

Edgar Filing: MAYS J W INC - Form 10-Q

MAYS J W INC
Form 10-Q
December 11, 2008

FORM 10-Q

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

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-3647

J.W. Mays, Inc.
(Exact name of registrant as specified in its charter)

New York 11-1059070

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

9 Bond Street, Brooklyn, New York 11201-5805

(Address of principal executive offices) (Zip Code)

(Registrant's telephone number, including area code) 718-624-7400

Not Applicable

(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 12 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.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an
accelerated filer, a non-accelerated filer, or a smaller reporting company.
See the definitions of "large accelerated filer," "accelerated filer" and
"smaller reporting company" in Rule 12b-2 of the Exchange Act. Large
accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in
Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of the issuer's common stock, as of
the latest practicable date.

Class Outstanding at Decembbber 10, 2008

Edgar Filing: MAYS J W INC - Form 10-Q

Common Stock, \$1 par value

2,015,780 shares

This report contains 19 pages.

-1-

J. W. MAYS, INC.

INDEX

	Page No.
Part I - Financial Information:	
Consolidated Balance Sheet	3
Consolidated Statement of Income and Retained Earnings	4
Consolidated Statement of Comprehensive Income	4
Consolidated Statement of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 11
Management's Discussion and Analysis of Results of Operations and Financial Condition	12 - 14
Controls and Procedures	14
Part II - Other Information	15
Signatures	16
(31) Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	
(31.1) - Chief Executive Officer	17
(31.2) - Chief Financial Officer	18
(32) Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	
18 U.S.C. Section 1350	19

-2-

J. W. MAYS, INC.
CONSOLIDATED BALANCE SHEET

ASSETS

October 31
2008

July 31
2008

Edgar Filing: MAYS J W INC - Form 10-Q

	(Unaudited)	(Audited)
Property and Equipment - Net (Notes 6 and 7)	\$45,291,749	\$45,424,107
Current Assets:		
Cash and cash equivalents	1,981,103	1,475,390
Marketable securities (Note 4)	49,344	49,097
Receivables	225,804	171,031
Deferred income taxes	276,000	320,000
Prepaid expenses	909,078	1,833,569
Security deposits	13,674	13,674
Total current assets	3,455,003	3,862,761
Other Assets:		
Deferred charges	3,461,708	3,461,708
Less accumulated amortization	1,455,159	1,361,804
Net	2,006,549	2,099,904
Receivables	2,667	3,067
Security deposits	1,429,207	1,428,573
Unbilled receivables (Note 9)	2,736,076	2,859,076
Marketable securities (Note 4)	1,262,680	1,605,840
Total other assets	7,437,179	7,996,460
TOTAL ASSETS	\$56,183,931	\$57,283,328

LIABILITIES AND SHAREHOLDERS' EQUITY		

Long-Term Debt:		
Mortgages and term loan payable (Note 6)	\$9,265,964	\$9,513,528
Note payable - related party (Note 8)	1,000,000	1,000,000
Security deposits payable	1,102,769	1,102,134
Payroll and other accrued liabilities	178,848	268,272
Total long-term debt	11,547,581	11,883,934
Deferred Income Taxes	1,738,000	1,935,000
Current Liabilities:		
Accounts payable	126,528	39,364
Payroll and other accrued liabilities	1,558,930	1,785,336
Income taxes payable (Note 11)	43,774	102,945
Other taxes payable	4,226	1,891
Current portion of mortgages payable (Note 6)	1,763,518	2,067,639
Current portion of security deposits payable	13,674	13,674
Total current liabilities	3,510,650	4,010,849
Total liabilities	16,796,231	17,829,783

Edgar Filing: MAYS J W INC - Form 10-Q

Shareholders' Equity:

Common stock, par value \$1 each share (shares - 5,000,000 authorized; 2,178,297 issued)	2,178,297	2,178,297
Additional paid in capital	3,346,245	3,346,245
Unrealized (loss) on available for sale securities - net of deferred taxes (benefit) of (\$187,000) at October 31, 2008 and \$(70,000) at July 31, 2008	(260,595)	(134,412)
Retained earnings	35,411,605	35,351,267
	40,675,552	40,741,397
Less common stock held in treasury, at cost - 162,517 shares at October 31, 2008 and at July 31, 2008 (Note 12)	1,287,852	1,287,852
Total shareholders' equity	39,387,700	39,453,545

Contingencies (Note 13)

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$56,183,931	\$57,283,328
--	--------------	--------------

See Notes to Consolidated Financial Statements.

