

SOUTHSIDE BANCSHARES INC  
 Form 4  
 November 21, 2006

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

OMB APPROVAL  
 OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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**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 \*  
**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)

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Executive Vice President**

**SOUTHSIDE BANCSHARES INC, 1201 SOUTH BECKHAM**

(Street)

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

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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.

**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.** 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 of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
				Code V (A) (D)		Date Exercisable Expiration Date	Title	
Incentive Stock Option (right to buy)	\$ 5.51	11/21/2006		M <sup>(1)</sup>	1,000	<sup>(2)</sup> 08/31/2010	Common Stock	1,000
Incentive Stock Option (right to buy)	\$ 5.51	11/21/2006		M <sup>(1)</sup>	500	<sup>(2)</sup> 08/31/2010	Common Stock	500
Incentive Stock Option (right to buy)	\$ 5.97					<sup>(3)</sup> 06/10/2009	Common Stock	22,100
Incentive Stock Option (right to buy)	\$ 6.18					<sup>(4)</sup> 10/15/2008	Common Stock	4,140
Non-Qualified Stock Option (right to buy)	\$ 5.51					<sup>(5)</sup> 08/31/2010	Common Stock	3,610
Non-Qualified Stock Option (right to buy)	\$ 5.97					<sup>(6)</sup> 06/10/2009	Common Stock	650

