#### SOUTHSIDE BANCSHARES INC

Form 4

September 19, 2005

# FORM 4

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

OMB Number:

3235-0287

0.5

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005

**OMB APPROVAL** 

Estimated average

burden hours per response...

subject to Section 16. Form 4 or Form 5 obligations

may continue.

See Instruction

if no longer

Check this box

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

**SECURITIES** 

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * HARTLEY BG			2. Issuer Name <b>and</b> Ticker or Trading Symbol SOUTHSIDE BANCSHARES INC [SBSI]	5. Relationship of Reporting Person(s) to Issuer  (Check all applicable)		
(Last) (First) (Middle)  SOUTHSIDE BANCSHARES INC, 1201 SOUTH BECKHAM		IARES	3. Date of Earliest Transaction (Month/Day/Year) 09/19/2005	X Director 10% OwnerX Officer (give title Other (specify below) Director, COB & CEO		
(Street)  TYLER, TX 75701			4. If Amendment, Date Original 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)	(Zin)				

(City)	(State)	(Zip) Tab	ole I - Non-	Derivative	Secui	rities Acq	uired, Disposed	of, or Benefic	ially Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)		ties Acquired sposed of (D) 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(D)	Price	(Instr. 3 and 4)		
Common Stock	09/19/2005		M(1)	300	A	\$ 4.61	104,920	D	
Common Stock	09/19/2005		M <u>(1)</u>	1,700	A	\$ 4.61	106,620	D	
Common Stock	09/19/2005		M(1)	982	A	\$ 4.61	107,602	D	
Common Stock	09/19/2005		M(1)	500	A	\$ 4.61	108,102	D	
Common Stock	09/19/2005		M(1)	500	A	\$ 4.61	108,602	D	

Common Stock	09/19/2005	M <u>(1)</u>	487	A	\$ 4.61	109,089	D
Common Stock	09/19/2005	M <u>(1)</u>	500	A	\$ 4.61	109,589	D
Common Stock	09/19/2005	M <u>(1)</u>	600	A	\$ 4.61	110,189	D
Common Stock	09/19/2005	M <u>(1)</u>	738	A	\$ 4.61	110,927	D
Common Stock	09/19/2005	M <u>(1)</u>	300	A	\$ 4.61	111,227	D
Common Stock	09/19/2005	M <u>(1)</u>	875	A	\$ 4.61	112,102	D
Common Stock	09/19/2005	S <u>(1)</u>	300	D	\$ 19.68 (1)	111,802	D
Common Stock	09/19/2005	S <u>(1)</u>	1,700	D	\$ 19.67 (1)	110,102	D
Common Stock	09/19/2005	S(1)	982	D	\$ 19.65 (1)	109,120	D
Common Stock	09/19/2005	S(1)	500	D	\$ 19.57 (1)	108,620	D
Common Stock	09/19/2005	S(1)	500	D	\$ 19.49 (1)	108,120	D
Common Stock	09/19/2005	S(1)	487	D	\$ 19.47 (1)	107,633	D
Common Stock	09/19/2005	S(1)	500	D	\$ 19.46 (1)	107,133	D
Common Stock	09/19/2005	S <u>(1)</u>	600	D	\$ 19.44 (1)	106,533	D
Common Stock	09/19/2005	S(1)	738	D	\$ 19.43 (1)	105,795	D
Common Stock	09/19/2005	S <u>(1)</u>	300	D	\$ 19.3 (1)	105,495	D
Common Stock	09/19/2005	S(1)	875	D	\$ 19.25	104,620	D

					<u>(1)</u>			
Common Stock	09/19/2005	M(2)	25,102	A	\$ 4.61	129,722	D	
Common Stock	06/17/2005	J <u>(3)</u>	88.11	A	\$ 20.08	16,170.98	I	By Spouse/Sep. Prop.
Common Stock						2,437.36	I	By ESOP for Spouse
Common Stock						13,818.75	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)

