

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

FIRST BANCSHARES INC /MS/
Form DEF 14A
March 30, 2005

SCHEDULE 14A
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

THE FIRST BANCSHARES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and filing for which the offsetting fee was paid previously. Identify the previous filing by its statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

(3) Filing Party:

(4) Date Filed:

The First Bancshares, Inc.

Notice of Annual Meeting of Shareholders
to be held on April 28, 2005

Dear Fellow Shareholder:

We cordially invite you to attend the 2005 Annual Meeting of Shareholders of The First Bancshares, Inc., the holding company for The First, A National Banking Association. At the meeting, we will discuss our performance in 2004 and answer your questions. We are excited about our accomplishments in 2004 and look forward to discussing both our accomplishments and our plans with you. We hope that you can attend the meeting and look forward to seeing you there.

This letter serves as your official notice that we will hold the meeting on Thursday, April 28, 2005, at 5:00 p.m. at our main office located at 6480 U.S. Highway 98 West, Hattiesburg, Mississippi 39402 for the following purposes:

1. To elect six (6) members to the Board of Directors; and
2. To transact any other business that may properly come before the meeting or any adjournment of the meeting.

Management knows of no other matters that may properly be, or which are likely to be, brought before the meeting.

Shareholders owning our common stock at the close of business on March 17, 2005, are entitled to attend and vote at the meeting. A complete list of these shareholders will be available at the company's offices prior to the meeting.

Please use this opportunity to take part in the affairs of your company by voting on the matters to come before this meeting. Even if you plan to attend the meeting, we encourage you to complete and return the enclosed proxy to us as promptly as possible.

By Order of the Board of Directors,

/s/ David E. Johnson

David E. Johnson
Chairman and Chief Executive Officer

Dated and Mailed on or about March 30, 2005
Hattiesburg, Mississippi

The First Bancshares, Inc.

6480 U.S. Highway 98 West

Hattiesburg, Mississippi 39402

Proxy Statement for Annual Meeting of

Shareholders to be Held on April 28, 2005

INTRODUCTION

Date, Time, and Place of Meeting

The Annual Meeting of Shareholders of The First Bancshares, Inc. (the Company) will be held at the main office of the Company located at 6480 U.S. Highway 98 West, Hattiesburg, Mississippi, on Thursday, April 28, 2005, at 5:00 p.m., local time, or any adjournment(s) thereof (the Meeting), for the purpose of considering and voting upon the matters set out in the foregoing Notice of Annual Meeting of Shareholders. This Proxy Statement is furnished to the shareholders of the Company in connection with the solicitation by the Board of Directors of proxies to be voted at the Meeting.

The mailing address of the principal executive office of the Company is Post Office Box 15549, Hattiesburg, Mississippi, 39404-5549.

The approximate date on which this Proxy Statement and form of proxy are first being sent or given to shareholders is March 30, 2005.

Record Date; Voting Rights; Vote Required

The record date for determining holders of outstanding stock of the Company entitled to notice of and to vote at the Meeting is March 17, 2005 (the Record Date). Only holders of the Company's common stock of record on the books of the Company at the close of business on the Record Date are entitled to notice of and to vote at the Meeting or at any adjournment or postponement thereof. As of the Record Date, there were 1,168,446 shares of the Company's common stock issued and outstanding, each of which is entitled to one vote.

In the election of directors, the six (6) nominees for director receiving a plurality of the votes cast at the Meeting, in person or by proxy, shall be elected. This means the six (6) nominees receiving the highest number of votes will be elected. Any other matters that properly come before the Meeting will be decided by a majority of votes cast, unless a different vote is required by law, the Articles of Incorporation, or the Bylaws. Abstentions and broker non-votes are counted only for purposes of determining whether a quorum is present at the Meeting.

Proxies

Shares of common stock represented by properly executed proxies, unless previously revoked, will be voted at the Meeting in accordance with the directions therein. If no direction is specified, such shares will be voted FOR each nominee listed below under Election of Directors and in the discretion of the person named in the proxy with respect to any other business that may come before the Meeting. We are not aware of any other matter to be considered at the Annual Meeting other than those listed in the Notice of Annual Meeting of Shareholders.

A proxy may be revoked by a shareholder at any time prior to the exercise thereof by filing with the Secretary of the Company a written revocation or a duly executed proxy bearing a later date. A proxy shall be suspended if the shareholder is present and elects to vote in person.

ELECTION OF DIRECTORS

Membership on the Board of Directors

The Board of Directors is divided into three classes with staggered terms, so that the terms of only approximately one-third of the Board members expire at each annual meeting. The current terms of the Class I directors will expire at the Meeting. The terms of the Class II directors will expire at the 2006 Annual Shareholders Meeting. The terms of the Class III directors will expire at the 2007 Annual Shareholders Meeting. Our directors and their classes are:

Class I

Perry E. Parker
Ted E. Parker

Class II

David E. Johnson
Trent A. Mulloy

Class

David W. Bo
E. Ricky

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

Dennis L. Pierce
J. Douglas Seidenburg
A. L. Smith
Gregory H. Mitchell

Andrew D. Stetelman
Ralph T. Simmons
Charles R. Lightsey
William M. Renovich, Jr.*

Fred A.
M. Ray (Hopp
Gerald Clai
Peeler G. L

*See biographical information on page 6

Nominees for Class I Director

At the Meeting, shareholders will elect six (6) nominees as Class I directors to serve a three-year term, expiring at the 2008 Annual Meeting of Shareholders, or until their successors are elected and qualified. The nominees for Class I directors are listed below. Each nominee currently serves as a Class I director.

