

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)	4. Relationship of Reporting Person(s) to Issuer	5. If Amendment, Date Original Filed(Month/Day/Year)
PO BOX 1948			(Check all applicable)	
(Street)			<input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)	
DECATUR,Â ALÂ 35602			6. Individual or Joint/Group Filing(Check Applicable Line)	
(City)	(State)	(Zip)	<input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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	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)

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	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⁾ ₍₂₎	\$ 16.68 ⁽²⁾	D \hat{A}

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HOLLAND NEAL A JR PO BOX 1948 DECATUR, AL 35602	\hat{A} X	\hat{A}	\hat{A}	\hat{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 Heritiage 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.