

Franks Martin D  
Form 4  
January 27, 2009

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
Franks Martin D

2. Issuer Name and Ticker or Trading Symbol  
CBS CORP [CBS, CBS.A]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
51 WEST 52ND STREET

3. Date of Earliest Transaction (Month/Day/Year)  
01/25/2009

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
EVP, Planning, Policy&Gov Affs

(Street)  
NEW YORK, NY 10019

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

(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 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)	Code V Amount (D) Price		

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)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities
---------------------------------	---------------------------	--------------------------------------	-----------------------------------	---------------------	------------------------------------	--	--

Edgar Filing: Franks Martin D - Form 4

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			(Instr. 3 and 4)			
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Restricted Share Units <sup>(1)</sup>	<u>(2)</u>	01/25/2009	A	<sup>(3)</sup>	15,025		02/28/2009 <sup>(2)</sup>	<sup>(2)</sup>	CBS Class B common stock	15,025

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Franks Martin D 51 WEST 52ND STREET NEW YORK, NY 10019			EVP, Planning, Policy&Gov Affs	

## Signatures

/s/ Franks,  
Martin D. 01/27/2009

\*\*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) Granted under the Issuer's long term incentive plan.  
Approximately 42% of these Restricted Share Units (RSUs) will vest on each of February 28, 2009 and February 28, 2010 and
- (2) approximately 8% of the RSU award will vest on each of February 28, 2011 and February 28, 2012. The RSUs are settled by delivery of a corresponding number of the Issuer's shares upon vesting.
- (3) On January 25, 2009, the performance target associated with these RSUs was certified as having been achieved.

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. > [34](#)

### THE SOUTHSIDE SPECIAL MEETING

[35](#)

### General

[35](#)

### Date, Time and Place

35

Purpose of the Southside Special Meeting

35

Recommendation of the Southside Board of Directors

35

Southside Record Date: Who Can Vote at the Southside Special Meeting

35

Quorum

36

Abstentions and Broker Non-Votes

36

Voting by Southside Trustees, Executive Officers and Significant Shareholders

36

Manner of Submitting Proxy

36

Shares held in "Street Name"

37

Revocation of Proxies or Voting Instructions

38

Tabulation of Votes

38

Solicitation of Proxies: Payment of Solicitation Expenses

38

Adjournment

38

Assistance

39

**PROPOSALS SUBMITTED TO SOUTHSIDE SHAREHOLDERS**

Explanation of Responses:

40

Southside Share Issuance Proposal

40

Southside Adjournment Proposal

40

Other Business

40

**THE OMNIAMERICAN SPECIAL MEETING**

41

General

41

Date, Time and Place

41

Purpose of the OmniAmerican Special Meeting

41

Recommendation of the OmniAmerican Board of Directors

41

OmniAmerican Record Date and Quorum

41

Vote Required for Approval

42

Abstentions; Failure to Vote

42

Voting on Proxies; Incomplete Proxies

42

Shares Held in Street Name

43

Participants in the OmniAmerican Bank Employee Stock Ownership Plan and the 401(k) Plan

Explanation of Responses:

44

Revocability of Proxies and Changes to an OmniAmerican Stockholder's Vote

44

Solicitation of Proxies

44

Attending the OmniAmerican Special Meeting

45

**PROPOSALS SUBMITTED TO OMNIAMERICAN STOCKHOLDERS**

46

OmniAmerican Merger Proposal

46

Table of Contents

	<b>Page</b>
<u>Advisory (Non-Binding) OmniAmerican Compensation Proposal</u>	46
<u>OmniAmerican Adjournment Proposal</u>	48
<u>Other Matters to Come Before the OmniAmerican Special Meeting</u>	48
<b><u>THE MERGERS</u></b>	49
<u>General</u>	49
<u>Background of the Mergers</u>	49
<u>Southside's Reasons for the Mergers</u>	57
<u>OmniAmerican's Reasons for the Mergers</u>	58
<u>Opinion of Southside's Financial Advisor</u>	62
<u>Opinion of OmniAmerican's Financial Advisor</u>	73
<u>Board Composition and Management of Southside after the Mergers</u>	86
<u>Interests of OmniAmerican's Directors and Executive Officers in the Mergers</u>	86
<u>Litigation Relating to the Merger</u>	95
<u>Regulatory Approvals Required for the Mergers</u>	95
<u>U.S. Federal Income Tax Considerations</u>	97
<u>Accounting Treatment</u>	101
<u>No Dissenters' or Appraisal Rights</u>	101
<u>Exchange of Shares in the First Merger</u>	102
<u>Listing of Southside Common Stock</u>	102
<u>Deregistration of OmniAmerican Common Stock</u>	102
<b><u>THE MERGER AGREEMENT</u></b>	103
<u>Form, Effective Time and Closing of the Mergers</u>	103
<u>Organizational Documents of the Surviving Corporation</u>	103
<u>Officers of the Surviving Corporation</u>	103
<u>Board of Directors of the Surviving Corporation</u>	104
<u>Merger Consideration: Effects of the First Merger</u>	104
<u>Representations and Warranties</u>	104
<u>Definition of "Material Adverse Effect"</u>	107
<u>Covenants and Agreements</u>	108
<u>Conditions to Completion of the Mergers</u>	114
<u>Termination of the Merger Agreement</u>	115
<u>Effect of Termination</u>	116
<u>Termination Fee</u>	116
<u>Miscellaneous Provisions</u>	117
<b><u>ANCILLARY AGREEMENTS</u></b>	118
<u>Voting and Support Agreements</u>	118
<u>Employment Agreements</u>	119
<b><u>COMPARATIVE MARKET PRICES AND DIVIDENDS</u></b>	120
<b><u>DESCRIPTION OF CAPITAL STOCK</u></b>	121
<b><u>COMPARISON OF RIGHTS OF SOUTHSIDE SHAREHOLDERS AND OMNIAMERICAN STOCKHOLDERS</u></b>	122
<b><u>SHAREHOLDER PROPOSALS</u></b>	133
<u>Southside</u>	133
<u>OmniAmerican</u>	133
<b><u>LEGAL MATTERS</u></b>	133
<b><u>EXPERTS</u></b>	133
<b><u>WHERE YOU CAN FIND MORE INFORMATION</u></b>	135
<u>Southside</u>	135
<u>OmniAmerican</u>	136
<b><u>INDEX TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u></b>	F-1

Table of Contents

**QUESTIONS AND ANSWERS**

*The following are answers to some questions that Southside shareholders and OmniAmerican stockholders may have regarding the proposed transaction between Southside and OmniAmerican and the other proposals being considered at the Southside and OmniAmerican special meetings. Southside and OmniAmerican urge you to read carefully this entire joint proxy statement/prospectus, including the Annexes, and the documents incorporated by reference into this joint proxy statement/prospectus, because the information in this section does not provide all the information that might be important to you.*

