SOUTHSIDE BANCSHARES INC

Form 4 June 21, 2006

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Form 5 obligations may continue. See Instruction Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * STORY JERYL W			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) 06/21/2006			Director 10% Owner _X_ Officer (give title Other (specify below) Executive Vice President					
	(Street)			Filed(Month/Day/Year)			6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting Person				
(City)	(State)	(Zip)	Table	e I - Non-De	erivative S	ecurit	ies Acqı	uired, Disposed of	, or Beneficial	ly Owned	
1.Title of Security (Instr. 3)	2. Transaction D (Month/Day/Yea	ar) Execution	med n Date, if Day/Year)	3. Transaction Code (Instr. 8)	(Instr. 3, 4	posed and 5 (A) or	of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)		
Common Stock	06/21/2006			$M_{\underline{1}}^{(1)}$	Amount 5,000	(D)	Price \$ 5.44	54,742	D		
Common Stock	01/03/2006			<u>I⁽²⁾</u>	572.92	A	\$ 6.34	8,274.38	I	by ESOP	
Common Stock								71	I	Joint with Wife	

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

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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. Transactic Code (Instr. 8)	5. Number omf 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)	\$ 5.44	06/21/2006		M <u>(1)</u>	5,000	<u>(3)</u>	06/05/2007	Common Stock	5,00
Incentive Stock Option (right to buy)	\$ 5.51					<u>(4)</u>	08/31/2010	Common Stock	31,5
Incentive Stock Option (right to buy)	\$ 5.97					(5)	06/10/2009	Common Stock	22,10
Incentive Stock Option (right to buy)	\$ 6.18					<u>(6)</u>	10/15/2008	Common Stock	4,14
Non-Qualified Stock Option (right to buy)	\$ 5.51					<u>(7)</u>	08/31/2010	Common Stock	3,61
Non-Qualified Stock Option (right to buy)	\$ 5.97					<u>(8)</u>	06/10/2009	Common Stock	65

Reporting Owners

Reporting Owner Name / Addro	ess	Relationships					
1 8		10% Owner	Officer	Other			
STORY JERYL W							

Executive Vice President

Reporting Owners 2

Signatures

Jeryl Story 06/21/2006

**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) Mr. Story exercised 5,000 options to purchase and hold shares on 6-21-06 issued on 6-5-97, under the 1993 Incentive Stock Option Plan.
- (2) ESOP allocation for plan year ending 12-31-05.
- (3) Vested 20% per year and became fully exercisable 06/05/2002.
- (4) Vested 20% per year and became fully exercisable 08/31/2005.
- (5) Options vest 20% per year and currently 80% are fully exercisable.
- (6) Vested 20% per year and became fully exercisable 10/15/2003.
- (7) Non-Qualified Incentive Stock Option became fully exercisable 08/31/01.
- (8) 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. 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.

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