-3-

J. W. MAYS, INC.
CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	Three Months Ended October 31	
	2008	2007
	(Unaudited)	(Unaudited)
Revenues		
Rental income (Notes 5 and 9)	\$3,922,846	\$3,507,877
Loss on disposition of fixed assets	-	(30,670)
Total revenues	3,922,846	3,477,207
Expenses		
Real estate operating expenses	2,242,687	2,145,580
Administrative and general expenses	872,405	780,356
Depreciation and amortization	405,092	396,041
Total expenses	3,520,184	3,321,977
Income from operations before investment income, interest expense and income taxes	402,662	155,230
Investment income and interest expense		
Investment income (loss) (Note 4)	(62,899)	64,445

Edgar Filing: MAYS J W INC - Form 10-Q

Interest expense (Notes 6, 8, and 11)	(205,425)	(239,813)
	-----	-----
	(268,324)	(175,368)
	-----	-----
Income (loss) before income taxes	134,338	(20,138)
Income taxes provided	74,000	16,000
	-----	-----
Net income (loss)	60,338	(36,138)
Retained earnings, beginning of period	35,351,267	35,426,908
	-----	-----
Retained earnings, end of period	\$35,411,605	\$35,390,770
	=====	=====
Income (loss) per common share (Note 2)	\$.03	\$ (.02)
	=====	=====
Dividends per share	\$-	\$-
	=====	=====
Average common shares outstanding	2,015,780	2,015,780
	-----	-----

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Three Months Ended October 31	
	2008	2007
	-----	-----
	(Unaudited)	(Unaudited)
Net Income (Loss)	\$60,338	\$ (36,138)
	-----	-----
Other comprehensive income, net of taxes (Note 3)		
Unrealized gain (loss) on available-for-sale securities:		
Net of taxes (benefit) of \$(117,000) and \$3,000 for the three months ended October 31, 2008 and 2007, respectively.	(126,184)	4,400
Reclassification adjustment	99,976	-
	-----	-----
Net change in comprehensive income	(26,208)	4,400
	-----	-----
Comprehensive income (loss)	\$34,130	\$ (31,738)
	=====	=====

See Notes to Consolidated Financial Statements.

Edgar Filing: MAYS J W INC - Form 10-Q

J. W. MAYS, INC. CONSOLIDATED STATEMENT OF CASH FLOWS

	Three Months Ended October 31	
	2008	2007
	----- (Unaudited)	----- (Unaudited)
Cash Flows From Operating Activities:		
Net income (loss)	\$60,338	\$(36,138)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Loss on disposition of fixed assets	-	30,670
Impairment of marketable securities	99,976	-
Depreciation and amortization	405,092	396,041
Amortization of deferred charges	93,355	95,912
Other assets - deferred charges	-	(14,079)
- unbilled receivables	123,000	138,000
Deferred income taxes	(36,000)	(53,000)
Changes in:		
Receivables	(54,373)	(51,904)
Prepaid expenses	924,491	828,533
Income taxes refundable	-	(133,332)
Accounts payable	87,164	42,187
Payroll and other accrued liabilities	(315,830)	(148,856)
Income taxes payable	(59,171)	(1,456,558)
Other taxes payable	2,335	(4,549)
	-----	-----
Cash provided (used) by operating activities	1,330,377	(367,073)
Cash Flows From Investing Activities:		
Capital expenditures	(272,734)	(538,010)
Security deposits	(634)	(23,208)
Marketable Securities		
Payments for purchases	(246)	(800,712)
	-----	-----
Cash (used) by investing activities	(273,614)	(1,361,930)
Cash Flows From Financing Activities:		
Increase - security deposits	635	1,278
Borrowings - mortgage and other debt	-	41,955
Decrease - mortgage and other debt payments	(551,685)	(198,951)
	-----	-----
Cash (used) by financing activities	(551,050)	(155,718)
Increase (decrease) in cash		
	505,713	(1,884,721)
Cash and cash equivalents at beginning of period		
	1,475,390	5,965,350
Cash and cash equivalents at end of period		
	\$1,981,103	\$4,080,629
	=====	=====