*Unless the context otherwise requires, references in this joint proxy statement/prospectus to: (1) "Southside" refer to Southside Bancshares, Inc., a Texas corporation, and its affiliates; (2) "Merger Sub" refer to Omega Merger Sub, Inc., a Maryland corporation and a wholly owned subsidiary of Southside; and (3) "OmniAmerican" refer to OmniAmerican Bancorp, Inc., a Maryland corporation, and its affiliates.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A:

Southside, Merger Sub and OmniAmerican have entered into an Agreement and Plan of Merger, dated as of April 28, 2014, which we refer to as the merger agreement. Pursuant to the merger agreement, Merger Sub will be merged with and into OmniAmerican, with OmniAmerican as the surviving company, which we refer to as the first merger. Immediately after the first merger, OmniAmerican will be merged with and into Southside, with Southside as the surviving company, which we refer to as the second merger. Immediately after the second merger, OmniAmerican Bank, a wholly owned subsidiary of OmniAmerican, will merge with and into Southside's wholly owned subsidiary, Southside Bank, with Southside Bank as the surviving bank, which we refer to as the bank merger. We refer to the first merger, the second merger and the bank merger collectively as the mergers. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A.

The mergers cannot be completed unless, among other things:

the holders of a majority of the outstanding shares of Southside common stock entitled to vote and represented in person or by proxy at the Southside special meeting vote in favor of the proposal to approve the issuance of shares of Southside common stock to OmniAmerican stockholders in connection with the first merger, which we refer to as the Southside share issuance proposal; and

the holders of a majority of the outstanding shares of OmniAmerican common stock entitled to vote on the first merger vote in favor of the proposal to approve the first merger, which we refer to as the OmniAmerican merger proposal.

In addition, Southside is soliciting proxies from its shareholders with respect to one additional proposal, although the completion of the mergers is not conditioned upon shareholder approval of this proposal:

a proposal to approve one or more adjournments of the Southside special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Southside share issuance proposal if there are insufficient votes at the time of such adjournment to approve such proposal, which we refer to as the Southside adjournment proposal.

## Edgar Filing: Franks Martin D - Form 4

### Table of Contents

Furthermore, OmniAmerican is soliciting proxies from its stockholders with respect to two additional proposals, although the completion of the mergers is not conditioned upon stockholder approval of those proposals:

a proposal to approve, on an advisory (non-binding) basis, certain compensation that will or may become payable to OmniAmerican's named executive officers in connection with the first merger, which we refer to as the OmniAmerican compensation proposal; and

a proposal to approve one or more adjournments of the OmniAmerican special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of such adjournment to approve the OmniAmerican merger proposal, which we refer to as the OmniAmerican adjournment proposal.

Each of Southside and OmniAmerican will hold separate special meetings to consider the proposals, which we refer to as the Southside special meeting and the OmniAmerican special meeting, respectively. This joint proxy statement/prospectus contains important information about the mergers and the other proposals being voted on at the special meetings, and you should read it carefully. It is a joint proxy statement because both the Southside and OmniAmerican boards of directors are soliciting proxies from their respective shareholders and stockholders. It is a prospectus because Southside will issue shares of Southside common stock to holders of OmniAmerican common stock in connection with the first merger. The enclosed materials allow you to authorize a proxy to vote your shares without attending your respective meeting. Your vote is important. We encourage you to authorize your proxy as soon as possible.

#### **Q: What will I receive in the mergers?**

A:

*Southside shareholders:* If the mergers are completed, Southside shareholders will not receive any merger consideration and will continue to hold the shares of Southside common stock that they currently hold. Following the mergers, shares of Southside common stock will continue to be traded on the NASDAQ Global Select Market under the symbol "SBSI."

*OmniAmerican stockholders:* If the first merger is completed, for each share of OmniAmerican common stock that OmniAmerican stockholders hold immediately prior to the first merger, OmniAmerican stockholders will receive: (1) 0.4459 of a share of Southside common stock, which we refer to as the stock consideration and (2) \$13.125 in cash, which we refer to as the cash consideration. The stock consideration and the cash consideration are collectively referred to as the merger consideration. Southside will not issue any fractional shares of Southside common stock in the first merger. OmniAmerican stockholders who would otherwise be entitled to a fractional share of Southside common stock upon the completion of the first merger will instead receive an amount in cash based on the volume weighted average price per share of Southside common stock for the five trading days immediately preceding (but not including) the day on which the first merger is completed, which we refer to as the Southside closing share value.

**Q:**

**Will the value of the stock consideration change between the date of this joint proxy statement/prospectus and the time the first merger is completed?**

A:

Yes. The value of the stock consideration may fluctuate between the date of this joint proxy statement/prospectus and the completion of the first merger based upon the market value for Southside common stock. In the first merger, OmniAmerican stockholders will receive a fraction of a share of Southside common stock for each share of OmniAmerican common stock they hold. Any fluctuation in the market price of Southside common stock after the date of this joint proxy statement/prospectus will change the value of the shares of Southside common stock that OmniAmerican stockholders will receive.



Table of Contents

**Q: What will happen to OmniAmerican equity awards in the mergers?**

A:

At the effective time of the first merger, each option to purchase shares of OmniAmerican common stock granted under the OmniAmerican Bancorp., Inc. 2011 Equity Incentive Plan that is outstanding immediately prior to the effective time of the first merger, whether vested or unvested, will be automatically cancelled (conditioned upon completion of the first merger) in exchange for the right to receive a cash payment as specified under the merger agreement. Holders of options to purchase shares of OmniAmerican's common stock will not be entitled to receive any shares of Southside common stock in exchange for their options.

At the effective time of the first merger, each issued and outstanding restricted share of OmniAmerican common stock, including unvested shares which will become vested immediately prior to the effective time of the first merger, will be converted into the right to receive the merger consideration.

**Q: How does Southside's board of directors recommend that I vote at the special meeting?**

A:

Southside's board of directors unanimously recommends that you vote "FOR" the Southside share issuance proposal and "FOR" the Southside adjournment proposal.

**Q: How does OmniAmerican's board of directors recommend that I vote at the special meeting?**

A:

OmniAmerican's board of directors unanimously recommends that you vote "FOR" the OmniAmerican merger proposal, "FOR" the OmniAmerican compensation proposal and "FOR" the OmniAmerican adjournment proposal.

**Q: When and where are the special meetings?**

A:

The Southside special meeting will be held at Southside's headquarters located at 1201 South Beckham Avenue, Tyler, Texas on Tuesday, October 14, 2014 at 4:30 p.m. local time.

The OmniAmerican special meeting will be held at OmniAmerican's headquarters located at 1320 South University Drive, Fort Worth, Texas on Tuesday, October 14, 2014, at 10:00 a.m. local time.

