SOUTHSIDE BANCSHARES INC
Form 4
May 30, 2006

FORM 4

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

(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)
05/30/2006

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	05/30/2006		M[(1)]		1,000	A	$ 5.51	4,346	D	
Common Stock	05/30/2006		S[(1)]		1,000	D	$ 19.62 [(1)]	3,346	D	
Common Stock	05/30/2006		M[(2)]		1,500	A	$ 5.51	4,846	D	
Common Stock								117	I	Self Cust./Daughter
								87	I	Self Cust./Son

Common Stock				
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 Underlying Securitie (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Incentive Stock Option (right to buy)	$ 5.51	05/30/2006		M[1]			1,000	[3]	08/31/2010	Common Stock	1,00
Incentive Stock Option (right to buy)	$ 5.51	05/30/2006		M[2]			1,500	[3]	08/31/2010	Common Stock	1,50
Incentive Stock Option (right to buy)	$ 5.97							[4]	06/10/2009	Common Stock	22,1
Incentive Stock Option (right to buy)	$ 6.18							[5]	10/15/2008	Common Stock	4,14
Non-Qualified Stock Option (right to buy)	$ 5.51							[6]	08/31/2010	Common Stock	3,61
Non-Qualified Stock Option (right to buy)	$ 5.97							[7]	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	05/30/2006
**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 1,000 option shares in a cashless transaction on 5-30-06 issued 8-31-00, under the 1993 Incentive Stock Option Plan.

(2) Mr. Gibson exercised 1,500 option shares to purchase and hold shares on 5-30-06 issued on 8-31-00, under the 1993 Incentive Stock Option Plan.

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

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

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

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

(7) 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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