PEOPLES HOLDING CO
Form 3
January 11, 2005

# FORM 3

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

OMB APPROVAL

| | |
|---|---|
| OMB Number: | 3235-0104 |
| Expires: | January 31, 2005 |
| Estimated average burden hours per response... | 0.5 |

## INITIAL STATEMENT OF 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 *
Â MATHEWS LARRY R

(Last) (First) (Middle)

1323 STRATFORD RD. S.E.

(Street)

DECATUR,Â ALÂ 35601

(City) (State) (Zip)

2. Date of Event Requiring Statement (Month/Day/Year)
01/01/2005

3. Issuer Name **and** Ticker or Trading Symbol
PEOPLES HOLDING CO [PHC]

4. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director
_____ 10% Owner
__X__ Officer (give title below)
_____ Other (specify below)
Executive Officer

5. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

## Table I - Non-Derivative Securities Beneficially Owned

| 1.Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|---|---|
| Common Stock | 11,304 (1) | D | Â |
| Common Stock | 24,114 (1) | I | By Summitt LLC |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

**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.**

## Table II - Derivative Securities Beneficially Owned (*e.g.*, puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative | 5. Ownership Form of Derivative Security: | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
|---|---|---|---|---|---|

| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | Security | Direct (D) or Indirect (I) (Instr. 5) | |
|---|---|---|---|---|---|---|---|
| Stock Option (Right to buy) | 01/01/2005(2) | 12/17/2012 | Common Stock | 24,000 (1) (2) | $ 16.7 (2) | D | Â |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| MATHEWS LARRY R<br>1323 STRATFORD RD. S.E.<br>DECATUR,Â ALÂ 35601 | Â | Â | Â<br>Executive Officer | Â |

# Signatures

| | |
|---|---|
| Larry Mathews | 01/10/2005 |
| **Signature of Reporting Person | Date |

# Explanation of Responses:

***** If the form is filed by more than one reporting person, *see* Instruction 5(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)** Received on 01/01/05 in exchange of Heritage Financial Holding (HBFH) in connection with the merger of Heritage Financial Holding with and into The Peoples Holding Company (PHC), based on an exchange ratio of .2 shares of PHC common stock for each share of HBFH common stock.

**(2)** Heritage Financial Holding Company originally granted this option 04/15/2003. Effective with the 01/01/05 merger of Heritage Financial Holding Company with and into The Peoples Holding Company, this option was accelerated and became fully exercisable. The exchange ratio was .2 shares of PHC common stock for each share of HBFH common stock. The exercise price was calculated by dividing the original exercise price by the exchange ratio.

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.