

SOUTHSIDE BANCSHARES INC

Form S-4

August 18, 2017

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As filed with the Securities and Exchange Commission on August 18, 2017

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Southside Bancshares, Inc.

(Exact Name of Registrant as Specified in its Charter)

Texas	6022	75-1848732
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1201 South Beckham Avenue

Tyler, Texas 75701

(903) 531-7111

(Address, including Zip Code, and Telephone Number, including Area Code, of Registrant's Principal Executive Offices)

Lee Gibson

President & Chief Executive Officer

Southside Bancshares, Inc.

1201 South Beckham Avenue

Tyler, Texas 75701

(903) 531-7111

(Name, Address, including Zip Code, and Telephone Number, including Area Code, of Agent for Service)

With copies to:

Lesley H. Solomon
David E. Brown, Jr.
Alston & Bird, LLP
1201 West Peachtree Street
Atlanta, Georgia 30309
(404) 881-7000

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Fenimore, Kay, Harrison & Ford, LLP
812 San Antonio Street, Suite 600
Austin, Texas 78701
(512) 583-5900

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this registration statement becomes effective and all other conditions to the proposed merger described herein have been satisfied or waived.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

		Non-accelerated filer		
Large accelerated filer	Accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company	Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock	5,535,000(1)	N/A	\$ 82,080,527(2)	\$ 9,513.13(3)

(1) Represents the maximum number of shares of Southside Bancshares, Inc. common stock that could be issued in connection with the first merger described herein. Pursuant to Rule 416, this registration statement also covers additional shares that may be issued as a result of stock splits, stock dividends or similar transactions.

(2) Pursuant to Rule 457(f)(2) and Rule 457(f)(3) under the Securities Act of 1933, as amended, and solely for the purpose of calculating the registration fee, the proposed maximum aggregate offering price is based on the book value for shares of Diboll State Bancshares, Inc. common stock on June 30, 2017 (\$123.72 per share) multiplied by the maximum number of such shares (865,507) that may be exchanged for the securities being registered, minus the estimated amount of cash to be paid by the registrant to Diboll stockholders and holders of options to purchase shares of Diboll common stock in the first merger (\$25,000,000).

(3) Calculated pursuant to Rule 457(f) of the Securities Act to be \$9,513.13 by multiplying the proposed maximum aggregate offering price by 0.0001159.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this proxy statement/prospectus is not complete and is subject to change. Southside Bancshares, Inc. may not sell the securities offered by this proxy statement/ prospectus until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY — SUBJECT TO COMPLETION — DATED AUGUST 18, 2017

Proxy Statement/Prospectus

Diboll State Bancshares, Inc.

MERGER PROPOSED — YOUR VOTE IS VERY IMPORTANT

To the Shareholders of Diboll State Bancshares, Inc.:

On June 12, 2017, the boards of directors of Southside Bancshares, Inc., or Southside, and Diboll State Bancshares, Inc., or Diboll, each unanimously approved the acquisition of Diboll by Southside. The acquisition will be accomplished pursuant to the terms of an Agreement and Plan of Merger, dated as of June 12, 2017, which we refer to as the merger agreement, by and among Southside, Rocket Merger Sub, Inc., a wholly owned subsidiary of Southside, or Merger Sub, and Diboll. Pursuant to the merger agreement, Merger Sub will merge with and into Diboll, with Diboll as the surviving company, which we refer to as the first merger. Immediately after the first merger, Diboll will merge with and into Southside, with Southside as the surviving company, which we refer to as the second merger. Immediately after the second merger, First Bank & Trust East Texas, or First Bank & Trust, a wholly owned bank subsidiary of Diboll, will merge with and into Southside's wholly owned bank subsidiary, Southside Bank, with Southside Bank as the surviving bank, which we refer to as the bank merger. The first merger, the second merger and the bank merger are collectively referred to as the mergers.

If the first merger is completed, each share of Diboll common stock will be converted into the right to receive: (1) a cash amount, which we refer to as the cash consideration, equal to the quotient of (a) up to \$25,000,000, less the after-tax amount paid by Diboll upon the cashless exercise of stock options for cash prior to the closing of the first merger and subject to adjustment based on Diboll's closing net book value, divided by (b) the number of shares of Diboll common stock issued and outstanding immediately prior to the effective time of the first merger (after giving effect to any valid exercises of outstanding Diboll equity awards prior to the effective time of the first merger), which we refer to as the Diboll outstanding share number, and (2) a number of shares of Southside common stock, par value \$1.25 per share, equal to the quotient of 5,535,000 divided by the Diboll outstanding share number, which we refer to as the stock consideration, without interest, on the terms and subject to the conditions set forth in the merger agreement. We collectively refer to the stock consideration and the cash consideration as the merger consideration. Diboll shareholders will own approximately 16% of Southside if the first merger is completed.

