

SOUTHSIDE BANCSHARES INC
 Form 4
 March 10, 2009

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 *
HARTLEY BG

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, COB & CEO

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

3. Date of Earliest Transaction (Month/Day/Year)
03/09/2009

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	03/09/2009		M	24,037	A \$ 5.42	188,116	D
Common Stock	03/09/2009		M	402	A \$ 5.42	188,518	D
Common Stock	03/09/2009		M	45,428	A \$ 5	233,946	D
Common Stock	03/09/2009		M	8,873	A \$ 5	242,819	D
Common Stock	03/09/2009		F	29,357	D \$ 13.76	213,462	D

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Common Stock	3,347.43	I	By ESOP for Spouse
Common Stock	20,347.9395	I	By Spouse/Sep. Prop.
Common Stock	18,750.47	I	by ESOP
Common Stock	3,440	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 Security (Instr. 3 and 4)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Incentive Stock Option (right to buy)	\$ 5	03/09/2009		M	45,428	<u>(1)</u> 08/31/2010	Common Stock	45,428	
Incentive Stock Option (right to buy)	\$ 5.42	03/09/2009		M	24,037	<u>(2)</u> 06/10/2009	Common Stock	24,037	
Non-Qualified Stock Option (right to buy)	\$ 5	03/09/2009		M	8,873	<u>(3)</u> 08/31/2010	Common Stock	8,873	
Non-Qualified Stock Option (right to buy)	\$ 5.42	03/09/2009		M	402	<u>(4)</u> 06/10/2009	Common Stock	402	

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

HARTLEY BG
SOUTHSIDE BANCSHARES INC X Director, COB & CEO
1201 SOUTH BECKHAM
TYLER, TX 75701

Signatures

B. G. Hartley 03/10/2009

__Signature of Date
Reporting Person

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 08/31/2005.
- (2) Vested 20% per year and became fully exercisable 06/10/2004.
- (3) Non-Qualified Incentive Stock Option became fully exercisable 08/31/2005.
- (4) Non-Qualified Incentive Stock Option 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.
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