Class I

Perry E. Parker
Ted E. Parker
Dennis L. Pierce
J. Douglas Seidenburg
A. L. Smith
Gregory H. Mitchell

Set forth below is certain information about the nominees:

Perry Edward Parker, 39, graduated from Pearl River Junior College in 1983 and the University of Southern Mississippi in 1985. He graduated from the University of Chicago Graduate School of Business in 1989 with an M.B.A. in Finance. While attending school in Chicago he worked for Goldman Sachs & Company on the Chicago Mercantile Exchange. Mr. Parker became a member of the Exchange in 1990. In 1991, he became a currency option trader for Goldman Sachs & Company. In 1995 Mr. Parker became employed by Deutsche Bank in London. In 1998 he relocated to New York and in January, 2001, he became Managing Director in charge of Foreign Exchange Trading. In 2004, Mr. Parker returned to London with Deutsche Bank. He has been a director of the Company since 1995.

Ted E. Parker, 45, attended the University of Southern Mississippi and served as a licensed commodity floor broker at the Chicago Mercantile Exchange. He has been in the stocker-grazer cattle business for the past 20 years and is the owner of Highlander Laundry Center. He was selected as Lamar County Young Farmer and Rancher for 1993 and served as a board member of Farm Bureau Insurance. He is a member of the National Cattlemen's Association, the Texas Cattle Feeders Association, and the Seminary Baptist Church. Mr. Parker has been a director of the Company since 1995 and is also a director of the bank.

Dennis L. Pierce, 47, is president of Dennis Pierce, Inc., a real estate development company in Hattiesburg, Mississippi, and the owner and president of PierCon, Inc. of Hattiesburg, a general contracting firm. Through PierCon, Mr. Pierce is responsible for several commercial construction jobs, and he is also involved in numerous commercial ventures. Mr. Pierce is a director and national representative of the Hattiesburg Homebuilders Association, and a director of the North Lamar Water Association. Since 1995, he has been a member and broker with the Hattiesburg Board of Realtors. He attended the University of Southern Mississippi. Mr. Pierce has been a director of the Company since 1995 and is also a director of the bank.

J. Douglas Seidenburg, 45, is the owner and president of Molloy-Seidenburg & Co., P.A. He has been a CPA for more than 20 years. Mr. Seidenburg is involved in many civic, educational, and religious activities in the Jones County area. Past activities include serving as president of the Laurel Sertoma Club, president of the University of Southern Mississippi Alumni Association of Jones County, one of the founders of First Call for Help, a local United Way Agency started in 1990, treasurer of St. John's Day School, director of Leadership Jones County and Future Leaders of Jones County. Mr. Seidenburg is a graduate of the University of Southern Mississippi, where he earned a B.S. degree in Accounting. Mr. Seidenburg has been a director of the Company since 1998 and served as director of the Laurel Bank prior to consolidation. He currently serves on the Laurel Advisory Board and on the bank board.

A. L. "Pud" Smith, 76, was born in 1929 in Brooklyn, Mississippi. Before attending the University of Southern Mississippi, Mr. Smith was in the military. He entered the petroleum business in 1960, starting with a service station, and today he is owner and manager of A. L. Smith Oil Company, Inc., a wholesale and retail petroleum products company. Mr. Smith's community activities range from being the Mayor of the City of Lumberton, past president of the Jaycee's, past president of the Lion's Club, and a member of the Rotary Club (a Paul Harris Fellow). He is an active member of the First Baptist Church of Lumberton where he is a deacon and has been a member of the finance committee for 30 years. Mr. Smith has been a director of the Company since 1995 and is also a director of the bank.

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

Gregory H. Mitchell, 64, serves as the Mayor of Picayune, Mississippi, and also serves as procurement manager for Mississippi Space Services at Stennis Space Center. Mr. Mitchell is a member of Salem Baptist Church, the National Management Association (NMA), the Board of Trustees for Pearl River Community College, the Board of Directors for the Picayune Chamber of Commerce; the Field Advisory Council, Division of Housing and Urban Development; and the Executive Committee, Mississippi Municipal League. Mr. Mitchell has been a director of the Company since 2003 and also serves on the Picayune Advisory Board and on the board of the bank.

Unless authority is expressly withheld, the proxy holder will vote the proxies received by him for the nominees for director listed above. Although each nominee has consented to being named in the Proxy Statement and to serve if elected, if any nominee should, prior to the Meeting, declare or become unable to serve as a director, the proxies will be voted by the proxy holder for such other persons as may be designated by the present Board of Directors.

The Board of Directors Unanimously Recommends that Shareholders

Vote for the Election of all the Nominees.

Set forth below is also information about each of the Company's other directors and each of its executive officers.

