FIRST BANCSHARES INC /MS/
Form 10QSB
May 15, 2003

U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-QSB

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED: MARCH 31, 2003

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 33-94288

THE FIRST BANCSHARES, INC.
(EXACT NAME OF SMALL BUSINESS ISSUER AS SPECIFIED IN ITS CHARTER)

MISSISSIPPI	64-0862173
(STATE OF INCORPORATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

6480 U.S. HIGHWAY 98 WEST HATTIESBURG, MISSISSIPPI	39402
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

(601) 268-8998
(ISSUER'S TELEPHONE NUMBER, INCLUDING AREA CODE)

NONE
(FORMER NAME, ADDRESS AND FISCAL YEAR, IF CHANGED SINCE LAST REPORT)

INDICATE BY CHECK MARK WHETHER THE ISSUER: (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES X NO

ON MARCH 31, 2003, 1,174,861 SHARES OF THE ISSUER'S COMMON STOCK, PAR VALUE $1.00 PER SHARE, WERE ISSUED AND OUTSTANDING.

TRANSITIONAL SMALL BUSINESS DISCLOSURE FORMAT (CHECK ONE):

YES NO X

PART I - FINANCIAL INFORMATION

ITEM NO. 1. FINANCIAL STATEMENTS

THE FIRST BANCSHARES, INC.

CONSOLIDATED BALANCE SHEETS

($ amounts in thousands) ASSETS	(Unaudited) March 31, 2003	December 31, 2002
Cash and due from banks	$ 3,984	$ 6,638
Interest-bearing deposits with banks	670	653
Federal funds sold	4,458	4,810
Total cash and cash equivalents	9,112	12,101
Securities held-to-maturity, at amortized cost	24	25
Securities available-for-sale, at fair value	23,610	25,721
Loans	102,713	100,678
Allowance for loan losses	(1,197)	(1,228)
LOANS, NET	101,516	99,450
Loans held for sale	8,914	7,091
Premises and equipment	7,879	7,986
Accrued income receivable	936	944
Cash surrender value	3,060	3,019
Other assets	1,162	1,090
	$156,213	$157,427
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Deposits:		
Noninterest-bearing	$ 19,386	$ 16,604
Time, $100,000 or more	31,415	33,551
Interest-bearing	70,313	67,966
TOTAL DEPOSITS	121,114	118,121
Interest payable	210	240
Borrowed funds	12,309	16,637
Guaranteed preferred beneficial interests in Company's subordinated debentures	7,000	7,000
Other liabilities	326	506
TOTAL LIABILITIES	140,959	142,504
SHAREHOLDERS' EQUITY:		
Common stock, $1 par value. Authorized 10,000,000 shares; 1,174,861 and 1,165,165 shares issued and outstanding at March 31, 2003 and December 31, 2002,		

respectively	1,175	1,165
Preferred stock, par value $1 per share, 10,000,000 shares authorized; no shares issued and outstanding	-	-
Additional paid-in capital	12,672	12,512
Retained earnings	1,258	1,060
Accumulated other comprehensive income	149	186
TOTAL SHAREHOLDERS' EQUITY	15,254	14,923
	$156,213	$157,427

THE FIRST BANCSHARES, INC.

CONSOLIDATED STATEMENTS OF INCOME

($ amounts in thousands except earnings per share)

	(Unaudited) Three Months Ended March 31,	
	2003	2002
INTEREST INCOME:		
Loans, including fees	$ 2,432	$ 2,003
Securities:		
Taxable	159	202
Tax exempt	25	1
Federal funds sold	12	18
Other	21	16
TOTAL INTEREST INCOME	2,649	2,240
INTEREST EXPENSE:		
Deposits	597	798
Other borrowings	224	103
TOTAL INTEREST EXPENSE	821	901
NET INTEREST INCOME	1,828	1,339
PROVISION FOR LOAN LOSSES	86	89
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	1,742	1,250
OTHER INCOME:		
Service charges on deposit accounts	328	269
Other service charges, commissions and fees	100	82
TOTAL OTHER INCOME	428	351
OTHER EXPENSES:		

Salaries and employee benefits	983	709
Occupancy and equipment expense	287	223
Other operating expenses	427	357
TOTAL OTHER EXPENSES	1,697	1,289
INCOME BEFORE INCOME TAXES	473	312
INCOME TAXES	158	104
NET INCOME	$ 315	$ 208
EARNINGS PER SHARE - BASIC	$ .27	$ .18
EARNINGS PER SHARE - ASSUMING DILUTION	.26	.17

THE FIRST BANCSHARES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

($ Amounts in Thousands)