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)	Securities Acquired (A)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amou Underlying Securi (Instr. 3 and 4)	
			Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amo or Num of Sl
\$ 4.61	09/19/2005		M(1)	300	<u>(4)</u>	02/07/2006	Common Stock	30
\$ 4.61	09/19/2005		M <u>(1)</u>	1,700	<u>(4)</u>	02/07/2006	Common Stock	1,7
\$ 4.61	09/19/2005		M <u>(1)</u>	982	<u>(4)</u>	02/07/2006	Common Stock	98
\$ 4.61	09/19/2005		M <u>(1)</u>	500	<u>(4)</u>	02/07/2006	Common Stock	50
\$ 4.61	09/19/2005		M(1)	500	<u>(4)</u>	02/07/2006	Common Stock	50
	Conversion or Exercise Price of Derivative Security  \$ 4.61  \$ 4.61	Conversion or Exercise Price of Derivative Security  \$ 4.61	Conversion or Exercise Price of Derivative Security  \$ 4.61	Conversion or Exercise Price of Derivative Security         (Month/Day/Year)         Execution Date, if any (Month/Day/Year)         Transactic Code (Instr. 8)           \$ 4.61         09/19/2005         M(1)           \$ 4.61         09/19/2005         M(1)           \$ 4.61         09/19/2005         M(1)           \$ 4.61         09/19/2005         M(1)	Conversion or Exercise Price of Derivative Security         (Month/Day/Year)         Execution Date, if any (Month/Day/Year)         Transaction Derivative Code (Instr. 8)         Securities (Instr. 8)         Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)           \$ 4.61         09/19/2005         M(1)         300           \$ 4.61         09/19/2005         M(1)         1,700           \$ 4.61         09/19/2005         M(1)         982           \$ 4.61         09/19/2005         M(1)         500	Execution Date, if any (Month/Day/Year) or Exercise Price of Derivative Security   Execution Date, if any (Month/Day/Year)   Execution Date is a	Conversion or Exercise Price of Derivative Security   Code   Co	Conversion or Exercise Price of Derivative Security   Execution Date, in any (Month/Day/Year)   Execution Date, in any (Month/Day/Year)   Code Securities   Code Securities (Month/Day/Year)   Code Securities   Code Securities (Month/Day/Year)   Code Securities   Code Securities (Month/Day/Year)   Code Securities (Month/Day/Year)

Incentive Stock Option (right to buy)	\$ 4.61	09/19/2005	M <u>(1)</u>	487	<u>(4)</u>	02/07/2006	Common Stock	48
Incentive Stock Option (right to buy)	\$ 4.61	09/19/2005	M <u>(1)</u>	500	<u>(4)</u>	02/07/2006	Common Stock	5(
Incentive Stock Option (right to buy)	\$ 4.61	09/19/2005	M <u>(1)</u>	600	<u>(4)</u>	02/07/2006	Common Stock	60
Incentive Stock Option (right to buy)	\$ 4.61	09/19/2005	M <u>(1)</u>	738	<u>(4)</u>	02/07/2006	Common Stock	73
Incentive Stock Option (right to buy)	\$ 4.61	09/19/2005	M <u>(1)</u>	300	<u>(4)</u>	02/07/2006	Common Stock	30
Incentive Stock Option (right to buy)	\$ 4.61	09/19/2005	M <u>(1)</u>	875	<u>(4)</u>	02/07/2006	Common Stock	87
Incentive Stock Option (right to buy)	\$ 4.61	09/19/2005	M <u>(1)</u>	25,102	<u>(4)</u>	02/07/2006	Common Stock	25,
Incentive Stock Option (right to buy)	\$ 5.71				(5)	06/05/2007	Common Stock	18,0
Incentive Stock Option (right to buy)	\$ 5.79				(6)	08/31/2010	Common Stock	39,2
Incentive Stock Option (right to buy)	\$ 6.27				<u>(7)</u>	06/10/2009	Common Stock	20,7
Incentive Stock Option (right to buy)	\$ 6.49				(8)	10/15/2008	Common Stock	3,9
Non-Qualified Stock Option (right to buy)	\$ 5.79				<u>(9)</u>	08/31/2010	Common Stock	7,6
Non-Qualified Stock Option (right to buy)	\$ 6.27				(10)	06/10/2009	Common Stock	34

# **Reporting Owners**

Reporting Owner Name / Address Relationships

Reporting Owners 4

Director 10% Owner Officer Other

HARTLEY BG SOUTHSIDE BANCSHARES INC 1201 SOUTH BECKHAM TYLER, TX 75701

X

Director, COB & CEO

## **Signatures**

B. G. Hartley 09/19/2005

\*\*Signature of Person 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. Hartley exercised 7,482 option shares in a cashless transaction on 9-19-05 issued 2-7-96, under the 1993 Incentive Stock Option Plan.
- Mr. Hartley exercised 25,102 options to purchase and hold shares on 9-19-05 issued 2-7-96, under the 1993 Incentive Stock Option
- (3) Shares acquired pursuant to Southside Bancshares, Inc. Dividend Reinvestment Plan.
- (4) Vested 20% per year and became fully exercisable 02/07/2001.
- (5) Vested 20% per year and became fully exercisable 06/05/2002.
- (6) Options vest 20% per year and currently 60% are fully exercisable.
- (7) Options vest 20% per year and currently 80% are fully exercisable.
- (8) Vested 20% per year and became fully exercisable 10/15/2003.
- (9) Non-qualified Incentive Stock Option became fully exercisable 08/31/2002.
- (10) 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.

Signatures 5