

CULLEN FROST BANKERS INC

Form 4

February 21, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
FROST PATRICK B

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)
100 WEST HOUSTON STREET
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/16/2007

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Pres., The Frost National Bank

SAN ANTONIO, TX 78205

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	Price		
Common Stock, \$0.01 par value	02/16/2007		M		10,000	A \$ 24.09	169,008	D
Common Stock, \$0.01 par value	02/16/2007		M		40,000	A \$ 24.12	209,008	D
Common Stock, \$0.01 par value	02/16/2007		S		50,000	D \$ 54.9807	159,008	D

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Common Stock, \$0.01 par value	630	I ⁽¹⁾	By Spouse
Common Stock, \$0.01 par value	3,855	I	Trustee for Children
Common Stock, \$0.01 par value	43,582 ⁽²⁾	I	Through Trust
Common Stock, \$0.01 par value	513.36 ⁽³⁾	I	Through Limited Liability Company
Common Stock, \$0.01 par value	19,473	I	Through 401(k) Plan

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 24.09	02/16/2007		M	10,000	10/03/2000	10/03/2007	Common Stock	10,000
Employee Stock	\$ 24.12	02/16/2007		M	40,000	10/22/2004	10/22/2007	Common Stock	40,000

Option
(right to
buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FROST PATRICK B 100 WEST HOUSTON STREET SAN ANTONIO, TX 78205	X		Pres., The Frost National Bank	

Signatures

/s/ Patrick B. 02/21/2007
Frost

__Signature of Date
Reporting Person

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. Frost disclaims beneficial ownership of these shares.
- (2) Reflects limited partnership ("LP") interests held by a trust of which Mr. Frost is the trustee. The number of shares reported assumes that each LP interest represents a proportionate interest in the shares of common stock in which the LP has a pecuniary interest.
- (3) The number of shares reported assumes each limited liability company interest represents a proportionate interest in the shares of common stock in which the limited liability company has a pecuniary interest. Mr. Frost is the manager of the limited liability company.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.