	(Unaudited) Three Months Ended March 31,	
	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
NET INCOME	$ 315	$ 208
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	135	108
Provision for loan losses	86	89
Increase (decrease) in loans held for sale	(1,823)	916
Decrease in accrued income receivable	8	14
Increase (decrease) in interest payable	(30)	(63)
Other, net	(393)	(326)
NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES	(1,702)	946
CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturities and calls of securities available for sale	6,653	5,289
Purchases of securities available-for-sale	(4,578)	(7,496)
Net increase in loans	(2,035)	(4,952)
Purchases of premises and equipment	(5)	(287)
Increase in cash surrender value	(41)	-
NET CASH USED BY INVESTING ACTIVITIES	(6)	(7,446)

CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in deposits	2,993	2,201
Net increase (decrease) in borrowed funds	(4,327)	4,019
Increase in trust preferred securities	-	7,000
Issuance of common stock	170	-
Dividend paid on common stock	(117)	(117)
Exercise of stock options	-	110
NET CASH PROVIDED BY (USED BY) FINANCING ACTIVITIES	(1,281)	13,213
NET INCREASE (DECREASE) IN CASH	(2,989)	6,713
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	12,101	9,334
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 9,112	$ 16,047
CASH PAYMENTS FOR INTEREST	$ 851	$ 964
CASH PAYMENTS FOR INCOME TAXES	112	132

THE FIRST BANCSHARES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A -- BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial statements and with the instructions to Form 10-QSB and Item 310(b) of Regulation S-B of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. However, in the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2003, are not necessarily indicative of the results that may be expected for the year ended December 31, 2003. For further information, please refer to the consolidated financial statements and footnotes thereto included in the Company's Form 10-KSB for the year ended December 31, 2002.

NOTE B -- SUMMARY OF ORGANIZATION

The First Bancshares, Inc., Hattiesburg, Mississippi (the "Company"), was incorporated June 23, 1995, under the laws of the State of Mississippi for the purpose of operating as a bank holding company with respect to a then proposed de novo bank, The First National Bank of South Mississippi, Hattiesburg, Mississippi (the "Hattiesburg Bank"). The Hattiesburg Bank opened for business on August 5, 1996, with a total capitalization of $5.2 million.

On August 10, 1998, the Company filed a registration statement on Form SB-2 relating to the issuance of up to 533,333 shares of Common Stock in connection with the formation of the First National Bank of the Pine

Belt (Laurel Bank). The offering was closed on December 31, 1998, with 428,843 shares subscribed with an aggregate purchase price of $6.4 million. On January 19, 1999, the Laurel Bank received approval from its banking regulator to begin banking operations, and the Company used $5 million of the net proceeds to purchase 100% of the capital stock of the Laurel Bank. Simultaneously, the 428,843 shares subscribed to in the offering were issued.

The Hattiesburg and Laurel Bank are wholly-owned subsidiaries of the Company. The Company's strategy is for the Hattiesburg Bank and the Laurel Bank to operate on a decentralized basis, emphasizing each Bank's local board of directors and management and their knowledge of their local community. Each Bank's local board of directors acts to promote its Bank and introduce prospective customers. The Company believes that this autonomy will allow each Bank to generate high yielding loans and to attract and retain core deposits. In 2002, the Hattiesburg Bank received approval from banking regulators to operate a branch in Picayune, Mississippi. Picayune operations consisted of a "Loan Production Office" in the first quarter of 2003. Branch operations are expected to begin in the second quarter of this year.

On February 11, 2003, the Company filed a registration statement on Form S-2 relating to the issuance of up to 45,000 shares of Common Stock in connection with the opening of a branch in Picayune, Mississippi. The maximum offering price per share of the $1 par value stock is $17.50 with an offering period terminating upon the earlier of the sale of 45,000 shares or April 30, 2003.

The Hattiesburg Bank and the Laurel Bank engage in general commercial banking business, emphasizing in its marketing the Bank's local management and ownership. The Banks offer a full range of banking services designed to meet the basic financial needs of its customers. These services include checking accounts, NOW accounts, money market deposit accounts, savings accounts, certificates of deposit, and individual retirement accounts. The Banks also offer short- to medium-term commercial, mortgage, and personal loans. At March 31, 2003, the Company had approximately $156.2 million in consolidated assets, $101.5 million in consolidated loans, $121.1 million in consolidated deposits, and $15.3 million in consolidated shareholders' equity. For the three months ended March 31, 2003, the Company reported a consolidated net income of $315,000. For the same period, the Laurel Bank reported a net income of $32,000, and the Hattiesburg Bank net income of $332,000.

In the first quarter of 2002 and 2003, the Company declared and paid dividends of $.10 per common share.

NOTE C -- EARNINGS PER COMMON SHARE

Basic per share data is calculated based on the weighted-average number of common shares outstanding during the reporting period. Diluted per share data includes any dilution from potential common stock outstanding, such as exercise of stock options.

