

CULLEN FROST BANKERS INC  
 Form 4  
 March 03, 2006

**FORM 4**

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

OMB APPROVAL

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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)  
 100 WEST OLMOS DRIVE, SUITE 104  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 03/02/2006

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

SAN ANTONIO, TX 78212

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 |   |        | 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 |   |   |  |   | (A) or (D)    |
| Common Stock, \$0.01 par value  | 03/02/2006                           |  | M                   |   | 4,000  | A   | \$ 26.88  | 7,425  | D   |               |
| Common Stock, \$0.01 par value  | 03/02/2006                           |  | M                   |   | 3,000  | A   | \$ 26.625   | 10,425   | D   |               |
| Common Stock, \$0.01 par value  |                                      |  |                     |   |        |   |   | 425  | I   | By Spouse (1) |

value

Common  
Stock,  
\$0.01 par  
value

2,150 I

Joint  
Tenants <sup>(2)</sup>

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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(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 (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)                | \$ 26.88   | 03/02/2006                           |  | M                              | 4,000  | 07/28/1998 07/28/2008                                    | Common Stock  | 4,000                         |
| Stock Option (right to buy)                | \$ 26.625  | 03/02/2006                           |  | M                              | 3,000  | 07/27/1999 07/27/2009                                    | Common Stock  | 3,000                         |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| ESCOBEDO RUBEN M<br>100 WEST OLMOS DRIVE<br>SUITE 104<br>SAN ANTONIO, TX 78212 | X             |           |         |       |

## Signatures

/s/ Ruben M.  
Escobedo

03/03/2006

\_\_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.

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.