**Q: What do I need to do now?**

A:

After you have carefully read this joint proxy statement/prospectus and have decided how you wish to vote your shares, please authorize a proxy to vote your shares promptly so that your shares are represented and voted at the applicable special meeting.

**Q: What constitutes a quorum for the Southside special meeting?**

A:

The presence at the Southside special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Southside common stock that are entitled to vote at the Southside special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum.

**Q: What constitutes a quorum for the OmniAmerican special meeting?**

A:

The presence at the OmniAmerican special meeting, in person or by proxy, of holders of record of outstanding shares of OmniAmerican common stock that are entitled to cast a majority of the votes entitled to be cast at the OmniAmerican special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes, if any, will be included in determining the

## Edgar Filing: Franks Martin D - Form 4

number of shares present at the meeting for the purpose of determining the presence of a quorum.

3

---

Table of Contents

**Q: What is the vote required to approve each proposal?**

A:

*Southside special meeting:* Approval of each of the Southside share issuance proposal and the Southside adjournment proposal requires the affirmative vote of a majority of the shares of Southside common stock entitled to vote and represented in person or by proxy at the Southside special meeting, assuming a quorum is present.

*OmniAmerican special meeting:* Approval of the OmniAmerican merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of OmniAmerican common stock entitled to vote on such proposal. Approval of each of the OmniAmerican compensation proposal and the OmniAmerican adjournment proposal requires the affirmative vote of a majority of the votes cast on each such proposal by the holders of shares of OmniAmerican common stock entitled to vote thereon.

**Q: What will happen if OmniAmerican stockholders do not approve the OmniAmerican compensation proposal?**

A:

The SEC, in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, adopted rules that require OmniAmerican to seek an advisory (non-binding) vote with respect to certain compensation that will or may become payable to OmniAmerican's named executive officers in connection with the first merger. The vote on the OmniAmerican compensation proposal is a vote separate and apart from the vote to approve the OmniAmerican merger proposal. You may vote for this proposal and against the OmniAmerican merger proposal, or vice versa. Because the vote on the OmniAmerican compensation proposal is advisory only, it will not be binding on OmniAmerican or Southside and will have no impact on whether the first merger is completed or on whether any contractually obligated payments are made to OmniAmerican's named executive officers.

**Q: Why is my vote important?**

A:

If you do not submit a proxy or vote in person, it may be more difficult for Southside and OmniAmerican to obtain the necessary quorum to hold their special meetings. In addition, if you are an OmniAmerican stockholder, your failure to submit a proxy or vote in person, or failure to instruct your bank or broker how to vote, or abstention will have the same effect as a vote against approval of the first merger. The first merger must be approved by the affirmative vote of the holders of at least a majority of the outstanding shares of OmniAmerican's common stock. OmniAmerican's board of directors unanimously recommends that you vote "FOR" the proposal to approve the first merger.

**Q: How many votes do I have?**

A:

*Southside shareholders:* You are entitled to one vote on each proposal to be considered at the Southside special meeting for each share of Southside common stock that you owned as of the close of business on August 29, 2014, which is the Southside record date.

*OmniAmerican stockholders:* You are entitled to one vote on each proposal to be considered at the OmniAmerican special meeting for each share of OmniAmerican common stock that you owned as of the close of business on August 29, 2014, which is the OmniAmerican record date.

Table of Contents

**Q: How do I vote?**

A:

*Southside shareholders:* If you are a shareholder of record, you may have your shares of Southside common stock voted on the matters to be presented at the Southside special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person you may attend the special meeting and cast your vote there.

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Your bank, brokerage firm or other nominee cannot vote your shares without instructions from you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

*OmniAmerican stockholders:* If you are a stockholder of record, you may have your shares of OmniAmerican common stock voted on the matters to be presented at the OmniAmerican special meeting in any of the following ways:

by telephone or over the Internet, by accessing the telephone number or Internet website specified on the enclosed proxy card. The control number provided on your proxy card is designed to verify your identity when voting by telephone or by Internet. Please be aware that if you vote by telephone or over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible;

by completing, signing, dating and returning the enclosed proxy card in the accompanying prepaid reply envelope; or

in person you may attend the special meeting and cast your vote there.

If you are a beneficial owner, please refer to the instructions provided by your bank, brokerage firm or other nominee to see which of the above choices are available to you. Your bank, brokerage firm or other nominee cannot vote your shares without instructions from you. Please note that if you are a beneficial owner and wish to vote in person at the special meeting, you must obtain a legal proxy from your bank, brokerage firm or other nominee.

**Q: What if I abstain from voting or fail to instruct my bank or broker?**

A:

*Southside shareholders:* If you mark "ABSTAIN" on your proxy with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have the same effect as a vote "AGAINST" the proposal. If you fail to submit a proxy or vote in person at the Southside special meeting or fail to instruct your bank or broker how to vote with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have no effect on the proposals.

*OmniAmerican stockholders:* If you mark "ABSTAIN" on your proxy with respect to the OmniAmerican merger proposal, fail to authorize a proxy or vote in person at the OmniAmerican special meeting, or fail to instruct your bank or broker how to vote, it will have the same effect as a vote "AGAINST" the proposal.

Table of Contents

If you mark "ABSTAIN" on your proxy, fail to authorize a proxy or vote in person at the OmniAmerican special meeting or fail to instruct your bank or broker how to vote with respect to the OmniAmerican compensation proposal or the OmniAmerican adjournment proposal, your shares will not be counted as votes cast and will have no effect on these proposals.

**Q: How do I vote if I own shares through the OmniAmerican ESOP or the OmniAmerican stock fund of the OmniAmerican 401(k) Plan?**

**A:** If you participate in the OmniAmerican Bank Employee Stock Ownership Plan, or the OmniAmerican ESOP, or if you hold OmniAmerican common stock through the OmniAmerican Bank 401(k) Profit Sharing Plan, or the OmniAmerican 401(k) Plan, you will receive vote authorization forms for the plans that reflect all shares you may direct the trustees to vote on your behalf under the plans. Under the terms of the OmniAmerican ESOP, the trustee votes all shares held by the OmniAmerican ESOP, but each OmniAmerican ESOP participant may direct the trustee how to vote the shares of OmniAmerican common stock allocated to his or her account. The trustee, subject to the exercise of its fiduciary responsibilities, will vote all unallocated shares of OmniAmerican common stock held by the OmniAmerican ESOP, deemed allocated shares for which no voting instructions are received and stock for which OmniAmerican ESOP participants have voted to abstain in the same proportion as shares for which it has received timely voting instructions. Under the terms of the OmniAmerican 401(k) Plan, a participant is entitled to provide instructions for all shares of OmniAmerican common stock credited to his or her OmniAmerican 401(k) Plan account. Shares for which no voting instructions are given or for which instructions were not timely received will be voted in the same proportion as shares for which voting instructions were received.

