

CULLEN FROST BANKERS INC
 Form 4
 May 08, 2007

FORM 4

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

OMB APPROVAL

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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 *
 Perotti William L

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)
 05/04/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Group Executive Vice President

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)	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	(D)	Price
Common Stock, \$0.01 par value	05/04/2007		M		7,000	A	\$ 24.09
Common Stock, \$0.01 par value	05/04/2007		M		10,000	A	\$ 24.12
Common Stock, \$0.01 par value	05/04/2007		S		17,000	D	\$ 51.4131
					75,515	D	
					85,515	D	
					68,515	D	

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Common Stock, \$0.01 par value	05/07/2007	M	20,000	A	\$ 24.12	88,515	D	
Common Stock, \$0.01 par value	05/07/2007	S	7,550	D	\$ 51.4187	80,965	D	
Common Stock, \$0.01 par value						1,100	I	By Spouse
Common Stock, \$0.01 par value						23,040	I	Through 401(k) Plan

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

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

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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)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Employee Stock Option (right to buy)	\$ 24.09	05/04/2007		M	7,000	10/03/2002 10/03/2007	Common Stock	7,000
Employee Stock Option (right to buy)	\$ 24.12	05/04/2007		M	10,000	10/22/2004 10/22/2007	Common Stock	10,000
	\$ 24.12	05/07/2007		M	20,000	10/22/2004 10/22/2007		20,000