Edgar Filing: MAYS J W INC - Form 10-Q

See Notes to Consolidated Financial Statements.

-5-

J. W. MAYS, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Records and Use of Estimates:

The accounting records are maintained in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of the Company's financial statements in accordance with GAAP requires management to make estimates that affect the reported consolidated statements of income and retained earnings, comprehensive income, and the consolidated balance sheets and related disclosures. Actual results could differ from those estimates.

The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The July 31, 2008 balance sheet was derived from audited financial statements but does not include all disclosures required by GAAP. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes included in the Company's latest Form 10-K Annual Report for the fiscal year ended July 31, 2008. In the opinion of management, the interim financial statements reflect all adjustments of a normal recurring nature necessary for a fair statement of the results for interim periods. The results of operations for the current period are not necessarily indicative of the results for the entire fiscal year ending July 31, 2009.

2. Income Per Share of Common Stock:

Income per share has been computed by dividing the net income for the periods by the weighted average number of shares of common stock outstanding during the periods, adjusted for the purchase of treasury stock. Shares used in computing income per share were 2,015,780 for the three months ended October 31, 2008 and October 31, 2007.

3. Comprehensive Income:

Statement of Financial Accounting Standards (SFAS) No. 130, "Reporting Comprehensive Income", establishes standards for the reporting of comprehensive income and its components. It requires all items that are required to be recognized as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other income statement information. Comprehensive income is defined to include all changes in equity except those resulting from investments by and distributions to shareholders.

4. Marketable Securities:

The Company categorizes marketable securities as either trading, available-for-sale or held-to-maturity. Trading securities are carried at fair value with unrealized gains and losses included in income. Available-for-sale securities are carried at fair value measurements using quoted prices in active markets for identical assets or liabilities (level 1) with unrealized gains and losses recorded as a separate component of shareholders' equity. Held-to-maturity securities are carried at amortized cost. Dividends and interest income are accrued as earned. Realized gains and losses are determined on a specific identification basis. The Company

Edgar Filing: MAYS J W INC - Form 10-Q

reviews marketable securities for impairment whenever circumstances and situations change such that there is an indication that the carrying amounts may not be recovered. The Company did not classify any securities as trading during the three months ended October 31, 2008 and October 31, 2007. The implementation of Statement of Financial Accounting Standards No. 157, Fair Value Measurements, had no impact on the presentation of marketable securities in the Company's financial statements.

-6-

As of October 31, 2008, the Company's marketable securities were classified as follows:

October 31, 2008						
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Cost	Gr Unre G
Current:						
Held-to-maturity:						
Certificate of deposit	\$49,344	\$-	\$-	\$49,344	\$49,097	
Noncurrent:						
Available-for-sale:						
Equity securities	\$1,710,276	\$-	\$(447,596)	\$1,262,680	\$1,810,252	

The gross unrealized losses have been in existence for less than twelve months and management does not anticipate selling any of the securities at a loss, although it is possible that the Company may, depending upon market conditions, sell certain of the securities at a loss.

