SOUTHSIDE BANCSHARES INC
Form 4
August 14, 2006

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

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(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)
08/14/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/14/2006		M (1)		200	A	$ 5.51	5,046	D	
Common Stock	08/14/2006		S (1)		200	D	$ 24.93 (1)	4,846	D	
Common Stock	08/14/2006		M (1)		600	A	$ 5.51	5,446	D	
Common Stock	08/14/2006		S (1)		600	D	$ 24.83 (1)	4,846	D	

Common Stock	08/14/2006		M(1)	200	A	$ 5.51	5,046	D	
Common Stock	08/14/2006		S(1)	200	D	$ 24.81 (1)	4,846	D	
Common Stock	08/14/2006		M(1)	300	A	$ 5.51	5,146	D	
Common Stock	08/14/2006		S(1)	300	D	$ 24.79 (1)	4,846	D	
Common Stock	08/14/2006		M(1)	200	A	$ 5.51	5,046	D	
Common Stock	08/14/2006		S(1)	200	D	$ 24.78 (1)	4,846	D	
Common Stock							117	I	Self Cust./Daughter
Common Stock							87	I	Self Cust./Son
Common Stock							7,475.03	I	by ESOP

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

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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)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option (right to buy)	$ 5.51	08/14/2006		M(1)			200	(2)	08/31/2010	Common Stock	200

Incentive Stock Option (right to buy)	$ 5.51	08/14/2006	M(1)	600	(2)	08/31/2010	Common Stock	600
Incentive Stock Option (right to buy)	$ 5.51	08/14/2006	M(1)	200	(2)	08/31/2010	Common Stock	200
Incentive Stock Option (right to buy)	$ 5.51	08/14/2006	M(1)	300	(2)	08/31/2010	Common Stock	300
Incentive Stock Option (right to buy)	$ 5.51	08/14/2006	M(1)	200	(2)	08/31/2010	Common Stock	200
Incentive Stock Option (right to buy)	$ 5.97				(3)	06/10/2009	Common Stock	22,101
Incentive Stock Option (right to buy)	$ 6.18				(4)	10/15/2008	Common Stock	4,141
Non-Qualified Stock Option (right to buy)	$ 5.51				(5)	08/31/2010	Common Stock	3,612
Non-Qualified Stock Option (right to buy)	$ 5.97				(6)	06/10/2009	Common Stock	65

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	08/14/2006
**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. Gibson exercised 1,500 option shares in a cashless transaction on 8-14-06 issued 8-31-00, under the 1993 Incentive Stock Option Plan.

(2) Vested 20% per year and became fully exercisable 08/31/2005.

(3) Options vest 20% per year and currently 80% are fully exercisable.

(4) Vested 20% per year and became fully exercisable 10/15/2003.

(5) Non-Qualified Incentive Stock Option became fully exercisable 08/31/01.

(6) Non-qualified Incentive Stock Option became fully exercisable 06/10/2000.

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