

FEDERAL TRUST CORP
Form 10-Q
May 10, 2006

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

FORM 10-Q

(Mark One)

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2006

Transition report under Section 13 or 15(d) of the Exchange Act

For the transition period from _____ to _____

Commission File number 33-27139

FEDERAL TRUST CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Florida

59-2935028

*(State or Other Jurisdiction
of Incorporation or Organization)*

*(I.R.S. Employer
Identification No.)*

**312 West 1st Street
Sanford, Florida 32771**

(Address of Principal Executive Offices)

(407) 323-1833

(Issuer's Telephone Number)

N/A

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

YesNo

Indicate by check mark whether the Registrant is a large accelerated filer, and accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act):

Large Accelerated Filer Accelerated Filer Non-accelerated Filer

Edgar Filing: FEDERAL TRUST CORP - Form 10-Q

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

YesNo

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common stock, par value \$.01 per share

9,149,343 shares

(class)

Outstanding at May 5, 2006

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

INDEX

	Page
<u>PART I. FINANCIAL INFORMATION</u>	
Item 1. <u>Financial Statements</u>	
<u>Condensed Consolidated Balance Sheets - At March 31, 2006 (Unaudited) and At December 31, 2005</u>	2
<u>Condensed Consolidated Statements of Earnings (Unaudited) Three Months Ended March 31, 2006 and 2005</u>	3
<u>Condensed Consolidated Statements of Stockholders' Equity (Unaudited) Three Months Ended March 31, 2006 and 2005</u>	4
<u>Condensed Consolidated Statements of Cash Flows (Unaudited) Three Months Ended March 31, 2006 and 2005</u>	5-6
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	7-15
<u>Review by Independent Registered Public Accounting Firm</u>	16
<u>Report of Independent Registered Public Accounting Firm</u>	17
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	18-21
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	22
Item 4. <u>Controls and Procedures</u>	22
<u>PART II. OTHER INFORMATION</u>	
Item 1. <u>Legal Proceedings</u>	22
Item 1A. <u>Risk Factors</u>	22
Item 6. <u>Exhibits</u>	23
<u>SIGNATURES</u>	24

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Condensed Consolidated Balance Sheets
(\$ in thousands, except per share amounts)

	At	
	March 31, 2006	December 31, 2005
	(Unaudited)	
Assets		
Cash and due from banks	\$ 6,389	\$ 6,572
Interest-earning deposits	1,433	6,424
Cash and cash equivalents	7,822	12,996
Securities available for sale	50,552	50,080
Loans, less allowance for loan losses of \$4,637 in 2006 and \$4,477 in 2005	645,090	630,827
Accrued interest receivable	4,112	4,138
Premises and equipment, net	15,205	14,376
Foreclosed assets	97	556
Federal Home Loan Bank stock	9,974	10,273
Mortgage servicing rights, net	736	804
Bank-owned life insurance	7,028	6,964
Deferred tax asset	2,370	2,476
Other assets	1,740	1,926
Total assets	\$ 744,726	\$ 735,416
Liabilities and Stockholders' Equity		
Liabilities:		
Non-interest-bearing demand deposits	\$ 13,967	\$ 13,628
Interest-bearing demand deposits	51,641	51,682
Money-market deposits	82,015	78,371
Savings deposits	3,406	4,062
Time deposits	338,731	323,319
Total deposits	489,760	471,062
Federal Home Loan Bank advances	189,200	201,700
Other borrowings	5,475	4,100
Junior subordinated debentures	5,155	5,155
Capital lease obligation	2,693	2,764
Accrued interest payable	1,046	1,208
Official checks	1,163	1,589
Other liabilities	5,084	3,697
Total liabilities	699,576	691,275
Stockholders' equity:		
Common stock, \$.01 par value, 15,000,000 shares authorized; 8,299,343 shares outstanding in both 2006 and 2005	83	83
Additional paid-in capital	33,694	33,679
Retained earnings	12,278	11,459
Unallocated ESOP shares (21,789 shares in both 2006 and 2005)	(157)	(157)
Accumulated other comprehensive loss	(748)	(923)
Total stockholders' equity	45,150	44,141

Edgar Filing: FEDERAL TRUST CORP - Form 10-Q

Total liabilities and stockholders' equity	\$ 744,726	\$ 735,416
--	------------	------------

See Accompanying Notes to Condensed Consolidated Financial Statements.