David E. Johnson, 51, is the President, Chief Executive Officer, and Chairman of the Board of the Company. Mr. Johnson, a native of Laurel, Mississippi, received a B.S. degree in Agricultural Economics in 1975 and an M.B.A. degree, with emphasis in Finance, in 1977 from Mississippi State University. In 1990, he graduated from the University of Oklahoma Commercial Lending and Graduate School. Mr. Johnson has completed various OMEGA lending courses and has taught a course at the University of Mississippi School of Banking. From 1993 to 1994, he served as chairman of the Southern Mississippi Group of Robert Morris & Associates. From 1987 to 1995, Mr. Johnson was with Sunburst Bank, now merged with Union Planters National Bank, as senior lender for the Hattiesburg branch and later as senior lender and credit administrator for southern Mississippi. He was responsible for approving loans and maintaining the credit quality of a \$250 million portfolio of consumer, mortgage, and commercial loans. Currently, he is a member of First Baptist Church of Hattiesburg, the Hattiesburg Racquet Club, and a director of the Hattiesburg Rotary Club. He is a Director of the New Orleans Branch of the Atlanta Federal Reserve Bank, has served as a Director of the Area Development Partnership, and is on the Advisory Board for the Business School at the University of Southern Mississippi. He is a National Director of the Independent Community Bankers of America. Mr. Johnson has also headed the Lamar County Chamber of Commerce. Mr. Johnson was born in Laurel, Mississippi in 1953. Mr. Johnson has been a director of the Company since 1995 and is also a director of the bank.

Trent A. Mulloy, 33, is a native of Laurel, Mississippi and is the fourth generation of his family to work in the family-owned, Laurel Machine and Foundry Company. He was promoted to vice president in the first quarter of 1997 at Laurel Machine and Foundry Company. He was elected to the Board of Mississippi Manufacturer's Association in 2003. Mr. Mulloy is a member of the One Hundred Club of Jones County and attends St. John's Episcopal Church in Laurel, Mississippi. Mr. Mulloy is also a member of the following professional societies: BIPEC, the Mississippi Economic Council, the Mississippi Manufacturer's Association, and the American Foundrymen's Society. In 2004, Mr. Mulloy was appointed by Governor Haley Barbour to the Mississippi State Work Force Investment Board. Mr. Mulloy graduated with a B.A. degree from the University of the South in Sewanee, Tennessee. Mr. Mulloy has been a director of the company since 2000. He served on the board of the Laurel bank prior to consolidation. He currently serves on the Laurel Advisory Board and the board of the bank.

Andrew D. Stetelman, 44, is the third generation of his family in London and Stetelman Realtors. He graduated from the University of Southern Mississippi in 1983. He has served in many capacities with the National and Hattiesburg Board of Realtors, and is past president and the Realtor of the Year in 1992 of the Hattiesburg Board of Realtors. He presently serves as the chairman of the Hattiesburg Convention Center, is an ambassador for the Area Development Partnership, and is a member of the Kiwanis International. Mr. Stetelman was born in 1960 in Hattiesburg, Mississippi. Mr. Stetelman has been a director of the Company since 1995 and is also a director of the bank.

Ralph T. Simmons, 72, is a retired vice president of Sunbeam-Oster Corporation, where he was employed from 1963 to 1995 as credit manager, assistant treasurer, and vice president. Mr. Simmons has served as chairman of the deacons of the First Baptist Church of Laurel, chairman of the Salvation Army, Chairman of the Red Cross, chairman of the FBLA/PBL Foundation, president of the University of Southern Mississippi World Wide Alumni Association, Lt. Gov. of the LA-MS-WTN District of Kiwanis International, and moderator of the Jones County Baptist Association. Mr. Simmons is also a member of the board of directors of the University of Southern Mississippi Foundation and currently serves as chairman of the Investment Committee of the University of Southern Mississippi Foundation. Mr. Simmons is a native of Laurel, Mississippi and graduated from the University of Southern Mississippi with a B.S. degree. Mr. Simmons was a director of the Company from 1998 to 2002 and from 2003 to the present. He served on the board of the Laurel bank prior to consolidation. He currently serves on the Laurel Advisory Board and the board of the bank.

Charles R. Lightsey, 65, owns his own business as a Social Security Disability Representative. Mr. Lightsey worked with the Social Security Administration for 39 years, serving as District Manager of the Laurel Office for 32 years. He is a recipient of The Commissioner's Citation, the highest accolade accorded by the SSA. His community involvement includes serving as a former deacon of the First Baptist Church of Laurel,

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

member and Board of Directors of the Laurel Kiwanis Club, president of the Laurel-Jones County Council on Aging, member of the Pine Belt Mental Health Association Council and Chairman of the Federal, State and Local Government United Way. He received his degree in Management and Real Estate from the University of Southern Mississippi in 1961. Mr. Lightsey has been a director of the Company since 2003 and served on the board of the Laurel bank prior to consolidation. He currently serves on the Laurel Advisory Board and the board of the bank