Investment income consists of the following:

	Three Months Ended October 31	
	2008	2007
Interest income	\$6,327	\$49,052
Dividend income	30,750	15,393
(Loss) on writedown or impairment of securities	(99,976)	-
Total	\$ (62,899)	\$64,445

5. Financial Instruments and Credit Risk Concentrations:

Financial instruments that are potentially subject to concentrations of credit risk consist principally of marketable securities, cash and cash equivalents and receivables. Marketable securities, cash and cash equivalents are placed with high credit quality financial institutions and instruments to minimize risk. No assurance can be made that such financial institutions and instruments will minimize all such risk.

The Company derives rental income from fifty-three tenants, of which one

Edgar Filing: MAYS J W INC - Form 10-Q

tenant accounted for 11.29% and another tenant accounted for 16.70% of rental income during the three months ended October 31, 2008. No other tenant accounted for more than 10% of rental income during the same period.

The Company has three irrevocable Letters of Credit totaling \$367,500 at October 31, 2008 and July 31, 2008, provided by three tenants.

-7-

6. Long-Term Debt - Mortgages and Term Loan:

		October 31, 2008			
		Current	Final	Due	Due
		Annual	Payment	Within	After
		Interest	Date	One Year	One Year
		Rate	Date	One Year	One Year
		-----	-----	-----	-----
Mortgages:					
Jamaica, New York property	(a)	6.00%	4/01/12	\$62,899	\$1,205,093
Jamaica, New York property	(b)	6.81%	10/01/11	122,475	2,349,645
Jowein building, Brooklyn, NY	(c)	9.00%	4/01/09	787,250	-
Fishkill, New York property	(d,e)	6.98%	2/18/15	59,242	1,739,012
Bond St. building, Brooklyn, NY	(e)	6.98%	2/18/15	120,663	3,541,922
Term-loan payable to bank	(f)	6.50%	5/01/10	370,989	230,292
Jowein building, Brooklyn, NY	(g)	Variable	8/01/10	240,000	200,000
Total				\$1,763,518	\$9,265,964
				\$1,763,518	\$9,265,964

- (a) The Company, on September 11, 1996, closed a loan with a bank in the amount of \$4,000,000. The loan is secured by a first mortgage lien covering the entire leasehold interest of the Company, as tenant, in a certain ground lease and building in the Jamaica, New York property. In March 2007, the Company extended the loan for five years with an option for an additional five year period. The interest rate for the initial five years is 6.00% per annum. Interest and amortization of principal will be made in constant monthly amounts based on a fifteen year (15) payout period. The outstanding balance of the loan totaling \$1,036,602 will become due and payable on April 1, 2012.
- (b) The Company, on December 13, 2000, closed a loan with a bank in the amount of \$3,500,000. The loan is secured by a second position leasehold mortgage covering the entire leasehold interest of the Company, as tenant, in a certain ground lease and building in the Jamaica, New York property. The outstanding balance of the loan, totaling \$2,739,452, became due and payable on October 1, 2006. The Company exercised its option to extend the loan for a additional five (5) years to October 1, 2011. The interest rate for the extended period is 6.81% per annum. At the end of the five year period there will be a balance due on the loan of \$2,077,680.

As additional collateral security, the Company conditionally assigned to the bank all leases and rents on the premises, or portions thereof, whether now existing or hereafter consummated. The Company has an option to prepay principal, in whole or in part, plus interest accrued thereon, at any time during the term, without premium or penalty. Other provisions of the loan agreement provide certain restrictions on the incurrence of

Edgar Filing: MAYS J W INC - Form 10-Q

indebtedness on the Jamaica property and the sale or transfer of the Company's ground lease interest in the premises.

- (c) The Company, on May 7, 2004, closed a loan with an affiliated corporation owned by members, including certain directors of the Company, of the family of the late Joe Weinstein, former Chairman of the Board of Directors, in the amount of \$1,350,000. The term of the loan is for a period of five (5) years at an interest rate of 9.00% per annum. Interest and amortization of principal are paid quarterly based on a fifteen (15) year level amortization period. The constant quarterly payments of interest and principal are \$40,316. The outstanding balance of the loan, totaling \$764,648, will become due and payable on April 1, 2009. Interest paid for the three months ended October 31, 2008 and October 31, 2007 was \$21,311 and \$26,042, respectively. On September 22, 2008, the Company made a payment in the amount \$300,000, which was a partial payment towards the principal amount of the loan.
- (d) On August 19, 2004, the Company extended the then existing loan for an additional forty-two (42) months, with an option to convert the loan to a seven (7) year permanent mortgage loan. (See Note 6(e) below). The Company in February 2008 converted the loan to a seven (7) year permanent mortgage loan. The interest rate on conversion was 6.98%.