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Earnings (Unaudited)
(\$ in thousands, except per share amounts)

	Three Months Ended March 31,	
	2006	2005
Interest income:		
Loans	\$ 9,855	\$ 6,896
Securities	598	447
Other	200	109
Total interest income	10,653	7,452
Interest expense:		
Deposits	4,354	2,433
Other	2,085	1,229
Total interest expense	6,439	3,662
Net interest income	4,214	3,790
Provision for loan losses	139	180
Net interest income after provision for loan losses	4,075	3,610
Other income:		
Service charges and fees	228	79
Gain on sale of loans held for sale	27	77
Net gain (loss) on sale of securities available for sale	(1)	135
Rental income	69	72
Increase in cash surrender value of life insurance policies	64	63
Other	262	203
Total other income	649	629
Other expenses:		
Salary and employee benefits	1,703	1,167
Occupancy expense	465	409
Professional services	195	203
Data processing	184	160
Marketing and advertising	91	61
Other	354	354
Total other expenses	2,992	2,354
Earnings before income taxes	1,732	1,885
Income taxes	581	670
Net earnings	\$ 1,151	\$ 1,215
Earnings per share:		
Basic	\$.14	\$.15
Diluted	\$.13	\$.15

Edgar Filing: FEDERAL TRUST CORP - Form 10-Q

Weighted-average shares outstanding for (in thousands):		
Basic	8,444	8,117
	<u> </u>	<u> </u>
Diluted	8,614	8,350
	<u> </u>	<u> </u>
Cash dividends per share	\$.04	\$.03
	<u> </u>	<u> </u>

See Accompanying Notes to Condensed Consolidated Financial Statements.

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Stockholders Equity
For the Three Months Ended March 31, 2006 and 2005
(\$ in thousands)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Unallocated ESOP Shares	Accumulated Other Comprehensive Income (Loss)	Total Stockholders Equity
	Shares	Amount					
Balance at December 31, 2004	8,061,813	\$ 81	\$ 32,059	\$ 8,089	\$ (862)	\$ 20	\$ 39,387
Comprehensive income:							
Net earnings (unaudited)				1,215			1,215
Change in unrealized loss on securities available for sale, net of income taxes of \$222 (unaudited)						(367)	(367)
Comprehensive income (unaudited)							848
Tax benefit related to exercise of stock options (unaudited)			26				26
Issuance of common stock, stock options exercised (unaudited)	11,750		47				47
ESOP shares allocated (2,261 shares) (unaudited)			7		16		23
Dividends paid (unaudited)				(242)			(242)
Balance at March 31, 2005 (unaudited)	8,073,563	\$ 81	\$ 32,139	\$ 9,062	\$ (846)	\$ (347)	\$ 40,089
Balance at December 31, 2005	8,299,343	\$ 83	\$ 33,679	\$ 11,459	\$ (157)	\$ (923)	\$ 44,141
Comprehensive income:							
Net earnings (unaudited)				1,151			1,151
Change in unrealized loss on securities available for sale, net of income taxes of \$106 (unaudited)						175	175
Comprehensive income (unaudited)							1,326
Share-based compensation (unaudited)			15				15
Dividends paid (unaudited)				(332)			(332)
Balance at March 31, 2006 (unaudited)	8,299,343	\$ 83	\$ 33,694	\$ 12,278	\$ (157)	\$ (748)	\$ 45,150

See Accompanying Notes to Condensed Consolidated Financial Statements.

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows (Unaudited)
(\$ in thousands)

	Three Months Ended March 31	
	2006	2005
Cash flows from operating activities:		
Net earnings	\$ 1,151	\$ 1,215
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	195	179
Provision for loan losses	139	180
Provision for deferred taxes		65
Net amortization of premiums and discounts on securities		23
Net amortization of loan origination fees, costs, premiums and discounts	203	249
Amortization of mortgage servicing rights	68	80
Increase in cash surrender value of life insurance policies	(64)	(63)
Proceeds from sales of loans held for sale	2,367	5,173
Loans originated for resale	(1,700)	(7,260)
Gain on sale of loans held for sale	(27)	(77)
Net (gain) loss on sales of securities available for sale	1	(135)
Share-based compensation	15	
Tax benefit from exercise of stock options		26
Cash provided by (used in) resulting from changes in:		
Accrued interest receivable	26	(37)
Other assets	186	15
Accrued interest payable	(162)	175
Official checks	(426)	(114)
Other liabilities	780	(685)
Net cash provided by (used in) operating activities	2,752	(991)
Cash flows from investing activities:		
Purchase of securities available for sale	(2,525)	(9,638)
Proceeds from principal repayments and sales of securities available for sale	2,333	5,423
Loan principal repayments, net of originations	11,566	3,994
Purchase of loans	(26,811)	(31,197)
Purchase of premises and equipment	(1,024)	(842)
Net (purchase) redemption of Federal Home Loan Bank stock	299	(1,909)
Net proceeds from sale of foreclosed assets	459	144
Net cash used in investing activities	(15,703)	(34,025)
Cash flows from financing activities:		
Net increase in other borrowings	1,375	
Net increase (decrease) in deposits	18,698	(614)
Net increase (decrease) in Federal Home Loan Bank advances	(12,500)	36,250
Principal repayments under capital lease obligation	(71)	(71)
Net increase in advance payments from borrowers for taxes and insurance	607	249
Dividends paid	(332)	(242)
Net proceeds from the exercise of options on common stock		47
Net cash provided by financing activities	7,777	35,619
Net increase (decrease) in cash and cash equivalents	(5,174)	603
Cash and cash equivalents at beginning of period	12,996	7,481
Cash and cash equivalents at end of period	\$ 7,822	\$ 8,084

