SOUTHSIDE BANCSHARES INC
Form 4
February 24, 2010

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)
01/01/2010

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	02/24/2010		M		7,549	A	$ 4.76	8,139	D	
Common Stock	02/24/2010		M		4,184	A	$ 4.76	12,323	D	
Common Stock	02/24/2010		S		2,298	D	$ 20.09	10,025	D	
Common Stock	02/24/2010		S		2,035	D	$ 20.08	7,990	D	
Common Stock	02/24/2010		S		200	D	$ 20.02	7,790	D	

Common Stock	02/24/2010		S	3,200	D	$ 20.01	4,590	D	
Common Stock	02/24/2010		S	400	D	$ 20	4,190	D	
Common Stock	02/24/2010		S	100	D	$ 19.96	4,090	D	
Common Stock	02/24/2010		S	3,500	D	$ 19.95	590	D	
Common Stock	01/01/2010		I [(1)]	658.54	A	$ 5.58	10,167.17	I	by ESOP

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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 Amo[unt of] Underlying Secu[rities] (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am[ount] or Nu[mber] of Sh[ares]
Incentive Stock Option (right to buy)	$ 4.76	02/24/2010		M			7,549	08/31/2005 [(2)]	08/31/2010	Common Stock	7
Non-Qualified Stock Option (right to buy)	$ 4.76	02/24/2010		M			4,184	[(3)]	08/31/2010	Common Stock	4

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GIBSON LEE R SOUTHSIDE BANCSHARES INC			Executive Vice President	

1201 SOUTH BECKHAM
TYLER, TX 75701

Signatures

Lee R. Gibson	02/24/2010
**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) ESOP allocation for plan year ending 12-31-2009

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

(3) Non-Qualified Incentive Stock Option became fully exercisable 08/31/2005.

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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