**Q: Can I attend the special meeting and vote my shares in person?**

**A:** Yes. All shareholders of Southside and stockholders of OmniAmerican as of the record date, including shareholders and stockholders of record and shareholders and stockholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend their respective special meetings. Holders of record of Southside and OmniAmerican common stock can vote in person at the Southside special meeting and OmniAmerican special meeting, respectively. If you are not a shareholder or stockholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meetings. If you plan to attend your special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Southside and OmniAmerican reserve the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Southside or OmniAmerican special meeting is prohibited without Southside or OmniAmerican's express written consent, respectively.

**Q: Can I change my vote?**

**A:** *Southside shareholders:* Yes. If you are a holder of record of Southside common stock, you may revoke your proxy prior to the Southside special meeting by providing notice in writing to Southside's Corporate Secretary at Southside's principal office, located at 1201 South Beckham Avenue, Tyler, Texas 75701, at any time prior to the meeting, or by advising the Southside Corporate Secretary at the special meeting that you wish to revoke your proxy and vote your shares in person. Your attendance at the Southside special meeting will not constitute automatic

Table of Contents

revocation of the proxy. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

*OmniAmerican stockholders:* Yes. If you are a holder of record of OmniAmerican common stock, you may revoke any proxy at any time prior to the OmniAmerican special meeting by providing notice in writing to OmniAmerican's Corporate Secretary at OmniAmerican's principal office, located at 1320 South University Drive, Suite 900, Fort Worth, Texas 76107, by returning a duly executed proxy bearing a later date by mail, by logging onto the Internet website specified on your proxy card in the same manner you would submit your proxy electronically or by calling the telephone number specified on your proxy card, as described on your proxy card. Your attendance at the OmniAmerican special meeting will not constitute automatic revocation of the proxy unless the stockholder delivers his or her ballot in person at the special meeting or delivers a written revocation to the OmniAmerican Corporate Secretary prior to the voting of such proxy. If you hold your shares in "street name" through a bank or broker, you should contact your bank or broker to revoke your proxy.

**Q: Will Southside be required to submit the Southside share issuance proposal to its shareholders even if Southside's board of directors has withdrawn, modified or qualified its recommendation?**

A: Yes. Unless the merger agreement is terminated before the Southside special meeting, Southside is required to submit the Southside share issuance proposal to its shareholders even if Southside's board of directors has withdrawn, modified or qualified its recommendation.

**Q: Will OmniAmerican be required to submit the OmniAmerican merger proposal to its stockholders even if OmniAmerican's board of directors has withdrawn, modified or qualified its recommendation?**

A: Yes. Unless the merger agreement is terminated before the OmniAmerican special meeting, OmniAmerican is required to submit the OmniAmerican merger proposal to its stockholders even if OmniAmerican's board of directors has withdrawn, modified or qualified its recommendation.

**Q: What are the U.S. federal income tax consequences of the mergers to OmniAmerican stockholders?**

Southside and OmniAmerican each expect 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, or the Code, with the result that the portion of OmniAmerican common stock exchanged for Southside shares will generally be tax-free and the portion of the OmniAmerican common stock exchanged for cash will generally be taxable as a capital gain.

For further information, see "The Mergers U.S. Federal Income Tax Considerations."

*The U.S. federal income tax consequences described above may not apply to all holders of OmniAmerican common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the mergers to you.*

**Q: Are OmniAmerican stockholders entitled to exercise appraisal rights?**

A: No. No holder of OmniAmerican common stock is entitled, with respect to the first merger, to exercise any rights of an objecting stockholder provided for under Title 3 Subtitle 2 of the Maryland General Corporation Law, or the MGCL, any successor statute, or any similar appraisal or dissenter's rights. For further information, see "The Mergers No Dissenters' or Appraisal Rights."

Table of Contents

**Q: If I am an OmniAmerican stockholder, should I send in my OmniAmerican stock certificates now?**

A: No. Please do not send in your OmniAmerican stock certificates with your proxy. After the first merger, an exchange agent designated by Southside will send you instructions for exchanging OmniAmerican stock certificates for the merger consideration.

**Q: What should I do if I hold my shares of OmniAmerican common stock in book-entry form?**

A: You are not required to take any specific actions if your shares of OmniAmerican common stock are held in book-entry form. After the completion of the first merger, shares of OmniAmerican common stock held in book-entry form automatically will be exchanged for the merger consideration, including shares of Southside common stock in book-entry form, the cash consideration and any cash to be paid in exchange for fractional shares in the first merger.

**Q: Whom may I contact if I cannot locate my OmniAmerican stock certificate(s)?**

A: If you are unable to locate your original OmniAmerican stock certificate(s), you should contact Registrar and Transfer Company, Attn: Lost Certificate Department at 10 Commerce Drive, Cranford, NJ 07016, or at (800) 368-5948.

**Q: When do you expect to complete the mergers?**

A: Southside and OmniAmerican expect to complete the mergers in the fourth quarter of 2014. However, neither Southside nor OmniAmerican can assure you when or if the mergers will occur. Southside and OmniAmerican must first obtain the approval of Southside shareholders for the Southside share issuance proposal and OmniAmerican stockholders for the OmniAmerican merger proposal, respectively, as well as the necessary regulatory approvals.

**Q: What happens if the mergers are not completed?**

A: If the first merger is not completed, holders of OmniAmerican common stock or equity awards will not receive any consideration for their shares of OmniAmerican common stock or equity awards that otherwise would have been received in connection with the first merger. Instead, OmniAmerican will remain an independent public company and its common stock will continue to be listed and traded on the NASDAQ Global Select Market. If the first merger is completed but, for any reason, the second merger and the bank merger are not completed, it will have no impact on the consideration to be received by holders of OmniAmerican common stock or equity awards.

**Q: Whom should I call with questions?**

A: *Southside shareholders:* If you have any questions concerning the mergers or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of Southside common stock, please contact: Susan Hill, Investor Relations, 1201 South Beckham Avenue, Tyler, Texas 75701, at (903) 531-7220 or susan.hill@southside.com.

*OmniAmerican stockholders:* If you have any questions concerning the mergers or this joint proxy statement/prospectus, would like additional copies of this joint proxy statement/prospectus or need help voting your shares of OmniAmerican common stock, please contact: Keishi High, Investor Relations, 1320 South University Drive, Suite 900, Fort Worth, Texas 76107, at (817) 367-4640.