-8-

- (e) The Company, on August 19, 2004, closed a loan with a bank for a \$12,000,000 multiple draw term loan. This loan finances seventy-five (75%) percent of the cost of capital improvements for an existing lease to a tenant and capital improvements for future tenant leases at the Company's Brooklyn, New York (Bond Street building) and Fishkill, New York properties. The loan will also finance \$850,000 towards the construction of two new elevators at the Company's Brooklyn, New York property (Bond Street building). The Company had three and one-half years to draw down amounts under this loan. The loan consists of: a) a permanent, first mortgage loan to refinance an existing first mortgage loan affecting the Fishkill Property, which matured on July 1, 2004 (the "First Permanent Loan") (see Note 6(d)), b) a permanent subordinate mortgage loan in the amount of \$1,870,000 (the "Second Permanent Loan"), and c) multiple, successively subordinate loans in the amount \$8,295,274 ("Subordinate Building Loans"). The loan is structured in two phases: 1) a forty-two (42) month loan with payments of interest only at the floating one-month LIBOR rate plus 2.25% per annum, but not less than 3.40%; and 2) after the forty-two month period, the loan would convert to a seven-year (7) permanent mortgage loan on a seventeen (17) year level amortization, plus interest, at the option of the Company. The interest rate on the permanent loan would be at a fixed rate equal to the Federal Home Loan Bank of New York's seven-year (7) fixed interest rate plus 2.25% per annum at the time of conversion. As of August 19, 2004, the Company refinanced the existing mortgage on the Company's Fishkill, New York property, which balance was \$1,834,726 and took down an additional \$2,820,000 for capital improvements for two tenants at the Company's Bond Street building in Brooklyn, New York. In fiscal 2006, 2007 and 2008, the Company drew down additional amounts totaling \$916,670, on its multiple draw term loan to finance tenant improvements and brokerage commissions for the leasing of 13,026 square feet for office use at the Company's Bond Street building in Brooklyn, New York. The Company in February 2008 converted the loan to a seven (7) year permanent mortgage loan. The interest rate on conversion was 6.98%. Since the loan has been converted to a permanent mortgage loan, the balance of the financing on this loan is for the new elevators at the Company's Bond Street building in Brooklyn, New York in the amount of \$850,000 referred to above. As of October 31, 2008, the Company has not drawn down any of the \$850,000. The \$850,000 is available until the

Edgar Filing: MAYS J W INC - Form 10-Q

elevator work is completed. The monthly payments to the bank will increase once the \$850,000 is drawn down.

- (f) On February 18, 2005, the Company secured financing in the amount of \$1,700,000, from a bank whose president is a director of the Company. The loan is a multiple draw loan, for a period of five (5) years, and is self-amortizing, at an interest rate of 6.50% per annum.
- (g) The Company, on July 22, 2005, closed a loan with a bank for \$1,200,000. The loan was used to finance the construction costs and brokerage commissions associated with the leasing of 15,000 square feet for office use to a tenant at the Company's Jowein building in Brooklyn, New York. The loan is secured by the assignment of lease of 15,000 square feet. The loan is for a period of five (5) years and is self-amortizing, at a floating interest rate of prime plus 1.00% per annum. The interest rate at October 31, 2008 was 5.00% per annum.