William M. Renovich, Jr., 57, is the Executive Vice President of the Company and the President of our Laurel branch. He graduated from the University of Mississippi in 1970 with a B.B.A. and in 1972 with a Masters of Urban and Regional Planning. Mr. Renovich began his banking career in 1979 with the Bank of Laurel, a de novo community bank that was established in 1973, serving as an assistant vice president. After leaving the Bank of Laurel in 1984, he joined Deposit Guaranty National Bank where he served as vice president and commercial lender and later as senior vice president and senior commercial lender. In 1988, Mr. Renovich was named community bank president of Deposit Guaranty - Laurel where he was responsible for all business development, commercial loans, and overall management of five Deposit Guaranty National Bank locations in Jones County. He has been active in numerous civic organizations, including the Economic Development Authority of Jones County, the Rotary Club, the American Heart Association, the Laurel Downtown Association, the Mississippi Bankers Association, the American Red Cross, the Salvation Army, the United Way, and the Ole Miss Alumni Board of Directors. He is currently serving as National President-elect of the Ole Miss Alumni Association. Mr. Renovich is a member of the Westminster Presbyterian Church and is a native of Meridian, Mississippi. He is also a director of our bank. In March, 2005 Mr. Renovich announced that effective April 1, 2005, he would be stepping down as director of the Company and all other positions with the bank to pursue other opportunities. Mr. Renovich's decision was made for personal reasons and not because of any disagreement with the Company.

David W. Bomboy, M.D., 58, is a lifelong resident of Hattiesburg, Mississippi. He graduated with honors in Pre-Medicine from the University of Mississippi in 1968 and earned an M.D. degree from the University of Mississippi Medical Center in 1971. Dr. Bomboy completed his orthopedic surgical training at the University of Mississippi in 1976. He is a board-certified orthopedic surgeon and has practiced orthopaedics in southern Mississippi for more than 20 years. Dr. Bomboy is a member of the Mississippi State Medical Association, the American Medical Association, and served as past president of the Mississippi Orthopedic Society. He is the past president of the Methodist Hospital Medical Staff. Dr. Bomboy has been a director of the Company since 1995 and is also a director of the bank.

E. Ricky Gibson, 48, has been president and owner of N&H Electronics, Inc., a wholesale electronics distributor, since 1988 and of Mid South Electronics, a wholesale consumer electronics distributor, since 1993. He is active in the Parkway Heights United Methodist Church. Mr. Gibson has been a director of the Company since 1995 and is also a director of the bank.

Fred A. McMurry, 40, is a lifetime resident of the Oak Grove area. He is currently President and General Manager of Havard Pest Control, Inc. with 21 years of experience in this family-owned business. He also serves on the Advisory Board of the Mississippi Pest Control Association as well as on the Board of the Mississippi Business and Finance Committee. In addition, he is President of West Oaks, LLC and Vice President of Oak Grove Land Company, Inc. Mr. McMurry has been a director of the Company since 1995 and is also a director of the bank.

M. Ray (Hoppy) Cole, 43, currently serves as President of the Picayune branch of the bank. Prior to joining the bank in September of 2002, Mr. Cole was Secretary/Treasurer and Chief Financial Officer of the Headrick Companies, Inc. for eleven years. Mr. Cole began his career with The First National Bank of Commerce in New Orleans, Louisiana and held the position of Corporate Banking Officer from 1985-1988. In December of 1988, Mr. Cole joined Sunburst Bank in Laurel, Mississippi serving as Senior Lender and later as President of the Laurel office. Mr. Cole graduated from the University of Mississippi where he earned a Bachelor's and Master's Degree in Business Administration. Mr. Cole also attended the Stonier Graduate School of Banking at the University of Delaware. Mr. Cole is serving his second term as a director of the Company. He served from 1998 to 1999, and then from 2001 through the present. He also served as a director of our Laurel Bank prior to consolidation and currently serves on the board of the bank.

Gerald C. Patch, 51, is an attorney with the law firm of Stewart, Burks, Carroll & Patch, PLLC, in Picayune, Mississippi. Mr. Patch is a 1971 graduate of Picayune Memorial High School; a 1975 graduate of Mississippi State University with a B.S. Degree in Business Management; and a 1978 graduate of the University of Mississippi School of Law. He practiced law in Picayune from 1978 until 1984 when he joined a law firm in Titusville, Florida from 1984 until 1993. While in Picayune, he served as a member of the Picayune City Council, the Board of Directors for the Picayune Chamber of Commerce, and as City Judge in Poplarville. Prior to his association with Stewart, Burks, Carroll & Patch, PLLC, Mr. Patch resided in Branson, Missouri from 1993 until late 2001 where he served as president of Ozark Laundry, Inc., a company that specialized in wet garment processing for clothing manufacturers. He presently serves as attorney for the Picayune School District School Board; as City Prosecutor for the City of Picayune, on the advisory board for Coast Electric Power Association and the board of directors for Millbrook Golf & Country Club. Mr. Patch has been a member of the board of directors of the Company since 2003 and also serves on the Picayune Advisory Board, as well as the board of directors of the bank.

