

SOUTHSIDE BANCSHARES INC
 Form 4
 February 01, 2006

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 *
 DAWSON CHARLES E

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)
 SOUTHSIDE BANCSHARES INC, 1201 SOUTH BECKHAM
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 02/01/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
 Director, President & Secy.

TYLER, TX 75701
 (City) (State) (Zip)

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

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 (A) or (D) Price | | | |
| Common Stock | 02/01/2006 | | M ⁽¹⁾ | 21,384 A \$ 4.61 | 46,027 | D | |
| Common Stock | 01/03/2006 | | I ⁽²⁾ | 564.71 A \$ 6.34 | 8,155.27 | I | by ESOP |
| Common Stock | | | | | 11,155.42 | I | SSB Tr/self Emp S/P |
| Common Stock | | | | | 2,037.28 | I | by Spouse |

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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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Incentive Stock Option (right to buy) | \$ 4.61 | 02/01/2006 | | M ⁽¹⁾ | 21,384 | ⁽³⁾ 02/07/2006 | Common Stock | 21,384 |
| Incentive Stock Option (right to buy) | \$ 5.71 | | | | | ⁽⁴⁾ 06/05/2007 | Common Stock | 18,000 |
| Incentive Stock Option (right to buy) | \$ 5.79 | | | | | ⁽⁵⁾ 08/31/2010 | Common Stock | 29,000 |
| Incentive Stock Option (right to buy) | \$ 6.27 | | | | | ⁽⁶⁾ 06/10/2009 | Common Stock | 20,000 |
| Incentive Stock Option (right to buy) | \$ 6.49 | | | | | ⁽⁷⁾ 10/15/2008 | Common Stock | 3,900 |
| Non-Qualified Stock Option (right to buy) | \$ 5.79 | | | | | ⁽⁸⁾ 08/31/2010 | Common Stock | 3,700 |
| Non-Qualified Stock Option (right to buy) | \$ 6.27 | | | | | ⁽⁹⁾ 06/10/2009 | Common Stock | 34,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

DAWSON CHARLES E
SOUTHSIDE BANCSHARES INC
1201 SOUTH BECKHAM
TYLER, TX 75701

X

Director, President & Secy.

Signatures

Charles E. (Sam)
Dawson 02/01/2006

__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. Dawson exercised 21,384 options to purchase and hold shares on 2-1-06 issued 2-7-96, under the 1993 Incentive Stock Option Plan.
- (2) ESOP allocation for plan year ending 12-31-05.
- (3) Vested 20% per year and became fully exercisable 02/07/2001.
- (4) Vested 20% per year and became fully exercisable 06/05/2002.
- (5) Vested 20% per year and became fully exercisable 08/31/2005.
- (6) Options vest 20% per year and currently 80% are fully exercisable.
- (7) Vested 20% per year and became fully exercisable 10/15/2003.
- (8) Non-Qualified Incentive Stock Option became fully exercisable 08/31/01.
- (9) Non-qualified Incentive Stock Option became fully exercisable 06/10/2000.

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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