-9-

7. Property and Equipment - at cost:

	October 31 2008	July 31 2008
	-----	-----
Property:		
Buildings and improvements	\$62,527,466	\$62,488,206
Improvements to leased property	9,154,777	9,154,777
Land	6,067,805	6,067,805
Construction in progress	810,446	634,869
	-----	-----
	78,560,494	78,345,657
Less accumulated depreciation	33,460,938	33,069,044
	-----	-----
Property - net	45,099,556	45,276,613
	-----	-----
Fixtures and equipment and other:		
Fixtures and equipment	547,084	544,384
Other fixed assets	234,120	227,582
	-----	-----
	781,204	771,966
Less accumulated depreciation	589,011	624,472
	-----	-----
Fixtures and equipment and other - net	192,193	147,494
	-----	-----
Property and equipment - net	\$45,291,749	\$45,424,107
	=====	=====

8. Note Payable:

On December 15, 2004, the Company borrowed \$1,000,000 from a director of the Company, who is also a greater than 10% beneficial owner of the outstanding common stock of the Company. The term of the loan was for a period of three (3) years maturing on December 15, 2007, at an interest rate of 7.50% per annum. The loan is unsecured. The note is prepayable in whole or in part at any time without penalty. The constant quarterly payments of interest are \$18,750. The Company extended the note for an

Edgar Filing: MAYS J W INC - Form 10-Q

additional three (3) years maturing on December 15, 2010, at an interest rate of 7.50% per annum.

9. Unbilled Receivables and Rental Income:

Unbilled receivables represent the excess of scheduled rental income recognized on a straight-line basis over rental income as it becomes receivable according to the provisions of each lease.

10. Employees' Retirement Plan:

The Company sponsors a noncontributory Money Purchase Plan covering substantially all of its non-union employees. Operations were charged \$75,000 and \$75,705 as contributions to the Plan for the three months ended October 31, 2008 and October 31, 2007, respectively.

-10-

11. Cash Flow Information:

For purposes of reporting cash flows, the Company considers cash equivalents to consist of short-term highly liquid investments with maturities of three months or less, which are readily convertible into cash.

Supplemental disclosure:

	Three Months Ended October 31	
	2008	2007
Interest paid, net of capitalized interest of \$11,677 (2008) and \$8,890 (2007)	\$209,087	\$241,870
Income taxes paid	\$169,168	\$1,658,890

12. Capitalization:

The Company is capitalized entirely through common stock with identical voting rights and rights to liquidation. Treasury stock is recorded at cost and consists of 162,517 shares at October 31, 2008 and at July 31, 2008.

13. Contingencies:

There are various lawsuits and claims pending against the Company. It is the opinion of management that the resolution of these matters will not have a material adverse effect on the Company's Consolidated Financial Statements.

In response to a termination notice that the Company received concerning its tenancy in a portion of the Jowein building, Brooklyn, New York, on April 25, 2007, the Company filed a lawsuit against its landlords in New York State Supreme Court, Kings County. In the lawsuit, the Company seeks a judgment declaring that the landlords' termination notice was improperly issued and that the Company is not required to correct or cure the

Edgar Filing: MAYS J W INC - Form 10-Q

purported defaults cited in the termination notice. In addition, the Company seeks an order temporarily, preliminarily and permanently enjoining the landlords from taking any action to terminate the lease or otherwise interfere with the Company's possession of the premises.

On May 16, 2007, the New York State Supreme Court granted the Company's motion for preliminary injunctive relief and enjoined the landlords, during the pendency of this action, from taking any action to evict the Company, terminate the Company's lease which is scheduled to expire on April 30, 2010, and/or commencing summary action adverse to the Company's rights or otherwise disturb the Company's possession of the premises. The landlords have answered the complaint denying the allegations and asserting counterclaims against the Company relating to the premises. Discovery has been completed and the case is awaiting the scheduling of a trial date. Management of the Company is unable to predict the outcome of this matter or whether the Company will be required to expend significant amounts of money in order to correct any of the purported defaults.

-11-

J. W. MAYS, INC. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our financial statements and related notes thereto contained in this report. In this discussion, the words "Company", "we", "our" and "us" refer to J.W. Mays, Inc. and subsidiaries.

