

CULLEN FROST BANKERS INC  
 Form 4  
 February 16, 2011

**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)  
 2632 BROADWAY, SUITE 202  
 NORTH  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 02/15/2011

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)	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 or Price		
Common Stock, \$0.01 par value	02/15/2011		M		2,000 A \$ 45.7	28,150	D
Common Stock, \$0.01 par value	02/15/2011		M		2,000 A \$ 56.9	30,150	D
Common Stock, \$0.01 par	02/15/2011		M		2,000 A \$ 52.55	32,150	D

value

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 (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
						Date Exercisable	Expiration Date		
Stock Options	\$ 45.7	02/15/2011		M	2,000	05/18/2005	05/18/2011	Common Stock	2,000
Stock Options	\$ 56.9	02/15/2011		M	2,000	04/27/2006	04/27/2012	Common Stock	2,000
Stock Options	\$ 52.55	02/15/2011		M	2,000	04/26/2007	04/26/2013	Common Stock	2,000

## 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 02/16/2011

\*\*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).

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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