Table of Contents

**SUMMARY**

*This summary highlights selected information from this joint proxy statement/prospectus. It may not contain all of the information that is important to you. We urge you to read carefully the entire joint proxy statement/prospectus, including the annexes, and the other documents to which we refer in order to fully understand the mergers. See "Where You Can Find More Information." Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.*

**The Companies (page 34)**

*Southside Bancshares, Inc.  
1201 South Beckham Avenue  
Tyler, Texas 75701  
(903) 531-7111*

Southside was incorporated in Texas in 1982 and serves as the bank holding company for Southside Bank, headquartered in Tyler, Texas. Southside Bank has the largest deposit base in the Tyler metropolitan area and is the largest bank, based on asset size, headquartered in East Texas. At June 30, 2014, Southside had consolidated assets of \$3.5 billion, loans of \$1.4 billion, deposits of \$2.6 billion, and stockholders' equity of \$284.0 million.

Additional information about Southside and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information."

*OmniAmerican Bancorp, Inc.  
1320 South University Drive, Suite 900  
Fort Worth, Texas 76107  
(817) 367-4640*

OmniAmerican Bancorp, Inc. was incorporated in Maryland in 2009 and owns all of the outstanding shares of common stock of OmniAmerican Bank headquartered in Fort Worth, Texas. On January 20, 2010, OmniAmerican completed the mutual-to-stock conversion of OmniAmerican Bank and initial public stock offering of OmniAmerican. At June 30, 2014, OmniAmerican had consolidated assets of \$1.4 billion, loans of \$784.1 million, deposits of \$822.0 million, and stockholders' equity of \$214.5 million.

Additional information about OmniAmerican and its subsidiaries is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information."

**The Mergers**

*The Merger Agreement (page 103)*

Southside, Merger Sub and OmniAmerican entered into an Agreement and Plan of Merger, dated as of April 28, 2014, which we refer to as the merger agreement. The merger agreement governs the mergers. The merger agreement is included in this joint proxy statement/prospectus as Annex A. All descriptions in this summary and elsewhere in this joint proxy statement/prospectus of the terms and conditions of the mergers are qualified by reference to the merger agreement. Please read the merger agreement carefully for a more complete understanding of the mergers.

*The Mergers (page 49)*

Pursuant to the merger agreement, Merger Sub will merge with and into OmniAmerican, with OmniAmerican as the surviving company, which we refer to as the first merger. Immediately after the first merger, OmniAmerican will merge with and into Southside, with Southside as the surviving





Table of Contents

company, which we refer to as the second merger. Immediately after the second merger, OmniAmerican Bank, a wholly owned subsidiary of OmniAmerican, 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. We refer to the first merger, the second merger and the bank merger collectively as the mergers.

*The Merger Consideration (page 104)*

If the first merger is completed, OmniAmerican stockholders will receive for each share of OmniAmerican common stock that they hold immediately prior to the first merger: (1) 0.4459 of a share of Southside common stock; and (2) \$13.125 in cash. Southside will not issue any fractional shares of Southside common stock in the first merger. OmniAmerican stockholders who would otherwise be entitled to a fraction of a share of Southside common stock upon the completion of the first merger will instead receive, for the fraction of a share, an amount in cash based on the Southside closing share value. For example, if you hold 100 shares of OmniAmerican common stock, you will receive \$1,312.50 in cash, 44 shares of Southside common stock and an additional cash payment instead of the 0.59 of a share of Southside common stock that you otherwise would have received (100 shares × 0.4459 = 44.59 shares), which payment will equal the product of 0.59 and the volume weighted average price per share of Southside common stock for the five trading days immediately preceding (but not including) the day on which the first merger is completed, which we refer to as the Southside closing share value.

Southside common stock is listed on the NASDAQ Global Select Market under the symbol "SBSI" and OmniAmerican common stock is listed on the NASDAQ Global Select Market under the symbol "OABC." The following table sets forth the closing sale prices of Southside common stock and OmniAmerican common stock as reported on the NASDAQ Global Select Market on April 28, 2014, the last full trading day before the public announcement of the merger agreement, and on September 2, 2014, the latest practicable trading date before the date of this joint proxy statement/prospectus. The following table also includes the equivalent market value per share of OmniAmerican common stock on April 28, 2014 and September 2, 2014, which we calculated by multiplying the closing price of Southside common stock on those dates by the exchange ratio of 0.4459 and adding the cash portion of the merger consideration of \$13.125 per share.

	Southside Common Stock	OmniAmerican Common Stock	Implied Value of Merger Consideration for One Share of OmniAmerican Common Stock
April 28, 2014	\$ 30.46	\$ 22.93	\$ 26.71
September 2, 2014	\$ 33.44	\$ 26.06	\$ 28.04

Southside will fund the cash portion of the merger consideration with regular cash flow from its securities portfolio and with cash from the sale of approximately \$126 million of available for sale mortgage-backed securities prior to the closing of the first merger.

**Ancillary Agreements**

*Voting and Support Agreements (page 118)*

As a condition to Southside entering into the merger agreement, each of the non-employee directors of OmniAmerican entered into a voting and support agreement pursuant to which each such person agreed, among other things, (1) to vote the shares of OmniAmerican common stock held of record by such person to approve the first merger and (2) for a period of two years following the closing the first merger, to not engage in certain competitive activities with Southside, including not

## Edgar Filing: Franks Martin D - Form 4

### Table of Contents

soliciting employees and customers of OmniAmerican and not serving as a director or management official of another financial institution in the counties in Texas in which OmniAmerican has branches. The form of voting and support agreement is included in this joint proxy statement/prospectus as Annex D.

#### *Employment Agreements (page 119)*

In addition, as a condition to Southside entering into the merger agreement, key employees of OmniAmerican entered into new employment agreements with Southside and Southside Bank, the effectiveness of which is conditioned upon the completion of the mergers.

#### **Recommendation of the Southside Board (page 35)**

Southside's board of directors has determined that the mergers, the merger agreement and the transactions contemplated by the merger agreement, including the issuance of shares of Southside common stock in the first merger, are advisable and in the best interests of Southside and its shareholders and has unanimously approved the mergers and the merger agreement, including the share issuance. Southside's board of directors unanimously recommends that Southside shareholders vote "FOR" the Southside share issuance proposal and "FOR" the Southside adjournment proposal. For the factors considered by Southside's board of directors in reaching its decision to approve the mergers, see "The Mergers Southside's Reasons for the Mergers."

#### **Recommendation of the OmniAmerican Board (page 41)**

OmniAmerican's board of directors has determined that the mergers, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of OmniAmerican and its stockholders and has unanimously approved the mergers, the merger agreement and the transactions contemplated by the merger agreement. OmniAmerican's board of directors unanimously recommends that OmniAmerican stockholders vote "FOR" the OmniAmerican merger proposal, "FOR" the OmniAmerican compensation proposal and "FOR" the OmniAmerican adjournment proposal. For the factors considered by OmniAmerican's board of directors in reaching its decision to approve the mergers, see "The Mergers OmniAmerican's Reasons for the Mergers."