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows (Unaudited), continued
(\$ in thousands)

	Three Months Ended March 31	
	2006	2005
Supplemental disclosure of cash flow information-		
Cash paid during the period for:		
Interest	\$ 6,601	\$ 3,487
Income taxes	\$ 350	\$ 125
Noncash transactions:		
Foreclosed assets acquired in settlement of loans	\$	\$ 124
Accumulated other comprehensive income (loss), net change in unrealized loss on securities available for sale, net of tax	\$ 175	\$ (367)
Mortgage servicing rights recognized upon sale of loans held for sale	\$	\$ 85
ESOP shares allocated	\$	\$ 23
Securitization of loans held for sale	\$	\$ 2,538

See Accompanying Notes to Condensed Consolidated Financial Statements.

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited)

(1) Description of Business and Basis of Presentation

Organization. Federal Trust Corporation (Federal Trust) is the sole shareholder of Federal Trust Bank (the Bank) and Federal Trust Mortgage Company (Mortgage Company). Federal Trust operates as a unitary savings and loan holding company. Federal Trust's business activities primarily include the operation of the Bank and the Mortgage Company. The Bank is federally-chartered as a stock savings bank. The Bank's deposits are insured up to the applicable limits by the Federal Deposit Insurance Corporation. The Bank provides a wide range of banking services to individual and corporate customers through its seven offices located in Orange, Seminole and Volusia Counties, Florida. The Mortgage Company was established in May 2005 and commenced operations in January 2006, to provide residential loan products for customers of the Bank, to close mortgage loans on behalf of certain third party purchasers, and to sell mortgage loans in the secondary market.

The condensed consolidated financial statements include the accounts of Federal Trust, the Bank and the Mortgage Company (collectively referred to herein as, the Company). All significant intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments (principally consisting of normal recurring accruals) necessary to present fairly the financial position as of March 31, 2006, and the results of operations and cash flows for the three-month periods ended March 31, 2006 and 2005. The results of operations for the three-month period ended March 31, 2006, are not necessarily indicative of the results to be expected for the entire year ended December 31, 2006. These statements should be read in conjunction with the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2005.

(2) Loans

The components of loans are summarized as follows (\$in thousands):

	At March 31, 2006	At December 31, 2005
	<u> </u>	<u> </u>
Residential Lending:		
Mortgages (1)	\$ 404,464	\$ 399,973
Lot loans	39,796	40,203
Construction	80,632	81,572
	<u> </u>	<u> </u>
Total Residential lending	524,892	521,748
	<u> </u>	<u> </u>
Commercial Lending:		
Real Estate Secured	79,128	71,253
Land, Development and Construction	87,519	90,794
Commercial loans	25,219	22,529
	<u> </u>	<u> </u>
Total Commercial lending	191,866	184,576
Consumer loans	407	447
	<u> </u>	<u> </u>
Total loans	717,165	706,771
Add (deduct):		
Allowance for loan losses	(4,637)	(4,477)
Net premiums, discounts, deferred fees and costs	4,732	4,584
Undisbursed portion of loans in process	(72,170)	(76,051)
	<u> </u>	<u> </u>
Loans, net	\$ 645,090	\$ 630,827
	<u> </u>	<u> </u>

Edgar Filing: FEDERAL TRUST CORP - Form 10-Q

(1) Includes approximately \$415,000 and \$1,055,000 of loans held for sale at March 31, 2006 and December 31, 2005, respectively.

