

SOUTHSIDE BANCSHARES INC

Form 4

December 20, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
SHAMBURGER JULIE

(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)
12/20/2006

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)
Vice President & Controller

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/20/2006		M ⁽¹⁾	500 A	\$ 6.18 7,286	D	
Common Stock	01/03/2006		I ⁽²⁾	97.28 A	\$ 6.45 1,393.5	I	by ESOP
Common Stock					15	I	Self Cust./Daughter
Common Stock					15	I	Self Cust./Son ML
Common Stock					15	I	Self Cust/Son DK

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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 Securities (Instr. 3 and 4)		8. Price or Value 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)	\$ 6.18	12/20/2006		M ⁽¹⁾	500	⁽³⁾	10/15/2008	Common Stock	500	
Incentive Stock Option (right to buy)	\$ 5.51					⁽⁴⁾	08/31/2010	Common Stock	2,302	
Incentive Stock Option (right to buy)	\$ 5.97					⁽⁵⁾	06/10/2009	Common Stock	2,367	

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SHAMBURGER JULIE SOUTHSIDE BANCSHARES INC 1201 SOUTH BECKHAM TYLER, TX 75701	Vice President & Controller

Signatures

Julie

Shamburger

12/20/2006

 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) Julie Shamburger exercised 500 option shares and plans to hold on 12-20-06 issued 10-15-98, 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 10/15/2003.
- (4) Vested 20% per year and became fully exercisable 08/31/2005.
- (5) Options vest 20% per year and currently 80% are fully exercisable.

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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