#### **Risk Factors Related to the Mergers (page 25)**

You should consider all the information contained in or incorporated by reference into this joint proxy statement/prospectus in deciding how to vote for the proposals presented in the joint proxy statement/prospectus. In particular, you should consider the factors under "Risk Factors."

#### **The Southside Special Meeting (page 35)**

The special meeting of Southside shareholders will be held on Tuesday, October 14, 2014, at 4:30 p.m. local time, at Southside's headquarters located at 1201 South Beckham Avenue, Tyler, Texas. At the special meeting, Southside shareholders will be asked to:

approve the Southside share issuance proposal; and

approve the Southside adjournment proposal.

Only holders of record at the close of business on August 29, 2014, the Southside record date, will be entitled to vote at the special meeting. Each share of Southside common stock is entitled to one vote on each proposal to be considered at the Southside special meeting. As of the Southside record date, there were 18,864,351 shares of Southside common stock entitled to vote at the special meeting. As of the Southside record date, the directors and executive officers of Southside and their affiliates beneficially owned and were entitled to vote 1,605,900 shares of Southside common stock representing



## Edgar Filing: Franks Martin D - Form 4

### Table of Contents

approximately 9% of the shares of Southside common stock outstanding on that date, and held vested options to purchase 69,612 shares of Southside common stock. As of the record date, OmniAmerican and its subsidiaries did not hold any shares of Southside common stock (other than shares held as fiduciary, custodian or agent). Other than Ms. Anderson and Mr. Sammons, who beneficially owned 1,607 shares and 2,000 shares, respectively, of Southside common stock as of the Southside record date, none of OmniAmerican's directors and executive officers or their affiliates held any shares of Southside common stock as of the Southside record date.

To approve the Southside share issuance proposal or the Southside adjournment proposal, a majority of the shares of Southside common stock entitled to vote and represented in person or by proxy at the special meeting must be voted in favor of approving the proposal. If you mark "ABSTAIN" on your proxy with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have the same effect as a vote "AGAINST" the proposals. However, if you fail to submit a proxy or vote in person at the Southside special meeting or fail to instruct your bank or broker how to vote with respect to the Southside share issuance proposal or the Southside adjournment proposal, it will have no effect on the proposal.

### **The OmniAmerican Special Meeting (page 41)**

The special meeting of OmniAmerican stockholders will be held on Tuesday, October 14, 2014, at 10:00 am local time, at OmniAmerican's headquarters located at 1320 South University Drive, Fort Worth, Texas. At the special meeting, OmniAmerican stockholders will be asked to:

approve the OmniAmerican merger proposal;

approve, the OmniAmerican compensation proposal; and

approve the OmniAmerican adjournment proposal.

Only holders of record at the close of business on August 29, 2014, the OmniAmerican record date, will be entitled to vote at the OmniAmerican special meeting. Each share of OmniAmerican common stock is entitled to one vote on each proposal to be considered at the OmniAmerican special meeting. As of the OmniAmerican record date, there were 11,554,838 shares of OmniAmerican common stock entitled to vote at the OmniAmerican special meeting. All of the non-employee directors of OmniAmerican have entered into voting and support agreements with Southside, pursuant to which they have agreed, solely in their capacity as OmniAmerican stockholders, to vote all of their shares of OmniAmerican common stock in favor of the proposals to be presented at the OmniAmerican special meeting. As of the OmniAmerican record date, OmniAmerican non-employee directors who are parties to the voting and support agreements owned and were entitled to vote an aggregate of approximately 242,544 shares of OmniAmerican common stock, which represented approximately 2% of the shares of OmniAmerican common stock outstanding on that date. As of the OmniAmerican record date, the directors and executive officers of OmniAmerican and their affiliates beneficially owned and were entitled to vote 559,550 shares of OmniAmerican common stock, which represented approximately 5% of the shares of OmniAmerican common stock outstanding on that date, and held options to purchase 587,702 shares of OmniAmerican common stock and 161,750 shares underlying unvested restricted stock awards. As of the OmniAmerican record date, Southside and its subsidiaries did not hold any shares of OmniAmerican common stock (other than shares held as fiduciary, custodian or agent), and its directors and executive officers or their affiliates did not hold any shares of OmniAmerican common stock.

To approve the OmniAmerican merger proposal, the holders of at least a majority of the outstanding shares of OmniAmerican common stock entitled to vote on the proposal must vote in favor of the proposal. Your failure to submit a proxy or vote in person at the OmniAmerican special meeting,

Table of Contents

failure to instruct your bank or broker how to vote, or abstention with respect to the OmniAmerican merger proposal will have the same effect as a vote against the proposal.

To approve the OmniAmerican compensation proposal or the OmniAmerican adjournment proposal, a majority of the votes cast by the holders of shares of OmniAmerican common stock entitled to vote on such proposals at the special meeting must be voted in favor of such proposals. For the OmniAmerican compensation proposal and the OmniAmerican adjournment proposal, abstentions from voting and broker non-votes will not be counted as votes cast and will have no effect on the outcome of these proposals. If an OmniAmerican stockholder is not present in person at the OmniAmerican special meeting and does not respond by proxy, it also will have no effect on the outcome of these proposals.

**Board Composition and Management of Southside after the Mergers (page 86)**

Prior to, and subject to the occurrence of, the effective time of the first merger, the Southside board of directors will be increased by two, and Southside will appoint two individuals who are currently directors of OmniAmerican to serve on the Southside board of directors. At least one of the OmniAmerican directors designated by Southside must be "independent" as determined in accordance with the rules and regulations of NASDAQ, applicable regulations promulgated by the SEC and the standards established by Southside. Neither designee may have been subject to certain legal proceedings that would require disclosure in Southside's filings with the SEC.

Each of the executive officers of Southside immediately prior to the effective time of the mergers will continue as the officers of the surviving corporation from and after the effective time of the mergers.

**Interests of OmniAmerican's Directors and Executive Officers in the Mergers (page 86)**

OmniAmerican stockholders should be aware that some of OmniAmerican's directors and executive officers have interests in the mergers and have arrangements that are different from, or in addition to, those of OmniAmerican stockholders generally. These interests and arrangements may create potential conflicts of interest. OmniAmerican's board of directors was aware of these interests and considered these interests, among other matters, in adopting and approving the merger agreement and the transactions contemplated by the merger agreement, including the first merger, and in recommending that OmniAmerican stockholders vote in favor of approving the first merger.