	For the Three Months Ended March 31, 2003		
	Net Income (Numerator)	Shares (Denominator)	Per Share Data
Basic per share	$ 315,000	1,166,781	$ .27

Effect of dilutive shares:			
Stock options	-	38,445	
Diluted per share	$ 315,000	1,205,226	$ .26

	For the Three Months Ended March 31, 2002		
	Net Income (Numerator)	Shares (Denominator)	Per Share Data
Basic per share	$ 208,000	1,165,165	$ .18
Effect of dilutive shares:			
Stock options	-	27,141	
Diluted per share	$ 208,000	1,192,306	$ .17

NOTE D - STOCK-BASED COMPENSATION

The Company has a stock-based employee compensation plan which is accounted for under the recognition and measurement principles of Accounting Principles Board ("APB") Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all stock options granted under these plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share as if the Company had applied the fair value recognition provisions of Financial Accounting Standards Board ("FASB") SFAS No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation.

($ amounts in thousands except for per share data)

	Three Months Ended March 31,	
	2003	2002
Net income, as reported	$ 315	$ 208
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(29)	(20)
Pro forma net income	$ 286	$ 188
Earnings per share:		
Basic - as reported	$ .27	$ .18
Basic - pro forma	.25	.16
Diluted - as reported	.26	.17
Diluted - pro forma	.24	.15

ITEM NO. 2 MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

The following discussion contains "forward-looking statements" relating to, without limitation, future economic performance, plans and objectives of management for future operations, and projections of revenues and other financial items that are based on the beliefs of the Company's management, as well as assumptions made by and information currently available to the Company's management. The words "expect," "estimate," "anticipate," and "believe," as well as similar expressions, are intended to identify forward-looking statements. The Company's actual results may differ materially from the results discussed in the forward-looking statements, and the Company's operating performance each quarter is subject to various risks and uncertainties that are discussed in detail in the Company's filings with the Securities and Exchange Commission, including the "Risk Factors" section in the Company's Registration Statement on Form SB-2 (Registration Number 333-61081) as filed with and declared effective by the Securities and Exchange Commission.

The Hattiesburg Bank completed its first full year of operations in 1997 and has grown substantially since opening on August 5, 1996. The Laurel Bank has been in operation since January 19, 1999. Comparisons of the Company's results for the periods presented should be made with an understanding of the subsidiary Banks' short histories.

The subsidiary Banks represent the primary assets of the Company. The Hattiesburg Bank reported total assets of $107.7 million at March 31, 2003, compared to $107.1 million at December 31, 2002. Loans increased $3.8 million, or 4.9%, during the first three months of 2003. Deposits at March 31, 2003, totaled $88.0 million compared to $83.0 million at December 31, 2002. For the three month period ended March 31, 2003, the Hattiesburg Bank reported net income of $332,000 compared to $147,000 for the three months ended March 31, 2002. At March 31, 2003, the Laurel Bank had total assets of $47.0 million, compared to $48.7 million at December 31, 2002, total loans of $30.7 million, compared to $29.8 million at December 31, 2002, and total deposits of $38.6 million, compared to $40.4 million at December 31, 2002. For the three month period ended March 31, 2003, the Laurel Bank reported net income from operations of $32,000, compared to $56,000 for the three months ended March 31, 2002.

NONPERFORMING ASSETS AND RISK ELEMENTS. Diversification within the loan portfolio is an important means of reducing inherent lending risks. At March 31, 2003, the subsidiary Banks had no concentrations of ten percent or more of total loans in any single industry nor any geographical area outside their immediate market areas.

At March 31, 2003, the subsidiary banks had loans past due as follows:

	($ In Thousands)
Past due 30 through 89 days	$1,526
Past due 90 days or more and still accruing	176

The accrual of interest is discontinued on loans which become ninety days past due (principal and/or interest), unless the loans are adequately secured and in the process of collection. Nonaccrual loans totaled $43,000 at March 31, 2003. Any other real estate owned is carried at fair value, determined by an appraisal. Other real estate owned totaled

$240,000 at March 31, 2003. A loan is classified as a restructured loan when the interest rate is materially reduced or the term is extended beyond the original maturity date because of the inability of the borrower to service the debt under the original terms. The subsidiary Banks had no restructured loans at March 31, 2003.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is adequate with cash and cash equivalents of $9.1 million as of March 31, 2003. In addition, loans and investment securities repricing or maturing within one year or less exceed $41.8 million at March 31, 2003. Approximately $11.2 million in loan commitments are expected to be funded within the next six months and other commitments, primarily standby letters of credit, totaled $219,000 at March 31, 2003.

There are no known trends or any known commitments of uncertainties that will result in the subsidiary banks' liquidity increasing or decreasing in a material way. In addition, the Company is not aware of any recommendations by any regulatory authorities which would have a material effect on the Company's liquidity, capital resources or results of operations.

