

SOUTHSIDE BANCSHARES INC
 Form 4
 March 23, 2009

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 *
GIBSON LEE R

(Last) (First) (Middle)

**SOUTHSIDE BANCSHARES
 INC, 1201 SOUTH BECKHAM**

(Street)

TYLER, TX 75701

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
03/20/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 | 03/20/2009 | | M | | 789 A \$ 5.42 | 1,350 | D |
| Common Stock | 03/20/2009 | | S | | 789 D \$ 18.43 | 561 | D |
| Common Stock | 03/20/2009 | | M | | 400 A \$ 5.42 | 961 | D |
| Common Stock | 03/20/2009 | | S | | 400 D \$ 18.44 | 561 | D |
| Common Stock | 03/20/2009 | | M | | 311 A \$ 5.42 | 872 | D |

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| | | | | | | | |
|--------------|------------|---|-----|---|----------|----------|-----------|
| Common Stock | 03/20/2009 | S | 311 | D | \$ 18.45 | 561 | D |
| Common Stock | 03/20/2009 | M | 757 | A | \$ 5.42 | 1,318 | D |
| Common Stock | 03/20/2009 | S | 757 | D | \$ 18.48 | 561 | D |
| Common Stock | 03/20/2009 | M | 743 | A | \$ 5.42 | 1,304 | D |
| Common Stock | 03/20/2009 | S | 743 | D | \$ 18.5 | 561 | D |
| Common Stock | | | | | | 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. Price or Per Share (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|----|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Incentive Stock Option (right to buy) | \$ 5.42 | 03/20/2009 | | M | 789 | <u>(1)</u> | 06/10/2009 | Common Stock | 789 | \$ |
| Incentive Stock Option (right to buy) | \$ 5.42 | 03/20/2009 | | M | 400 | <u>(1)</u> | 06/10/2009 | Common Stock | 400 | \$ |
| | \$ 5.42 | 03/20/2009 | | M | 311 | <u>(1)</u> | 06/10/2009 | | 311 | \$ |

| | | | | | | | | | | |
|---|---------|------------|---|-----|------------|------------|-----------------|-----------------|----|--|
| Incentive Stock Option (right to buy) | | | | | | | | Common Stock | | |
| Incentive Stock Option (right to buy) | \$ 5.42 | 03/20/2009 | M | 757 | <u>(1)</u> | 06/10/2009 | Common Stock | 757 | \$ | |
| Incentive Stock Option (right to buy) | \$ 5.42 | 03/20/2009 | M | 743 | <u>(1)</u> | 06/10/2009 | Common Stock | 743 | \$ | |

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 03/23/2009
 **Signature of Date
 Reporting Person

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.

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