

SOUTHSIDE BANCSHARES INC
 Form 4
 November 24, 2008

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 *
GIBSON LEE R

2. Issuer Name and Ticker or Trading Symbol
SOUTHSIDE BANCSHARES INC [SBSI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
11/24/2008

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

SOUTHSIDE BANCSHARES INC, 1201 SOUTH BECKHAM

(Street)

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

TYLER, TX 75701

(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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	11/24/2008		M	A	\$ 5.42	2,211	D
Common Stock	11/24/2008		S	D	\$ 21.49	1,811	D
Common Stock						8,636.31	I by ESOP

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

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SEC 1474 (9-02)

displays a currently valid OMB control number.

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. Price or Value of Underlying Securities (Instr. 3 and 4)
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008		M	537	(1) 06/10/2009	Common Stock	537
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008		M	500	(1) 06/10/2009	Common Stock	500
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008		M	300	(1) 06/10/2009	Common Stock	300
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008		M	400	(1) 06/10/2009	Common Stock	400
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008		M	202	(1) 06/10/2009	Common Stock	202
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008		M	300	(1) 06/10/2009	Common Stock	300

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buy)											
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	100	<u>(1)</u>	06/10/2009	Common Stock	100	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	100	<u>(1)</u>	06/10/2009	Common Stock	100	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	500	<u>(1)</u>	06/10/2009	Common Stock	500	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	198	<u>(1)</u>	06/10/2009	Common Stock	198	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	100	<u>(1)</u>	06/10/2009	Common Stock	100	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	563	<u>(1)</u>	06/10/2009	Common Stock	563	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	100	<u>(1)</u>	06/10/2009	Common Stock	100	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	600	<u>(1)</u>	06/10/2009	Common Stock	600	\$		
Incentive Stock Option (right to buy)	\$ 5.42	11/24/2008	M	100	<u>(1)</u>	06/10/2009	Common Stock	100	\$		

Incentive
Stock
Option
(right to
buy)

\$ 5.42

11/24/2008

M

400

(1)

06/10/2009

Common
Stock

400

\$

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIBSON LEE R SOUTHSIDE BANCSHARES INC 1201 SOUTH BECKHAM TYLER, TX 75701			Executive Vice President	

Signatures

Lee R. Gibson

11/24/2008

**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) Vested 20% per year and became fully exercisable 06/10/2004.

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.