Total consolidated equity capital at March 31, 2003, is $15.2 million, or approximately 9.7% of total assets. The Hattiesburg Bank and Laurel Bank currently have adequate capital positions to meet the minimum capital requirements for all regulatory agencies. Their capital ratios as of March 31, 2003, are as follows:

	Hattiesburg Bank	Laurel Bank
Tier 1 leverage	9.6%	10.4%
Tier 1 risk-based	12.3%	13.5%
Total risk-based	13.4%	14.4%

On March 26, 2002, The First Bancshares Statutory Trust 1 (the Trust), a wholly-owned subsidiary trust of the Company, issued $7,000,000 of redeemable cumulative trust preferred securities. The Trust used the funds to acquire floating rate subordinated debentures from the Company. The debentures bear an initial interest rate of 5.59% which was adjusted at June 26, 2002, to the 3-month LIBOR plus 3.60%. The debentures have a maturity of 30 years. These debentures qualify as Tier 1 capital up to 25% of other components of Tier 1 capital.

RESULTS OF OPERATIONS

The Company had a consolidated net income of $315,000 for the three months ending March 31, 2003, compared with consolidated net income of $208,000 for the same period last year.

Net interest income increased to $1,826,000 from $1,339,000 for the first three months ending March 31, 2003, or an increase of 36.4%. Earning assets through March 31, 2003, increased $6.8 million and interest-bearing liabilities also increased $3.9 million compared to March 31, 2002, reflecting an increase of 5.1% and 3.3%, respectively.

Noninterest income for the three months ending March 31, 2003, was $428,000 compared to $351,000 for the same period in 2002, reflecting an increase of $77,000, or 21.9%. Included in noninterest income is service charges on deposit accounts, which for the three months ended March 31, 2003, totaled $328,000, compared to $269,000 for the same period in 2002, and is a reflection of continued growth of the deposit base, as well as improvement in the fee pricing structure.

The provision for loan losses was $86,000 in the first three months of 2003 compared with $89,000 for the same period in 2002. The allowance for loan losses of $1.2 million at March 31, 2003 (approximately 1.2% of loans) is considered by management to be adequate to cover losses inherent in the loan portfolio. The level of this allowance is dependent upon a number of factors, including the total amount of past due loans, general economic conditions, and management's assessment of potential losses. This evaluation is inherently subjective as it requires estimates that are susceptible to significant change. Ultimately, losses may vary from current estimates and future additions to the allowance may be necessary. Thus, there can be no assurance that charge-offs in future periods will not exceed the allowance for loan losses or that additional increases in the loan loss allowance will not be required. Management evaluates the adequacy of the allowance for loan losses quarterly and makes provisions for loan losses based on this evaluation.

Other expenses increased by $408,000 or 31.6% for the three months ended March 31, 2003, when compared with the same period in 2002. This increase is primarily due to the continued growth of the two financial institutions and the related services being offered.

ITEM NO. 3. CONTROLS AND PROCEDURES

Within 90 days prior to the filing of this report, an evaluation under the direction of the Company's Chief Executive Officer and Principal Accounting Officer was performed to determine the effectiveness of the Company's disclosure controls and procedures. These controls and procedures were found to be adequate.

There were no significant changes in the Company's internal controls or other factors subsequent to the date of the evaluation that could significantly affect these controls.

PART II -- OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 2. CHANGES IN SECURITIES

None

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of security holders during the quarter ended March 31, 2003.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit No.

Exhibit No.	
99.	Section 906 Officer Certifications

(b) The Company did not file any reports on Form 8-K during the quarter ended March 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE FIRST BANCSHARES, INC.
(Registrant)

May 12, 2003 (Date)	/s/ DAVID E. JOHNSON David E. Johnson, President and Chief Executive Officer
May 12, 2003 (Date)	/s/ DAVID O. THOMS, JR. David O. Thoms, Jr., Senior Vice President and Principal Accounting and Financial Officer

CERTIFICATIONS

CERTIFICATIONS PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David E. Johnson, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of The First Bancshares, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

May 12, 2003	/S/ DAVID E. JOHNSON
(Date)	David E. Johnson, President and Chief Executive Officer

CERTIFICATIONS PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, David O. Thoms, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of The First Bancshares, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a. all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls

   b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

May 12, 2003	/S/ DAVID O. THOMS, JR.
(Date)	David O. Thoms, Jr., Senior Vice President and Principal Accounting and Financial Officer

EXHIBIT INDEX:

99	Certificate pursuant to 18 U.S.C., Section 1350 as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002 - Chief Executive Officer
99	Certificate pursuant to 18 U.S.C., Section 1350 as adopted pursuant to Section 906 of Sarbanes-Oxley Act of 2002 - Senior Vice President and Financial Officer