

SOUTHSIDE BANCSHARES INC

Form 4

November 21, 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

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
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(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)

**SOUTHSIDE BANCSHARES
INC, 1201 SOUTH BECKHAM**

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
11/21/2006

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

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)	
			Code	V	Amount	(A) or (D)	Price	
Common Stock	11/21/2006		M ⁽¹⁾		1,000	A	\$ 5.51	5,846 D
Common Stock	11/21/2006		M ⁽¹⁾		500	A	\$ 5.51	6,346 D
Common Stock	11/21/2006		S ⁽¹⁾		500	D	\$ 27.3 (1)	5,846 D
Common Stock	11/21/2006		S ⁽¹⁾		1,000	D	\$ 27.27 (1)	4,846 D

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Common Stock				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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SEC 1474
(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 Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 5.51	11/21/2006		M ⁽¹⁾	1,000	⁽²⁾ 08/31/2010	Common Stock	1,000
Incentive Stock Option (right to buy)	\$ 5.51	11/21/2006		M ⁽¹⁾	500	⁽²⁾ 08/31/2010	Common Stock	500
Incentive Stock Option (right to buy)	\$ 5.97					⁽³⁾ 06/10/2009	Common Stock	22,100
Incentive Stock Option (right to buy)	\$ 6.18					⁽⁴⁾ 10/15/2008	Common Stock	4,140
Non-Qualified Stock Option (right to buy)	\$ 5.51					⁽⁵⁾ 08/31/2010	Common Stock	3,610
Non-Qualified Stock Option (right to buy)	\$ 5.97					⁽⁶⁾ 06/10/2009	Common Stock	650

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 11/21/2006

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 11-21-06 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.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.