(Continued)

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited), Continued

(2) Loans, Continued

The following is a summary of information regarding nonaccrual and impaired loans (\$in thousands):

	At March 31, 2006	At December 31, 2005
Nonaccrual loans	\$ 3,857	\$ 2,118
Accruing loans past due ninety days or more	\$	\$
Recorded investment in impaired loans for which there is a related allowance for loan losses	\$ 3,857	\$ 2,118
Recorded investment in impaired loans for which there is no related allowance for loan losses	\$	\$
Allowance for loan losses related to impaired loans	\$ 579	\$ 318

	Three Months Ended March 31,	
	2006	2005
Interest income recognized and received on impaired loans	\$ 24	\$ 29
Average net recorded investment in impaired loans	\$ 2,926	\$ 2,148

The activity in the allowance for loan losses is as follows (\$ in thousands):

	Three Months Ended March 31,	
	2006	2005
Balance at beginning of period	\$ 4,477	\$ 3,835
Provision for loan losses	139	180
Charge-offs		(10)
Recoveries	21	1
Balance at end of period	\$ 4,637	\$ 4,006

A provision for loan losses is charged to earnings based upon management's evaluation of the potential losses in its loan portfolio. During the three months ended March 31, 2006, management made a provision of \$139,000 based on its evaluation of the loan portfolio, compared to a provision of \$180,000 made in the comparable period in 2005. At March 31, 2006, management believes that the allowance is adequate, primarily as a result of the overall quality and the high percentage of residential single family home loans in the portfolio.

(Continued)

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited), Continued

(3) Regulatory Capital

The Bank is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Bank's and the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must meet specific capital guidelines that involve quantitative measures of the Bank's assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. The Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Bank to maintain minimum amounts and percentages (set forth in the table below) of total and Tier I capital (as defined in the regulations) to risk-weighted assets and Tier I capital to average adjusted assets (as defined in the regulations). Management believes that, as of March 31, 2006, the Bank exceeds the minimum capital adequacy requirements to which it is subject.

As of December 31, 2005, the most recent notification from the Office of Thrift Supervision categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain total risk-based, Tier I risk-based and Tier I leverage percentages as set forth in the table below. There are no conditions or events since March 31, 2006 that management believes would change the institution's categorization as well capitalized. The following table summarizes the capital thresholds for each prompt corrective action capital category. An institution's capital category is based on whether it meets the threshold for all three capital ratios within the category. The Bank's actual capital amounts and percentages are also presented in the table (\$in thousands).

	Actual		For Capital Adequacy Purposes		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	%	Amount	%	Amount	%
<i>At March 31, 2006:</i>						
Total capital (to risk-weighted assets)	\$ 57,072	11.3%	\$ 40,267	8.0%	\$ 50,334	10.0%
Tier I capital (to risk-weighted assets)	52,434	10.4	20,133	4.0%	30,200	6.0%
Tier I capital (to average adjusted assets)	52,434	7.1	29,578	4.0%	36,973	5.0%

(Continued)

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited), Continued

(4) Earnings Per Share of Common Stock

The Company follows the provisions of Financial Accounting Standards No. 128, *Earnings Per Share* (SFAS No. 128). SFAS No. 128 provides accounting and reporting standards for calculating earnings per share. Basic earnings per share of common stock, has been computed by dividing the net earnings for the period by the weighted-average number of shares outstanding. Shares of common stock purchased by the Company's Employee Stock Ownership Plan (ESOP) are considered outstanding when the shares are allocated to participants. Diluted earnings per share is computed by dividing net earnings by the weighted-average number of shares outstanding including the dilutive effect of stock options computed using the treasury stock method. The following table presents the calculation of basic and diluted earnings per share of common stock restated for the effects of a 2% stock dividend declared on April 25, 2006 for shareholders of record on June 1, 2006 (in thousands, except per share amounts):

	Three Months Ended March 31,	
	2006	2005
Weighted-average shares outstanding before adjustment for unallocated ESOP shares	8,465	8,234
Adjustment to reflect the effect of unallocated ESOP shares	(21)	(117)
Weighted-average shares outstanding for basic earnings per share	8,444	8,117
Basic earnings per share after restatement for stock dividend	\$.14	\$.15
Basic earnings per share before restatement for stock dividend	\$.14	\$.15
Total weighted-average shares outstanding for basic earnings per share computation	8,444	8,117
Additional dilutive shares using the average market value for the period utilizing the treasury stock method regarding stock options	170	233
Weighted-average shares and equivalents outstanding for diluted earnings per share	8,614	8,350
Diluted earnings per share after restatement for stock dividend	\$.13	\$.15
Diluted earnings per share before restatement for stock dividend	\$.14	\$.15

In September 2005, the Financial Accounting Standards Board (FASB) issued a proposed statement of Financial Accounting Standards which amends SFAS No. 128. The proposed statement would be effective in the second quarter of 2006 and is intended to clarify guidance on the computation of earnings per share for certain items such as mandatorily convertible instruments, the treasury stock method, and contingently issuable shares. We have evaluated the proposed statement as presently drafted and have determined that if adopted in its current form, it would not have a significant impact on the computation of our earnings per share.

