

HOLLAND NEAL A JR
 Form 3
 January 10, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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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 * | | 2. Date of Event Requiring Statement | 3. Issuer Name and Ticker or Trading Symbol | |
| Â HOLLAND NEAL A JR | | (Month/Day/Year) | PEOPLES HOLDING CO [PHC] | |
| (Last) | (First) | (Middle) | 01/01/2005 | |
| PO BOX 1948 | | | 4. Relationship of Reporting Person(s) to Issuer | 5. If Amendment, Date Original Filed(Month/Day/Year) |
| (Street) | | | (Check all applicable) | |
| DECATUR,Â ALÂ 35602 | | | <input checked="" type="checkbox"/> Director | 6. Individual or Joint/Group Filing(Check Applicable Line) |
| (City) | (State) | (Zip) | <input type="checkbox"/> 10% Owner | <input checked="" type="checkbox"/> Form filed by One Reporting Person |
| | | | <input type="checkbox"/> Officer | <input type="checkbox"/> Form filed by More than One Reporting Person |
| | | | (give title below) | (specify below) |

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 | 20,199 ⁽¹⁾ | D | Â |
| Common Stock | 869 ⁽¹⁾ | I | By Spouse |
| Common Stock | 4,832 ⁽¹⁾ | I | By Holland Family Trust |
| Common Stock | 101,431 ⁽¹⁾ | I | By Holland Holding Family Trust |

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

SEC 1473 (7-02)

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

| 1. Title of Derivative Security | 2. Date Exercisable and Expiration Date | 3. Title and Amount of Securities Underlying | 4. Conversion | 5. Ownership | 6. Nature of Indirect Beneficial |
|---------------------------------|---|--|---------------|--------------|----------------------------------|
|---------------------------------|---|--|---------------|--------------|----------------------------------|

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| (Instr. 4) | (Month/Day/Year) | | | Derivative Security (Instr. 4) | | or Exercise Price of Derivative Security | Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5) | Ownership (Instr. 5) |
|-----------------------------|---------------------------|--------------------|--------------|-------------------------------------|--|---|--|-------------------------|
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Stock Option (Right to Buy) | 01/01/2005 ⁽²⁾ | 08/24/2008 | Common Stock | 18,000 ⁽¹⁾ <u>(2)</u> | | \$ 16.68 ⁽²⁾ | D | A |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| HOLLAND NEAL A JR PO BOX 1948 DECATUR, AL 35602 | A X | A | A | A |

Signatures

Neal A. Holland,
Jr. 01/10/2005

 ^{**}Signature of Date
Reporting Person

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 8/24/1998. Effective with the 1/1/2005 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.