Peeler G. Lacey, M.D., 50, is partner in Radiology Associates, P.A. in Laurel, MS and has practiced Diagnostic Radiology in South Mississippi for more than 22 years. After graduating from Emory University in Atlanta, Georgia in 1975, he earned his M.D. degree from the University of Mississippi Medical School in 1979. He completed his Diagnostic Radiology residency at the University of Mississippi Medical Center in 1983, and is a Diplomat of the American Board of Radiology. Dr. Lacey is a member of the American College of Radiology, American Medical Association, Mississippi State Medical Association, Radiological Society of North America, American Roentgen Ray Society, Southern

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

Radiology Society, and the South Mississippi Medical Society. He is the past president of the Medical Staff at South Central Regional Medical Center in Laurel and is the past president of the South Mississippi Medical Society. He is an active member of the First Baptist Church of Laurel where he teaches Sunday school and is a deacon. He has served as chairman of the Deacons, chairman of the Personnel Committee and chairman of the Missions Committee. He is a member of the Executive Board of the Pine Burr Area Council of the Boy Scouts of America. Dr. Lacey has served as chairman of the Pine Burr Area Council of the National Eagle Scout Association and as past chairman of the Chickasawhay District of the Boy Scouts of America. Dr. Lacey has served on the board since 2004 and is also on the board of the bank.

David O. Thoms, Jr., 60, serves as Senior Vice President and Chief of Operations for The First Bancshares, Inc., and the bank. Mr. Thoms received a B.S. in General Business from Mississippi State University. Mr. Thoms worked as a state Bank Examiner prior to beginning his banking career in 1969 with Commercial National Bank and Trust Company (now known as Trustmark National Bank) in Laurel, Mississippi, where he served as Vice President and Cashier and was in charge of all phases of operations. Prior to joining the Hattiesburg bank in 1998, Mr. Thoms was co-owner of Builders Supply Company of Hattiesburg, Inc. from June of 1990 through December of 1997 and Thoms Accounting Service from February 1997 through April of 1998. Mr. Thoms spent 27 years in the Mississippi Army National Guard, retiring in 1993 as a Lt. Colonel-Transportation Corp.

Family Relationships

Perry E. Parker and Ted E. Parker, both directors, are brothers. M. Ray "Hoppy" Cole, Jr, Director, and President, Picayune Branch, is the son of Ellen Cole, President, Pascagoula Branch.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of the Board of Directors

During 2004, each outside director of the Company received \$100.00 for each meeting that was attended. Directors of The First, A National Banking Association, received \$250.00 for each meeting that was attended. Directors of the Corporation and the bank received \$35.00 for each regular committee meeting that was attended and \$100.00 for each audit committee attended. If a director did not attend a meeting, a fee was not received. Normally, Board meetings are held once quarterly and committee meetings are held on an as needed basis. Bank board meetings are held monthly.

Compensation of Executive Officers

The following table shows the cash compensation paid by the Company to its executive officers. No other executive officers of the Company or its subsidiaries earned total annual compensation, including salary and bonus, in excess of \$100,000 in 2004.

Summary Compensation Table

| Name & Principal Position | Year | Salary (\$) | Bonus (\$) | Other Annual Compensation (\$)(1) | Restricted Stock Award(s) |
|--|------|-------------|------------|-----------------------------------|---------------------------|
| David E. Johnson President and Chief Executive Officer | 2004 | \$132,181 | \$41,991 | 0 | 0 |
| | 2003 | 132,812 | 31,788 | 0 | 0 |
| | 2002 | 111,275 | 20,971 | 0 | 0 |
| William M. Renovich, Jr. Executive Vice President | 2004 | \$96,842 | \$29,713 | 0 | 0 |
| | 2003 | 94,385 | 10,000 | 0 | 0 |
| | 2002 | 91,194 | 9,018 | 0 | 0 |
| M. Ray Cole, Jr. President, Picayune Branch The First, A National Banking Association | 2004 | \$124,681 | \$6,396 | 0 | 0 |
| | 2003 | 124,400 | 0 | 0 | 0 |
| | 2002 | 30,412 | 0 | 0 | 0 |

Option Grants

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

No stock options were granted during 2004 to the executive officers named in the Summary Compensation Table.

Option Exercises and Year End Values

The following table provides information as to the options exercised during 2004, and the unexercised options to purchase the Company's common stock previously granted to the executive officers named in the Summary Compensation Table and held by them at the end of 2004.

OPTIONS EXERCISED IN 2004 AND YEAR END OPTION VALUE

| Name | Shares Acquired on Exercise In 2004 (#) | Value Realized (\$) | Number of Securities Underlying Unexercised Options At Year End (#) (1) Exercisable/Unexercisable |
|--|--|------------------------|--|
| David E. Johnson President and Chief Executive Officer | 0 | 0 | 54,980/0 |
| William M. Renovich, Jr. Executive VP | 0 | 0 | 12,438/0 |
| M. Ray Cole, Jr. President, Picayune | 0 | 0 | 3,715/1,000 |

(1) All stock options granted under the 1997 Stock Option Plan are vested and exercisable as of the options granted were exercisable on 3-18-98; one-third of the options granted were exercisable on 3-18-2000. All stock options granted under Incentive Plan are vested and exercisable as follows: one-third of the options granted were exercisable on 4-15-2000; one-third of the options were exercisable on 4-15-2001; and the remaining one-third of the options were exercisable on 4-15-02.

(2) Based on the closing price on the OTC Bulletin Board of \$19.55 on March 1, 2005.

Employment Agreements

Prior to the consolidation of the two banks, the Laurel bank entered into an employment agreement with William M. Renovich, Jr. as its President and Chief Executive Officer, for a term which expired in January, 2005. Mr. Renovich is eligible under his employment agreement to participate in management incentive or long-term incentive programs and to receive annual cash bonus payments up to 20% of his base salary, based upon achievement criteria established by the Board of Directors, and subject to the discretion of the Board of Directors (with Mr. Renovich abstaining from the vote to determine his bonus).