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited), Continued

(5) Stock Compensation Plans

The Company has three stock options plans. As a result of a 2% stock dividend declared on April 25, 2006, for shareholders of record on June 1, 2006, we have made proportionate adjustments to the number of shares of common stock covered by the stock options and stock units and in the purchase price per share of the stock option and stock units so as to prevent dilution of rights of the participant. The Key Employee Stock Compensation Program (the Employee Plan) is authorized to issue up to 10% of the issued shares up to a maximum of 1,000,000 shares through the exercise of incentive stock options, compensatory stock options, stock appreciation rights or performance shares. All awards granted under the Employee Plan have been incentive stock options. These options have ten year terms and vest over various terms up to five years. At March 31, 2006, the Company had 168,253 options available for future grants under the Employee Plan.

The Directors Stock Option Plan (the Director Plan) is authorized to issue up to 140,000 shares. All options granted under the Director Plan have ten year terms, vest immediately and are not exercisable for a period of six months after the grant date. As of March 31, 2006, all of the allocated options in the Director Plan had been granted.

At the 2005 Annual Meeting held on May 27, 2005, the shareholders approved the 2005 Directors Stock Plan (2005 Directors Plan), which is authorized to issue up to 90,000 shares. Awards made under the 2005 Directors Plan may be in the form of restricted shares, stock units, or stock options. A stock unit is the right to receive a share of common stock on a date elected by the director. While any stock unit is outstanding the director holding the stock unit will be entitled to receive a dividend in the form of additional stock units, if cash dividends are declared on outstanding shares of common stock. Each stock unit, including fractional stock units, will be converted to one share of common stock on the date which has been selected by the director. Awards of shares or stock units may be awarded to a director as an annual stock retainer, which is dependent upon the amount of the director's annual cash retainer. The 2005 Directors Plan also provides for discretionary awards of restricted shares, stock units or stock options, which may be granted by the Board to recognize additional services provided to the Company. Any stock options granted may not be exercisable for less than fair market value per share on the date of grant, and must be exercised at least 6 months from the date of grant and before the earlier of 10 years after the date of the award, or one year from the date the director's service is terminated by reason of retirement or death. During 2005, Restricted Stock Units for 6,963 shares were awarded to two Directors under the 2005 Directors Plan. The closing price of the Company's stock on the date of the grant was \$11.79 per share. Under the terms of their respective Agreements, the awards vest over three years (in near equal installments), unless there is a change in the control, at which point the awards vest immediately. As a Restricted Stock Unit, no shares will be physically issued on vested units until the Director no longer serves on the Board.

A summary of stock option and restricted stock unit transactions for the three-month periods ended March 31, 2006 and 2005 follows; restated for the effects of a 2% stock dividend declared on April 25, 2006 for shareholders of record on June 1, 2006 (\$in thousands, except per share data):

	Number of Options	Range of Per Share Option Price	Aggregate Option Price
Options Granted Under the Employee Plan:			
Outstanding at December 31, 2004	387,984	\$ 3.92-7.47	\$ 1,956
Options granted	24,553	10.05	247
Options forfeited	(47)	3.92	
Outstanding at March 31, 2005	412,490	\$ 3.92-10.05	\$ 2,203

FEDERAL TRUST CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements (Unaudited), Continued

(5) Stock Compensation Plans, Continued

	Number of Options	Range of Per Share Option Price	Aggregate Option Price
Outstanding at December 31, 2005	428,514	\$ 3.92-11.76	\$ 3,443
Options granted	10,200	12.15	124
Outstanding at March 31, 2006	438,714	\$ 3.92-12.15	\$ 3,567
<i>Options Granted Under the Director Plan:</i>			
Outstanding at December 31, 2004	142,801	\$ 3.92-7.47	\$ 694
Options exercised	(11,985)	3.92	(47)
Outstanding at March 31, 2005	130,816	\$ 3.92-7.47	\$ 647
Outstanding at December 31, 2005	68,201	\$ 3.92-7.47	\$ 367
Options granted	2,448	11.86	29
Outstanding at March 31, 2006	70,649	\$ 3.92-11.86	\$ 396