

SOUTHSIDE BANCSHARES INC
 Form 4
 September 03, 2008

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

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).

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 DAWSON CHARLES E

2. Issuer Name and Ticker or Trading Symbol
 SOUTHSIDE BANCSHARES INC
 [SBSI]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Director, President & Secy.

(Last) (First) (Middle)
 SOUTHSIDE BANCSHARES
 INC, 1201 SOUTH BECKHAM
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/03/2008

TYLER, TX 75701
 (City) (State) (Zip)

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

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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	09/03/2008		M	1,500	A \$ 5.42	66,683	D
Common Stock	09/03/2008		S	1,500	D \$ 23.93	65,183	D
Common Stock	09/03/2008		M	1,500	A \$ 5.42	66,683	D
Common Stock	09/03/2008		S	1,500	D \$ 23.91	65,183	D
Common Stock	09/03/2008		M	1,500	A \$ 5.42	66,683	D

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Common Stock	09/03/2008	S	1,500	D	\$ 23.88	65,183	D	
Common Stock	09/03/2008	M	1,500	A	\$ 5.42	66,683	D	
Common Stock	09/03/2008	S	1,500	D	\$ 23.81	65,183	D	
Common Stock	09/03/2008	M	1,500	A	\$ 5.42	66,683	D	
Common Stock	09/03/2008	S	1,500	D	\$ 23.66	65,183	D	
Common Stock						12,914.43	I	SSB Tr/self Emp S/P
Common Stock						9,422.18	I	by ESOP
Common Stock						2,492.37	I	by Spouse

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. Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 5.42	09/03/2008		M	1,500	<u>(1)</u> 06/10/2009	Common Stock	1,500
Incentive Stock	\$ 5.42	09/03/2008		M	1,500	<u>(1)</u> 06/10/2009	Common Stock	1,500

Option
(right to
buy)

Incentive
Stock

Option (right to buy)	\$ 5.42	09/03/2008	M	1,500	<u>(1)</u>	06/10/2009	Common Stock	1,500
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Incentive
Stock

Option (right to buy)	\$ 5.42	09/03/2008	M	1,500	<u>(1)</u>	06/10/2009	Common Stock	1,500
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Incentive
Stock

Option (right to buy)	\$ 5.42	09/03/2008	M	1,500	<u>(1)</u>	06/10/2009	Common Stock	1,500
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DAWSON CHARLES E SOUTHSIDE BANCSHARES INC 1201 SOUTH BECKHAM TYLER, TX 75701	X		Director, President & Secy.	

Signatures

Charles E. (Sam)
Dawson 09/03/2008

 **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) Vested 20% per year and became fully exercisable 06/10/2004.

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.