

SOUTHSIDE BANCSHARES INC  
 Form 4  
 December 09, 2008

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

OMB APPROVAL  
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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 \*  
 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)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/09/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Director, President & Secy.

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/09/2008		M		200 A \$ 5.42	64,257	D
Common Stock	12/09/2008		S		200 D \$ 20.61	64,057	D
Common Stock	12/09/2008		M		600 A \$ 5.42	64,657	D
Common Stock	12/09/2008		S		600 D \$ 20.7	64,057	D
Common Stock	12/09/2008		M		400 A \$ 5.42	64,457	D

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Common Stock	12/09/2008	S	400	D	\$ 20.75	64,057	D	
Common Stock	12/09/2008	M	800	A	\$ 5.42	64,857	D	
Common Stock	12/09/2008	S	800	D	\$ 20.78	64,057	D	
Common Stock	12/09/2008	M	200	A	\$ 5.42	64,257	D	
Common Stock	12/09/2008	S	200	D	\$ 20.84	64,057	D	
Common Stock	12/09/2008	M	1,600	A	\$ 5.42	65,657	D	
Common Stock	12/09/2008	S	1,600	D	\$ 20.95	64,057	D	
Common Stock	12/09/2008	M	1,000	A	\$ 5.42	65,057	D	
Common Stock	12/09/2008	S	1,000	D	\$ 20.98	64,057	D	
Common Stock	12/09/2008	M	200	A	\$ 5.42	64,257	D	
Common Stock	12/09/2008	S	200	D	\$ 21	64,057	D	
Common Stock	12/09/2008	M	800	A	\$ 5.42	64,857	D	
Common Stock	12/09/2008	S	800	D	\$ 21.02	64,057	D	
Common Stock	12/09/2008	M	200	A	\$ 5.42	64,257	D	
Common Stock	12/09/2008	S	200	D	\$ 21.08	64,057	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	I	by Spouse

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

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SEC 1474  
(9-02)

number.

**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	12/09/2008		M	200	<u>(1)</u> 06/10/2009	Common Stock	200
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008		M	600	<u>(1)</u> 06/10/2009	Common Stock	600
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008		M	400	<u>(1)</u> 06/10/2009	Common Stock	400
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008		M	800	<u>(1)</u> 06/10/2009	Common Stock	800
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008		M	200	<u>(1)</u> 06/10/2009	Common Stock	200
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008		M	1,600	<u>(1)</u> 06/10/2009	Common Stock	1,600

Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008	M	1,000	(1)	06/10/2009	Common Stock	1,000
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008	M	200	(1)	06/10/2009	Common Stock	200
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008	M	800	(1)	06/10/2009	Common Stock	800
Incentive Stock Option (right to buy)	\$ 5.42	12/09/2008	M	200	(1)	06/10/2009	Common Stock	200

## 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 12/09/2008

\*\*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.

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