These interests include:

Accelerated vesting and settlement of executive officer and director equity awards, in the aggregate amount of approximately \$7,449,093;

Retention bonuses to certain key executive officers of OmniAmerican that are payable on the closing date of the first merger, in the aggregate amount of \$210,000;

In connection with entering into the merger agreement, certain key employees of OmniAmerican entered into employment agreements with Southside that become effective upon the closing of the mergers and provide for a signing bonus and/or severance upon a termination of employment, with possible severance payments in the aggregate equal to \$4,812,001; and

The right to continued indemnification and directors' and officers' liability insurance coverage.

For a more complete description of these interests, see "The Mergers Interests of OmniAmerican's Directors and Executive Officers in the Mergers" and "The Merger Agreement Merger Consideration; Effects of the First Merger Treatment of OmniAmerican Stock Options and Other Equity-Based Awards."



Table of Contents

**Deregistration of OmniAmerican's Common Stock**

If the mergers are completed, OmniAmerican common stock will be deregistered under the Securities Exchange Act of 1934, as amended, or the Exchange Act, and OmniAmerican will no longer file periodic reports with the SEC.

**No Appraisal or Dissenters' Rights in the Mergers (page 101)**

No holder of OmniAmerican common stock is entitled, with respect to the first merger or otherwise, to exercise any rights of an objecting stockholder provided for under Title 3 Subtitle 2 of the Maryland General Corporation Law, or the MGCL, any successor statute, or any similar appraisal or dissenter's rights. For further information, see "The Mergers No Dissenters' or Appraisal Rights."

**Conditions to Completion of the Mergers (page 114)**

Currently, Southside and OmniAmerican expect to complete the mergers in the fourth quarter of 2014. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the mergers depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, approval of the first merger by OmniAmerican stockholders, approval of the share issuance by Southside's shareholders, the receipt of certain required regulatory approvals and the receipt of legal opinions by each company regarding the U.S. federal income tax treatment of the first merger and the second merger. Neither Southside nor OmniAmerican can be certain when, or if, the conditions to the mergers will be satisfied or waived, or that the mergers will be completed.

**Regulatory Approvals Required for the Mergers (page 95)**

Both Southside and OmniAmerican have agreed to use their reasonable best efforts to obtain all regulatory approvals required or advisable to complete the transactions contemplated by the merger agreement. These approvals include, among others, approval from the Board of Governors of the Federal Reserve System, or Federal Reserve Board, the Federal Deposit Insurance Corporation, or FDIC, and the Texas Department of Banking. In addition, Southside and OmniAmerican must provide notice of the transaction to the Office of the Comptroller of the Currency, or the OCC, the Federal Trade Commission and the Antitrust Division of the Department of Justice. Southside and OmniAmerican have submitted applications and notifications to obtain the required regulatory approvals. Although neither Southside nor OmniAmerican knows of any reason why these regulatory approvals cannot be obtained, Southside and OmniAmerican cannot be certain when or if they will be obtained, as the length of the review process may vary based on, among other things, requests by regulators for additional information or materials.

**No Solicitation (page 113)**

Under the merger agreement, OmniAmerican has agreed that it will not, and will cause its representatives not to, directly or indirectly, (1) solicit, initiate, assist or knowingly take any other action to facilitate or encourage a competing acquisition proposal (including furnishing non-public information), (2) enter into, continue or otherwise participate in any discussions or negotiations regarding a competing acquisition proposal, or (3) approve, recommend, declare advisable or enter into any agreement providing for a competing acquisition proposal or requiring OmniAmerican to abandon, terminate or breach its obligations under the merger agreement or fail to complete the mergers.

However, prior to obtaining OmniAmerican's required stockholder approval, OmniAmerican may, under certain specified circumstances, participate in negotiations or discussions with any third party making an acquisition proposal and provide confidential information to such third party (subject to a



## Edgar Filing: Franks Martin D - Form 4

### Table of Contents

confidentiality agreement). OmniAmerican must notify Southside promptly (but in no event later than 48 hours) after the receipt of such acquisition proposal.

Additionally, prior to obtaining OmniAmerican's required stockholder approval, OmniAmerican may, under certain specified circumstances, withdraw its recommendation to its stockholders with respect to the first merger and/or terminate the merger agreement in order to enter into an acquisition agreement with respect to a superior acquisition proposal if it determines in good faith, after consultation with outside legal counsel and financial advisors, that such acquisition proposal is a superior proposal and that failure to take such action would be inconsistent with the directors' fiduciary duties under applicable law. However, OmniAmerican cannot take any of those actions in response to a superior proposal unless it provides Southside with a three-day period to negotiate in good faith to enable Southside to adjust the terms and conditions of the merger agreement such that it would cause the superior proposal to no longer constitute a superior proposal.

### **Termination of the Merger Agreement (page 115)**

The merger agreement can be terminated at any time prior to completion of the first merger by mutual consent, or by either party in the following circumstances:

if the closing of the first merger is not completed within nine months of the date of the merger agreement, or January 28, 2015, which we refer to as the end date;

if any court or other governmental entity has issued a final and nonappealable judgment, order, injunction, rule or decree, or taken any other action restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the merger agreement;

if either party receives written notice from or is otherwise advised by a governmental entity that it will not grant any required regulatory approval without imposing a materially burdensome regulatory condition on either party;

in the event that approval by the shareholders of Southside or the stockholders of OmniAmerican, respectively, is not obtained at a meeting at which a vote was taken; or

if the other party has breached or is in breach of any representation, warranty, covenant or agreement in any respect, which breach would, individually or together with all such other then-uncured breaches by such party, prevent any closing condition from being satisfied and such breach is not cured by the earlier of (1) the end date and (2) 30<sup>th</sup> business day after written notice of such breach.

In addition, Southside may terminate the merger agreement in the following circumstances:

if OmniAmerican fails to make its required recommendation to stockholders in favor of the first merger, or withdraws, amends, modifies or materially qualifies, in a manner adverse to Southside or Merger Sub, its recommendation, or adopts, approves or publicly recommends any competing acquisition proposal, or makes any public statement inconsistent with its recommendation;

if OmniAmerican fails to comply in all material respects with its obligations pursuant to the no-shop covenant;

if OmniAmerican fails to comply in all material respects with its obligations under the merger agreement by failing to call, give notice of, convene and hold a stockholders meeting; or

## Edgar Filing: Franks Martin D - Form 4

if OmniAmerican approves, recommends or endorses or fails to recommend rejection, within 10 business days after a competing tender or exchange offer is commenced, or proposes or resolves to recommend or endorse a competing acquisition proposal.

## Edgar Filing: Franks Martin D - Form 4

### Table of Contents

In addition, OmniAmerican may terminate the merger agreement in the following circumstances:

if Southside fails to make its required recommendation to shareholders in favor of the share issuance, or withdraws, modifies or qualifies, or proposes or resolves to withdraw, modify or qualify, such recommendation in a manner adverse to OmniAmerican;

if Southside fails to comply in all material respects with its obligations under the merger agreement by failing to call, give notice of, convene and hold a shareholders meeting; or

if OmniAmerican's board of directors determines to enter into a definitive agreement with respect to a superior proposal in accordance with the terms of the merger agreement but only if substantially concurrently with such termination, OmniAmerican pays to Southside the \$10.0 million termination fee and enters into such definitive agreement.

