

SOUTHSIDE BANCSHARES INC
 Form 4
 February 19, 2009

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)
01/02/2009

____ 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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	02/19/2009		M	900	A	\$ 5.42	1,461 D
Common Stock	02/19/2009		S	900	D	\$ 16.85	561 D
Common Stock	02/19/2009		M	100	A	\$ 5.42	661 D
Common Stock	02/19/2009		S	100	D	\$ 16.86	561 D
Common Stock	02/19/2009		M	100	A	\$ 5.42	661 D

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Common Stock	02/19/2009	S	100	D	\$ 16.68	561	D	
Common Stock	02/19/2009	M	300	A	\$ 5.42	861	D	
Common Stock	02/19/2009	S	300	D	\$ 16.71	561	D	
Common Stock	02/19/2009	M	200	A	\$ 5.42	761	D	
Common Stock	02/19/2009	S	200	D	\$ 16.73	561	D	
Common Stock	02/19/2009	M	2,400	A	\$ 5.42	2,961	D	
Common Stock	02/19/2009	S	2,400	D	\$ 16.7	561	D	
Common Stock	02/19/2009	M	1,000	A	\$ 5.42	1,561	D	
Common Stock	02/19/2009	S	1,000	D	\$ 16.35	561	D	
Common Stock	01/02/2009	I ⁽¹⁾	872.32	A	\$ 10.14	9,508.63	I	by ESOP

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)	8. Amount or Number of Shares
Incentive Stock Option	\$ 5.42	02/19/2009		M	900	<u>(2)</u> 06/10/2009	Common Stock	900

(right to buy)

Incentive Stock

Option (right to buy)	\$ 5.42	02/19/2009	M	100	(2)	06/10/2009	Common Stock	100
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Incentive Stock

Option (right to buy)	\$ 5.42	02/19/2009	M	100	(2)	06/10/2009	Common Stock	100
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Incentive Stock

Option (right to buy)	\$ 5.42	02/19/2009	M	300	(2)	06/10/2009	Common Stock	300
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Incentive Stock

Option (right to buy)	\$ 5.42	02/19/2009	M	200	(2)	06/10/2009	Common Stock	200
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Incentive Stock

Option (right to buy)	\$ 5.42	02/19/2009	M	2,400	(2)	06/10/2009	Common Stock	2,400
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Incentive Stock

Option (right to buy)	\$ 5.42	02/19/2009	M	1,000	(2)	06/10/2009	Common Stock	1,000
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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 02/19/2009

**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) ESOP allocation for plan year ending 12-31-2008

(2) 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.

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