person <b>THOMPSON WILLIAM MICHAEL</b> (Last) (First) (Middle) 59 OLD CARRIAGE ROAD (Street) PORTLAND, CT 06480 (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) 12/03/2007	3. Issuer Name and Ticker or Trading Symbol <b>TARRAGON CORP [TARR]</b>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) ___ Director ___ 10% Owner <input checked="" type="checkbox"/> Officer (give title below) ___ Other (specify below) Exec VP - Operations	5. If Amendment, Date Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person ___ Form Filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,658	D	

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Incentive Stock Option	12/20/2005	12/19/2010	Common Stock	34,032	\$3.36	D	
Incentive Stock Option	01/09/2007	01/08/2012	Common Stock	15,469	\$4.24	D	
Incentive Stock Option	01/11/2007	01/10/2016	Common Stock	200	\$20.46	D	
Incentive Stock Option	01/11/2008	01/10/2016	Common Stock	200	\$20.46	D	
Incentive Stock Option	01/11/2009	01/10/2016	Common Stock	200	\$20.46	D	
Incentive Stock Option	01/11/2010	01/10/2016	Common Stock	200	\$20.46	D	
Incentive Stock Option	01/11/2011	01/10/2016	Common Stock	200	\$20.46	D	
Stock Appreciation Right	01/20/2007	01/19/2015	Common Stock	3,000	\$16.32	D	

## Signatures

William Thompson

\*\* Signature of Reporting Person

12/10/2007

Date

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

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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