Diboll will hold a special meeting of its shareholders, referred to as the Diboll special meeting, with respect to the first merger. Diboll shareholders will be asked to consider and vote upon (1) a proposal to approve the merger agreement and the first merger, and (2) a proposal to adjourn the Diboll special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement and the first merger.

The Diboll special meeting will be held at the T.L.L. Temple Memorial Library, 300 Park Street, Diboll, Texas 75941, on [•], 2017, at [•] [a.m./p.m.], Central Time, subject to any adjournment or postponement thereof.

The market value of the merger consideration will fluctuate with the market price of Southside common stock and will not be known at the time Diboll shareholders vote on the merger agreement and the first merger. Southside common stock is currently quoted on the NASDAQ Global Select Market under the symbol "SBSI." On June 12, 2017, the last full trading day before the public announcement of the merger agreement, the last reported sale price of Southside common stock was \$35.01 per share, and, on [•], 2017, the last reported sale price of Southside common stock was \$[•] per share. We urge you to obtain current market quotations for the price of Southside common stock. There are no current market quotations for Diboll common stock because Diboll is a privately owned corporation and its common stock is not traded on any established public trading market.

Each of Southside and Diboll expects that the first merger and the second merger will qualify as a “reorganization” within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended,

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which we refer to as the Code, with the result that the portion of Diboll common stock exchanged for Southside common stock will generally be tax-free and the portion of the Diboll common stock exchanged for cash will generally be taxable as capital gain.

Your vote is important. Completion of the first merger is subject to the approval of the merger agreement and the first merger by the shareholders of Diboll. Regardless of whether or not you plan to attend the Diboll special meeting, please take the time to authorize a proxy to vote your shares in accordance with the instructions contained in this proxy statement/prospectus. Submitting a proxy now will not prevent you from being able to vote in person at the Diboll special meeting.

The board of directors of Diboll has determined that the merger agreement and the transactions contemplated thereby, including the first merger, are advisable and in the best interests of the shareholders of Diboll, has unanimously approved the merger agreement and the first merger and unanimously recommends that the shareholders of Diboll vote "FOR" the proposal to approve the merger agreement and the first merger and "FOR" the proposal to adjourn the Diboll special meeting, if necessary or appropriate, to solicit additional proxies in favor of the proposal to approve the merger agreement and the first merger.

This proxy statement/prospectus describes the Diboll special meeting, the mergers, the documents related to the mergers and other related matters. Please carefully read this entire proxy statement/prospectus, including "Risk Factors," beginning on page 28, for a discussion of the risks relating to the proposed mergers. You also can obtain information about Southside from documents that it has filed with the Securities and Exchange Commission.

If you have any questions concerning the mergers, Diboll shareholders should please contact H. J. ("Jay") Shands, III, Chairman of the Board, President and Chief Executive Officer, at (936) 829-4721. We look forward to seeing you at the meeting.

/s/ H. J. Shands, III

H. J. Shands, III

Chairman of the Board, President and Chief Executive Officer Diboll State Bancshares, Inc.

Neither the Securities and Exchange Commission, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, nor any state securities commission or any other bank regulatory agency has approved or disapproved the securities to be issued in the first merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The securities to be issued in the first merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either Southside or Diboll, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this proxy statement/prospectus is [•], 2017, and it is first being mailed or otherwise delivered to the Diboll shareholders on or about [•], 2017.

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DIBOLL STATE BANCSHARES, INC.

104 North Temple Drive

Diboll, Texas 75941

(936) 829-4721

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To Be Held on [•], 2017

To the Shareholders of Diboll State Bancshares, Inc.:

A special meeting of the shareholders of Diboll State Bancshares, Inc., or Diboll, will be held at the T.L.L. Temple Memorial Library, 300 Park Street, Diboll, Texas 75941, on [•], 2017, at [•] [a.m./p.m.], Central Time, subject to any adjournment or postponement thereof, for the following purposes:

1.