In the event that the Company terminates his employment without cause, the Company will be obligated to continue Mr. Renovich's current monthly base salary for an additional 12 month period. In addition, after a change of control, Mr. Renovich will have the option of receiving, within thirty days of the change of control, a lump sum severance compensation equal to his current annual base salary plus any reimbursement of expenses due him under his agreement. Furthermore, the Company must remove any restrictions on his outstanding incentive awards so that all such awards vest immediately.

The employment agreement provides that following termination of Mr. Renovich's employment with the Company and for a period of twelve months thereafter, he may not (i) be employed in the banking business as a director, officer, or organizer, or promoter of, or consultant to, or acquire more than a 1% passive investment in, any financial institution within a radius of 50 miles from any office of the Laurel bank or the Company, (ii) solicit customers of the Company or its affiliates for the purpose of providing financial services, or (iii) solicit employees of the Company or its affiliates for employment.

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

In March, 2005, Mr. Renovich announced that effective April 1, 2005, he would be stepping down as director of the Company and all other positions with the bank to pursue other opportunities. Mr. Renovich's decision was made for personal reasons and not because of any disagreement with the company.

SECURITY OWNERSHIP OF CERTAIN

BENEFICIAL OWNERS AND MANAGEMENT

Stock Ownership of Management

The following table sets forth certain information regarding the beneficial ownership of common stock in the Company owned by the directors, nominees for director, and executive officers, as of March 17, 2005.

| Name and Address of Beneficial Owner ----- | Amount and Nature of Beneficial Ownership(1) ----- | Right to Acquire(2) ----- | Percent of ----- |
|---|--|---------------------------------|---------------------|
| David W. Bomboy, M.D. 17 Brighton Court Hattiesburg, MS 39402 | 26,250 | 4,450 | 2.4 |
| M. Ray (Hoppy) Cole 607 Briarwood Lane Picayune, MS 39466 | 6,667 | 3,715 | 0.8 |
| E. Ricky Gibson 127 W. Canebrake Blvd. Hattiesburg, MS 39402 | 18,770 | 4,450 | 1.8 |
| David E. Johnson 108 Greenwood Place Hattiesburg, MS 39402 | 19,948 | 54,980 | 5.8 |
| Peeler G. Lacey, M.D. 2432 Ridgewood Drive Laurel, MS 39440 | 23,000 | 1,715 | 1.9 |
| Charles R. Lightsey 2216 Old Bay Springs Rd. Laurel, MS 39440 | 14,000 | 1,715 | 1.2 |
| Fred A. McMurry 42 Johnie McMurry Rd. Hattiesburg, MS 39402 | 21,797 | 4,450 | 2.0 |
| Gregory H. Mitchell 1200 Third Avenue Picayune, MS 39466 | 600 | 0 | .0 |

| Name and Address of Beneficial Owner ----- | Amount and Nature of Beneficial Ownership(1) ----- | Right to Acquire(2) ----- | Percent of ----- |
|---|--|---------------------------------|---------------------|
| Trent A. Mulloy 63 Northgate Drive Laurel, MS 39440 | 10,000 | 1,715 | . |
| Perry E. Parker | 43,167 | 4,450 | 3. |

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

35 Campden Hill Rd.
London, England W87DX

| | | | |
|---|--------|--------|----|
| Ted E. Parker 165 Herbert Trigg Rd. Seminary, MS 39479 | 12,500 | 4,450 | 1. |
| Gerald Claiborne Patch 38 Eldridge Patch Rd. Picayune, MS 39466 | 200 | 0 | |
| Dennis L. Pierce 23 Liberty Place Hattiesburg, MS 39402 | 13,585 | 4,450 | 1. |
| William M. Renovich, Jr. 4 Bay Circle Drive Laurel, MS 39440 | 8,334 | 12,438 | 1. |
| J. Douglas Seidenburg 18 Lakeland Drive Laurel, MS 39440 | 17,000 | 1,715 | 1. |
| Ralph T. Simmons 1808 7th Ave. Laurel, MS 39440 | 16,867 | 1,715 | 1. |
| A. L. Smith P. O. Box 124 Lumberton, MS 39455 | 14,281 | 1,169 | 1. |
| Andrew D. Stetelman 104 Kirkwood Dr. Hattiesburg, MS 39402 | 11,252 | 4,450 | 1. |

| Name and Address of Beneficial Owner ----- | Amount and Nature of Beneficial Ownership(1) ----- | Right to Acquire(2) ----- | Percent of ----- |
|---|--|---------------------------------|---------------------|
| David O. Thoms, Jr. 45 Oak Crest Drive Laurel, MS 39440 | 2,700 | 250 | .23 |
| Executive Officers, Directors, and Nominees as a group | 280,918 | 112,277 | 30.48 |

-
- (1) Includes shares for which the named person:
- has sole voting and investment power,
 - has shared voting and investment power with a spouse, or
 - holds in an IRA or other retirement plan program, unless otherwise indicated in the
- Does not include shares that may be acquired by exercising stock options.
- (2) Includes shares that may be acquired within the next 60 days by exercising vested stock
does not include any other stock options.
- (3) Determined by assuming the named person exercises all options which he or she has the ri
acquire within 60 days, but that no other persons exercise any options. Calculated base
1,168,446 shares outstanding plus outstanding stock options in the amount of 112,277 sh
-

