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FIRST BANCSHARES INC /MS/
Form 8-K
October 10, 2007

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
October 8, 2007

THE FIRST BANCSHARES, INC.

(Exact name of registrant as specified in its charter)

MISSISSIPPI

(State or other jurisdiction of
incorporation)

33-94288

(Commission
File Number)

64-08621

(IRS empl
Identific

6480 US Highway 98 West
Hattiesburg, Mississippi

(Address of principal executive offices)

39402

(Zip Code)

Registrant's telephone number, including area code: (601) 268-8998

Not applicable

(Registrant's former address of principal executive offices)

INFORMATION TO BE INCLUDED IN THE REPORT

Item 8.01 Other Events.

Legal Proceedings. On October 8, 2007 The First Bancshares, Inc. (the "Company") and its subsidiary A National Banking Association (the "Bank") were formally named as defendants and served with a First Amended Complaint in litigation styled Nick D. Welch v. Oak Grove Land Company, Inc., Fred McMurry, David Douglas Seidenburg, The First, a National Banking Association, The First Bancshares, Inc., and Jones County, Mississippi through 10, Civil Action No. 2006-236-CV4, pending in the Circuit Court of Jones County, Mississippi, Southern District of Mississippi (the "First Amended Complaint"). The First Amended Complaint was filed against the defendants by Nick D. Welch ("Welch"), a former member of the Bank's Advisory Board, and a shareholder.

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Company who was until February 2, 2006 the largest individual holder of Company stock.

The First Amended Complaint served upon the Company and Bank is similar to a complaint filed by W other named defendants on April 11, 2006. The other named defendants, each of whom deny any liab include Oak Grove Land Company, Inc., a shareholder of the Company; Fred McMurry, Director of the Bank, and an affiliate of Oak Grove Land Company, Inc.; David E. Johnson, Director and Chairman o the Bank; and J. Douglas Seidenburg, Director of the Company and the Bank. The First Amended Comp allegations of fraud in connection with Welch's private sale of approximately 69,000 shares (repr 5%) of the Company's common stock to the named defendants (other than the Company or the Bank) in transaction. In summary the First Amended Complaint alleges that one or more of the named defend concerning the Company's potential NASDAQ listing and its 2-for-1 stock split, both of which were Company on February 22, 2006. The First Amended Complaint further alleges that Welch would not h or at least would not have sold his stock at the \$2,005,785.00 (\$29.00 per share) price negotiate informed of these potential events.

The allegations by Welch against the Company and the Bank include counts of 1) Intentional Misrep Omission; 2) Negligent Misrepresentation and/or Omission; 3) Breach of Fiduciary Duty; 4) Breach Faith and Fair Dealing; and 5) Civil Conspiracy. The First Amended Complaint served by Welch added the Company and the Bank as defendants in this ongoing litigation. The First Amended Compl damages from all the defendants, including \$2,420,775.00 (representing the alleged difference bet at which Welch sold his stock and the "high price" of the Company's stock following the Company's split on March 15, 2006), annual dividends for the year 2006 in the amount of \$.30 per share, pun and attorneys' fees and costs. Each of the Company and the Bank deny any liability to Welch, and defend vigorously against this lawsuit.

SIGNATURES

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

Dated: October 10, 2007

THE FIRST BANCSHARES, INC.

By: /s/ Donna T. Lowery

Name: Donna T. Lowery

Title: Chief Financial Officer