To consider and vote upon a proposal to approve the Agreement and Plan of Merger, or the merger agreement, dated as of June 12, 2017, by and among Southside Bancshares, Inc., or Southside, Rocket Merger Sub, Inc., a wholly owned subsidiary of Southside, or Merger Sub, and Diboll, pursuant to which Merger Sub will merge with and into Diboll, with Diboll as the surviving company, referred to herein as the first merger, all on and subject to the terms and conditions contained therein; and

2.

To consider and vote upon any proposal to adjourn the special meeting, referred to herein as the Diboll special meeting, to a later date or dates if the board of directors of Diboll determines such an adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the Diboll special meeting to constitute a quorum or to approve the merger agreement and the first merger.

No other business may be conducted at the Diboll special meeting. All holders of shares of common stock of Diboll, or Diboll common stock, of record as of 5:00 p.m. on [•], 2017, will be entitled to notice of and to vote at the Diboll special meeting and any adjournments thereof. The Diboll special meeting may be adjourned from time to time upon approval of holders of Diboll common stock without any notice other than by announcement at the meeting of the adjournment thereof, and any and all business for which notice is hereby given may be transacted at such adjourned meeting.

Holders of Diboll common stock have the right to dissent from the merger agreement and the first merger and obtain payment in cash of the appraised fair value of their shares of Diboll common stock under applicable provisions of the Texas Business Organizations Code, or TBOC. In order for a holder of Diboll common stock to perfect his, her or its right to dissent, such holder must carefully follow the procedure set forth in the TBOC. A copy of the applicable statutory provisions of the TBOC is included as Annex D to the accompanying proxy statement/prospectus and a summary of these provisions can be found under the caption "The Mergers — Dissenters' Rights," beginning on page [•] of the proxy statement/ prospectus. The first merger may not be completed if the holders of more than 5% of the outstanding shares of Diboll common stock exercise dissenters' rights.

If you have any questions concerning the merger agreement, the first merger, the Diboll special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of Diboll common stock, please contact H. J. ("Jay") Shands, III, Chairman of the Board, President and Chief Executive Officer, at (936) 829-4721.

By Order of the Board of Directors,

/s/ H. J. Shands, III

H. J. Shands, III

Chairman of the Board, President and Chief Executive Officer

Diboll, Texas

[•], 2017

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The Diboll board of directors unanimously recommends that holders of record of Diboll common stock entitled to vote at the Diboll special meeting vote “FOR” the proposal to approve the merger agreement and the first merger and “FOR” the adjournment of the Diboll special meeting if such adjournment is necessary to permit solicitation of additional proxies if there are not sufficient votes at the time of the Diboll special meeting to constitute a quorum or to approve the merger agreement and the first merger.

Your Vote is Very Important

A proxy card is enclosed. Whether or not you plan to attend the Diboll special meeting, if you are a holder of shares of Diboll common stock, please vote by completing, signing and dating the proxy card and promptly mailing it in the enclosed envelope. You may revoke your proxy in the manner described in the proxy statement/prospectus at any time before it is exercised. If you are a holder of shares of Diboll common stock and attend the Diboll special meeting, you may vote in person if you desire, even if you have previously returned your proxy card.

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ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates important business and financial information about Southside from documents filed with the Securities and Exchange Commission, or SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by Southside at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference in this proxy statement/prospectus, at no cost by contacting Southside at the following address:

Southside Bancshares, Inc.
1201 South Beckham Avenue
Tyler, Texas 75701
Attention: Secretary
Telephone: (877) 639-3511

You will not be charged for any of these documents that you request. To obtain timely delivery of these documents, you must request them no later than five business days before the date of the special meeting, or [•], 2017.

If you are a Diboll shareholder and have any questions about the merger agreement, the first merger, the Diboll special meeting or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus, need a proxy card or need help voting your shares of Diboll common stock, please contact H. J. ("Jay") Shands, III, Chairman of the Board, President and Chief Executive Officer, at (936) 829-4721.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [•], 2017, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this proxy statement/prospectus from another document is accurate as of the date of such other document. Neither the mailing of this document to Diboll shareholders nor the issuance by Southside of shares of Southside common stock in connection with the first merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Diboll has been provided by Diboll and information contained in this document regarding Southside has been provided by Southside. See "Where You Can Find More Information" for more details.

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