

FIRST FINANCIAL CORP /TX/
Form 4
December 15, 2005

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN 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 *
MANN DAVID W

2. Issuer Name and Ticker or Trading Symbol
FIRST FINANCIAL CORP /TX/ [FFC]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
800 WASHINGTON AVENUE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/13/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
President

WACO, TX 76701
(City) (State) (Zip)

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

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

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	12/13/2005		J(1)	421 A \$ 0	102,898 (2) (3)	I	Through interests in FFHL

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

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SEC 1474 (9-02)

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

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Convertible Promissory Note	\$ 2.5 ⁽⁴⁾	12/13/2005		P		12/13/2005	12/29/2006	Common Stock	140,000
Convertible Promissory Note	\$ 1.5315 ⁽⁹⁾	12/13/2005		P		12/13/2005	12/29/2006	Common Stock	326,000
Option (right to buy)	\$ 5 ⁽⁶⁾	12/13/2005		P	1	12/13/2005	12/31/2006	Common Stock	70,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MANN DAVID W 800 WASHINGTON AVENUE WACO, TX 76701	X	X	President	

Signatures

David W. Mann 12/15/2005
 **Signature of Date
 Reporting Person

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(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) First Financial Holdings, Ltd. ("FFHL"), a limited partnership of which the Reporting Person is a 0.5% general partner and a limited partner, received 421 shares of the Issuer's common stock from MCRLT Group, Ltd. ("MCRLT"), one of its limited partners, as an additional capital contribution for no increase in its limited partner percentage. The Reporting Person, who is also a general and limited partner of MCRLT, previously included these 421 shares of common stock in his Forms 4 as indirectly held through MCRLT.
- (2) The Reporting Person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (3) The Reporting Person's indirect interest in these shares includes (i) a 30.7% direct limited partner interest in FFHL, (ii) a 68.02% interest in MCRLT, the other limited partner in FFHL holding a 68.3% limited partner interest in FFHL, (iii) a 0.5% general partner interest in FFHL, and (iv) an interest (through the David W. Mann 1990 Trust) in FFC Holdings, Inc., the other 0.5% general partner of FFHL.
- (4) The price at which each share of common stock shall be delivered upon conversion of the note shall be the greater of \$2.50 per share or the book value per share at the time of conversion, subject to customary anti-dilution provisions.
- (5) Based on a conversion price of \$2.50.
- (6)

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The option is exercisable at the greater of \$5.00 per share or the book value per share as of the date of exercise, subject to customary anti-dilution provisions.

- (7) Based on an exercise price of \$5.00. The Reporting Person has the right to acquire that number of shares equal to \$350,000 divided by the greater of \$5.00 or the book value per share at the time of exercise.
- (8) On December 13, 2005, JRPM Investments, Ltd., of which the Reporting Person is a general partner and a limited partner, entered into that certain Note Purchase Agreement with the Issuer pursuant to which it purchased two convertible promissory notes from the Issuer for an aggregate \$850,000, and received an option to acquire up to 70,000 shares of common stock as set forth herein.
- (9) The price at which each share of common stock shall be delivered upon conversion of the note is equal to \$500,000 divided by 326,472, or \$1.5315249 per share, subject to customary anti-dilution provisions.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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