Stock Ownership of Principal Stockholders

The following table sets forth certain information regarding the beneficial ownership of common stock in the Company owned by each person who is known to the Board of Directors to beneficially own five percent (5%) or more of the outstanding common stock as of March 1, 2005.

| Name and Address of Beneficial Owner ----- | Amount and Nature of Beneficial Ownership ----- | Right to Acquire ----- | Per C |
|---|---|---------------------------|----------|
| Nick D. Welch P. O. Box 6305 Laurel, MS 39441 | 68,890 | 1,715 | |

ADDITIONAL INFORMATION CONCERNING DIRECTORS AND OFFICERS*Meetings of the Board of Directors*

During the year ended December 31, 2004, the Board of Directors of the Company held five meetings. All of the directors of the Company attended at least 75% of the aggregate of such Board meetings and the meetings of each committee on which they served, except: Gerald Patch, Peeler Lacey, David Bomboy, and Dennis Pierce.

Committees of the Board of Directors

The Audit Committee of the Company is composed of the following independent members: J. Douglas Seidenburg, E. Ricky Gibson, and Ted Parker. The Audit Committee met two times during the year ended December 31, 2004. On February 21, 2002, the Board adopted a written Audit Committee Charter, a copy of which was attached as Exhibit A to the Proxy Statement for the 2003 Annual Meeting. The Audit Committee has the responsibility of reviewing the Company's financial statements, evaluating internal accounting controls, reviewing reports of regulatory authorities, and determining that all audits and examinations required by law are performed. The Committee also recommends to the Board of the Company the appointment of the independent auditors for the next fiscal year, reviews and approves the auditor's audit plans, and reviews with the independent auditors the results of the audit and management's responses. The Audit Committee is responsible for overseeing the entire audit function and appraising the effectiveness of internal and external audit efforts for the Company. The Audit Committee reports its findings to the Board of Directors of the Company. The Board of Directors has determined that the members of the Audit Committee are independent. The Board of Directors has also determined that there is at least one independent audit committee financial expert, J. Douglas Seidenburg, serving on the Audit Committee, as the terms independent and audit committee financial experts are used in pertinent Securities and Exchange Commission laws and regulations.

The Company's Board of Directors has appointed one committee which is the Nominating Committee. The Company does not have a Compensation Committee, however, the bank has a Personnel Committee, which performs the functions of a compensation committee.

The Personnel Committee of the bank is responsible for establishing the compensation plans for the bank. Its duties include the development with management of all benefit plans for employees of the bank, the formulation of bonus plans, incentive compensation packages, and medical and other benefit plans. The Personnel Committee of the bank met two times during the year ended December 31, 2004. The Personnel Committee of the bank is composed of the following four members: David E. Johnson, A. L. Smith, E. Ricky Gibson and David Bomboy.

The Nominating Committee is responsible for nominating individuals for election to the Company's Board of Directors. The Nominating Committee met three times during the year ended December 31, 2004, and consists of Andrew Stetelman, David W. Bomboy, Ralph Simmons, Trent Mulloy, and Gerald Patch, all of whom are independent directors. The Company adopted a Nominating Committee Charter, a copy of which was attached as Exhibit B to the Proxy Statement for the 2004 Annual Meeting. A copy of the Nominating Committee Charter can be found at the Company's internet website at www.thefirstbank.com. The Nominating Committee welcomes recommendations made by shareholders of the Company. Any recommendations for the 2006 Annual Shareholders' Meeting should be made in writing addressed to the Nominating Committee at 6480 U.S. Highway 98 West (39402), Post Office Box 15549, Hattiesburg, Mississippi, 39404-5549 by December 28, 2005. It is the Nominating Committee's policy to consider director candidates recommended by stockholders who appear to be qualified to serve on the Company's Board of Directors. The Nominating Committee may choose not to consider an unsolicited recommendation if no vacancy

exists on the Board of Directors and the Nominating Committee does not perceive a need to increase the size of the Board of Directors. The Nominating Committee will consider only those director candidates recommended in accordance with the Nominating Committee Shareholder Policies and Procedures, a copy of which was attached as Exhibit C to the Proxy Statement for the 2004 Annual Meeting. A copy of the Nominating Committee Shareholder Policies and Procedures can be found at the Company's internet website at www.thefirstbank.com.

Report of the Audit Committee

The Audit Committee of the Company has:

- Reviewed and discussed the audited financial statements with management of the
- Discussed with the independent auditors the matters required to be discussed by
- Received the written disclosures and the letter from the independent auditors re Independence Standards Board Standard No. 1, and have discussed with the independent auditors the auditors' independence.
- Based on the review and discussions above, recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the last fiscal year for filing with the Securities and Exchange Commission.

The Board of Directors has determined that the members of the Audit Committee are independent as defined in Rule 4200 of the National Association of Securities Dealers.