### **Termination Fee (page 116)**

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by OmniAmerican's board of directors, OmniAmerican may be required to pay Southside a termination fee of \$10.0 million. The termination fee could discourage other companies from seeking to acquire or merge with OmniAmerican.

### **U.S. Federal Income Tax Considerations (page 97)**

The first merger and the second merger are intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to the respective obligations of Southside and OmniAmerican to complete the first merger that each of Southside and OmniAmerican receives a tax opinion to that effect. In addition, counsel to each of Southside and OmniAmerican have delivered opinions, which are filed as exhibits to the registration statement of which this joint proxy statement/prospectus forms a part, that the first merger and the second merger will be treated as a "reorganization" within the meaning of Section 368(a) of the Code. Based upon the treatment of the mergers as a "reorganization" within the meaning of Section 368(a) of the Code, a stockholder of OmniAmerican will not recognize gain or loss with respect to the receipt of the stock consideration. As a result of receiving Southside common stock and cash in exchange for OmniAmerican common stock, in general, stockholders of OmniAmerican will recognize gain, but not loss, equal to the lesser of cash received or gain realized in the first merger and the second merger. The amount of gain realized will equal the amount by which the cash plus the fair market value, at the effective time of the first merger, of the Southside common stock exceeds the basis in OmniAmerican common stock to be surrendered in exchange therefor. For further information, see "The Mergers U.S. Federal Income Tax Considerations."

*The U.S. federal income tax consequences described above may not apply to all holders of OmniAmerican common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your independent tax advisor for a full understanding of the particular tax consequences of the mergers to you.*

### **Accounting Treatment of the Mergers (page 101)**

Southside will account for the mergers under the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States of America.

### **Opinion of Southside's Financial Advisor (page 62 and Annex B)**

On April 28, 2014, at a meeting of the Southside board of directors held to evaluate the mergers, Keefe, Bruyette & Woods, Inc., or KBW, delivered to Southside's board of directors an opinion to the effect that, as of that date and based on and subject to various assumptions, matters considered and



Table of Contents

limitations described in KBW's opinion, the merger consideration in the first merger was fair, from a financial point of view, to Southside.

The full text of KBW's opinion is attached as Annex B to this document. Southside shareholders should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by KBW in rendering its opinion.

**KBW's opinion was for the information of, and was directed to, Southside's board of directors (in its capacity as the board of directors) in connection with its consideration of the financial terms of the first merger and did not address the relative merits of the transactions contemplated by the merger agreement as compared to any alternative transaction or opportunity that might be available to Southside, nor did it address Southside's underlying business decision to engage in the mergers. KBW's opinion does not constitute a recommendation as to how any holder of shares of Southside common stock should vote on the Southside share issuance or any related matter.**

For further information, please see the section entitled "The Mergers Opinion of Southside's Financial Advisor" beginning on page 62.

**Opinion of OmniAmerican's Financial Advisor (page 73 and Annex C)**

On April 28, 2014, Sandler O'Neill & Partners, L.P., referred to as Sandler O'Neill, rendered an opinion to the OmniAmerican board of directors to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by Sandler O'Neill as set forth in such opinion, the merger consideration to be paid in the proposed transaction was fair, from a financial point of view, to OmniAmerican stockholders. The full text of the written opinion of Sandler O'Neill is attached as Annex C to this document. OmniAmerican stockholders should read the entire opinion for a discussion of, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the review undertaken by Sandler O'Neill in rendering its opinion.

**The opinion of Sandler O'Neill is addressed to the OmniAmerican board of directors, is directed only to the fairness, from a financial point of view, of the merger consideration to be paid to the holders of OmniAmerican stock and does not constitute a recommendation to any OmniAmerican stockholder as to how such stockholder should vote with respect to the first merger or any other matter at the OmniAmerican special meeting.**

For further information, please see the section entitled "The Mergers Opinion of OmniAmerican's Financial Advisor" beginning on page 73.

Table of Contents**SELECTED HISTORICAL FINANCIAL INFORMATION OF SOUTHSIDE**

The following selected consolidated financial information for the fiscal years ended December 31, 2009 through December 31, 2013 is derived from audited consolidated financial statements of Southside. The consolidated financial information as of and for the six months ended June 30, 2014 and 2013 is derived from unaudited consolidated financial statements and, in the opinion of Southside's management, reflects all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of these data for those dates. The selected consolidated income data for the six months ended June 30, 2014 are not necessarily indicative of the results that may be expected for the entire year ending December 31, 2014. You should not assume the results of operations for any past periods indicate results for any future period. You should read this information in conjunction with Southside's consolidated financial statements and related notes thereto included in Southside's Annual Report on Form 10-K for the year ended December 31, 2013, and in Southside's Quarterly Report on Form 10-Q for the six months ended June 30, 2014, each of which are incorporated by reference into this joint proxy statement/prospectus. See "Where You Can Find More Information."

(in thousands)	At June 30,		At December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(unaudited)						
<b>Selected Consolidated Financial Condition Data:</b>							
Total assets	\$ 3,498,662	\$ 3,385,665	\$ 3,445,663	\$ 3,237,403	\$ 3,303,817	\$ 2,999,759	\$ 3,024,288
Investment securities	742,129	791,315	728,981	618,716	284,452	300,839	266,553
Mortgage-backed securities	1,012,399	1,062,274	1,115,827	1,051,898	1,729,516	1,364,117	1,480,847
Loans, net of allowance for loan losses	1,372,877	1,275,059	1,332,396	1,242,392	1,068,690	1,057,209	1,013,680
Deposits	2,601,478	2,499,338	2,527,808	2,351,897	2,321,671	2,134,428	1,870,421
Long-term obligations	566,021	502,119	559,660	429,408	321,035	433,790	592,830
Shareholders' equity	283,960	236,120	259,518	257,763	258,927	214,461	201,781

(in thousands, except per share data)	For the Six Months Ended June 30,		For the Years Ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(unaudited)						
<b>Selected Consolidated Operating Data:</b>							
Interest income	\$ 64,325	\$ 55,776	\$ 119,602	\$ 116,020	\$ 131,038	\$ 131,374	\$ 145,193
Interest expense	8,577	9,445	17,968	26,895	35,631	45,307	52,672
Net interest income	55,748	46,331	101,634	89,125	95,407	86,067	92,521
Provision for loan losses	6,783	2,513	8,879	10,736	7,496	13,737	15,093