

CULLEN FROST BANKERS INC  
 Form 4  
 April 11, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 ESCOBEDO RUBEN M

2. Issuer Name and Ticker or Trading Symbol  
 CULLEN FROST BANKERS INC  
 [CFR]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)  
 2632 BROADWAY, SUITE 202  
 NORTH  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 04/10/2007

Director  10% Owner  
 Officer (give title below)  Other (specify below)

SAN ANTONIO, TX 78215

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	(A) or (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	Price		
Common Stock, 0.01 par value	04/10/2007		M		4,000	\$ 30.56	14,425	D
Common Stock, \$0.01 par value	04/10/2007		M		4,000	\$ 36.25	18,425	D
Common Stock, \$0.01 par value	04/10/2007		M		4,000	\$ 38.41	22,425	D

Common Stock, \$0.01 par value	425	I	By Spouse <u>(1)</u>
Common Stock, \$0.01 par value	2,150	I	Joint Tenants <u>(2)</u>

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

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

SEC 1474  
(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 30.56	04/10/2007		M	4,000	08/29/2000 08/29/2010	Common Stock	4,000
Stock Option (right to buy)	\$ 36.25	04/10/2007		M	4,000	08/28/2001 08/28/2007	Common Stock	4,000
Stock Option (right to buy)	\$ 38.41	04/10/2007		M	4,000	05/28/2002 05/28/2008	Common Stock	4,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

ESCOBEDO RUBEN M  
2632 BROADWAY  
SUITE 202 NORTH  
SAN ANTONIO, TX 78215

X

## Signatures

/s/ Ruben M.  
Escobedo

04/11/2007

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

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

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

- (1) Mr. Escobedo disclaims beneficial ownership of these shares.
- (2) Shared voting and investment power with spouse.

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

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