Members of the Audit Committee:

J. Douglas Seidenburg
E. Ricky Gibson
Ted Parker

Certain Relationships and Related Transactions

Officers, directors and 10% beneficial owners of the Company and its associates, including members of their families or corporations, partnerships, or other organizations in which such officers or directors have a controlling interest, are customers of the bank and have transactions with the banks in the ordinary course of business, and may continue to do so in the future. All outstanding loans and commitments included in such transactions were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other persons, and did not involve more than normal risk of collectibility or present other unfavorable features.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors, executive officers, and beneficial owners of more than 10% to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of common stock. Executive officers and directors are required by Securities and Exchange Commission Regulations to furnish the Company with copies of all Section 16(a) forms they file. To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 2004, all Section 16(a) filing requirements applicable to the Company's executive officers and directors were complied with.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Independent Public Accountants

T. E. Lott & Company were the independent auditors for the Company during the year ending December 31, 2004, and will serve as the independent auditors to the Company for the year ending December 31, 2005. The Company expects a representative of this firm to attend the Meeting, to have the opportunity to make a statement if they desire to do so, and to be available to respond to appropriate questions from

shareholders.

Audit Fees

The following is a summary of fees related to services performed for the Company by T.E. Lott & Company for the years ended December 31, 2004 and 2003:

| | |
|---|-------------------|
| Audit Fees - Audit of annual financial statements and reviews of financial statements included in Forms 10-Q | 20 -- \$49, |
| Audit Related Fees - Audits of employee benefit plans, FDICIA internal controls engagement and FHLB collateral agreed upon procedures | 1, |
| Tax Fees - Income tax services | 5, |
| All other fees | 9, |
| ----- | |
| Total | \$65, ----- |

The Audit Committee has adopted pre-approval policies and procedures, a copy of which was attached as Exhibit A to the Proxy Statement for the 2004 Annual Meeting. A copy of the pre-approval policies and procedures can be found at the Company's internet website at www.thefirstbank.com. One hundred percent of the fees set forth above were preapproved by the Audit Committee. The Audit Committee has considered whether the provision of non-audit services is compatible with maintaining the principal accountant's independence.

Solicitation of Proxies

The cost of soliciting proxies from shareholders will be borne by the Company. The initial solicitation will be by mail. Thereafter, proxies may be solicited by directors, officers and regular employees of the Company, by means of telephone, telegraph or personal contact, but without additional compensation therefor. The Company will reimburse brokers and other persons holding shares as nominees for their reasonable expenses in sending proxy soliciting material to the beneficial owners.

Proposals of Shareholders

Any proposal of a shareholder to be presented for action at the Annual Meeting of Shareholders to be held in the year 2006 must be received at the Company's principal executive office no later than December 28, 2005, if it is to be included in management's proxy statement. To ensure prompt receipt by the Company, the proposal should be sent certified mail, return receipt requested. Proposals must comply with the Company's bylaws relating to shareholder proposals and certain Securities and Exchange Commission Regulations in order to be included in the Company's proxy materials.

The Company's proxy for the year 2006 meeting may confer discretionary authority to vote on any proposal of a shareholder to be presented for action at the Annual Meeting of Shareholders to be held in the year 2006 which is not received prior to March 8, 2006, at the Company's principal executive office.

Annual Report

The 2004 Annual Report to shareholders of the Company, including audited financial statements of the Company, is enclosed for the information of the shareholders. The Annual Report and financial statements are not a part of the proxy soliciting material.

**PROXY SOLICITED FOR ANNUAL MEETING
OF SHAREHOLDERS OF
THE FIRST BANCSHARES, INC.
TO BE HELD ON APRIL 28, 2005**

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS.

Edgar Filing: FIRST BANCSHARES INC /MS/ - Form DEF 14A

The undersigned hereby appoints David E. Johnson as Proxy with the power to appoint his and hereby authorizes him to represent the undersigned, and to vote upon all matters that may pro before the Annual Meeting including the matters described in the Proxy Statement furnished herewi to any directions indicated herein, with full power to vote all shares of common stock of The Fir Bancshares, Inc. held of record by the undersigned on March 17, 2005, at the Annual Meeting of Sh to be held on April 28, 2005, or any adjournment(s) thereof.

IF NO DIRECTIONS ARE GIVEN, THE PROXIES WILL VOTE FOR EACH NOMINEE LISTED BELOW AND AT T DISCRETION OF THE PERSON NAMED ABOVE IN CONNECTION WITH ANY OTHER BUSINESS PROPERLY COMING BEFORE MEETING.

1. PROPOSAL to elect the six (6) identified nominees as directors.

Class I

Perry E. Parker
Ted E. Parker
Dennis L. Pierce
J. Douglas Seidenburg
A. L. Smith
Gregory H. Mitchell

() FOR all nominees () WITHHOLD AUTHORITY
listed (except as marked to to vote for all nominees
the contrary)

(INSTRUCTION: To withhold authority to vote for any individual nominee(s), write that no name(s) in the space provided below).

When shares are held by joint tenants, both should sign. When signing as attorney, executor, adm trustee or guardian, please give full title as such. If corporation or partnership, sign in full or partnership name by authorized person.

Signature: _____

Signature: _____

Dated: _____, 2005

Votes must be indicated by an (x) in Black or Blue Ink.

PLEASE MARK, SIGN, DATE AND RETURN THE PROXY PROMPTLY USING THE ENCLOSED ENVELOPE.