The following can be interpreted as including forward-looking statements under the Private Securities Litigation Reform Act of 1995. The words "outlook", "intend", "plans", "efforts", "anticipates", "believes", "expects" or words of similar import typically identify such statements. Various important factors that could cause actual results to differ materially from those expressed in the forward-looking statements are identified under the heading "Cautionary Statement Regarding Forward-Looking Statements" below. Our actual results may vary significantly from the results contemplated by these forward-looking statements based on a number of factors including, but not limited to, availability of labor, marketing success, competitive conditions and the change in economic conditions of the various markets we serve.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosure of contingent assets and liabilities. We believe the critical accounting policies in Note 1 to the Consolidated Financial Statements affect our more significant judgments and estimates used in the preparation of our financial statements. Actual results may differ from these estimates under different assumptions and conditions. (See Note 1 on page 6 to the Consolidated Financial Statements and Note 1 on pages 8 and 9 to the Consolidated Financial Statements in Form 10-K for the fiscal year ended July 31, 2008).

Results of Operations:

Three Months Ended October 31, 2008 Compared to the Three Months Ended October 31, 2007:

In the three months ended October 31, 2008, the Company reported net income of

Edgar Filing: MAYS J W INC - Form 10-Q

\$60,338, or \$.03 per share. In the comparable three months ended October 31, 2007, the Company reported a net loss of (\$36,138), or (\$.02) per share.

Revenues in the current three months increased to \$3,922,846 from \$3,477,207 in the comparable 2007 three months. The increase in revenues was due to the Company's leasing to five additional tenants at the Company's Brooklyn, New York and Circleville, Ohio properties.

Real estate operating expenses in the current three months increased to \$2,242,687 from \$2,145,580 in the comparable 2007 three months primarily due to increases in rental expense and real estate taxes, partially offset by decreases in utility costs and maintenance costs.

Administrative and general expenses in the current three months increased to \$872,405 from \$780,356 in the comparable 2007 three months primarily due to increases in payroll costs, and legal and professional costs.

Depreciation and amortization expense in the current three months increased to \$405,092 from \$396,041 in the comparable 2007 three months.

Interest expense and other expenses in the current three months exceeded investment income by \$268,324 and by \$175,368 in the comparable 2007 three months. The increase in the excess of interest expense over investment income was due to the principal write-down of \$99,976 due to the impairment of the Company's investment in Lehman Brothers Holdings Inc. preferred stock and decreased investment income, partially offset by scheduled repayments of debt.

-12-

Liquidity and Capital Resources:

The Company has been operating as a real estate enterprise since the discontinuance of the retail department store segment of its operations on January 3, 1989.

Management considers current working capital and borrowing capabilities adequate to cover the Company's planned operating and capital requirements. The Company's cash and cash equivalents amounted to \$1,981,103 at October 31, 2008.

In July 2008, the Company entered into a lease agreement with a tenant for 57,209 square feet of office space at its Brooklyn, New York property. Rent will commence in February 2009. The cost of construction for this tenant will be insignificant.

On September 22, 2008, the Company made a payment in the amount of \$300,000, which was a partial payment towards the principal amount of its loan on the Jowain Building in Brooklyn, New York. (See Note 6(c) to the Consolidated Financial Statements.)

As part of the \$12,000,000 multiple draw term loan, the bank agreed to finance the cost of two new elevators at the Company's Bond Street building in Brooklyn, New York. The amount to be financed will be \$850,000. (See Note 6(e) to the Consolidated Financial Statements). The total cost of the elevator project is estimated to be \$1,100,000 and is anticipated to be completed in fiscal 2009.

Cash Flows From Operating Activities:

Payroll and Other Accrued Liabilities: The Company paid \$101,322 for commissions incurred in order to lease space at the Company's properties in

Edgar Filing: MAYS J W INC - Form 10-Q

the three months ended October 31, 2008. The original amount of the brokerage commissions was \$2,540,474. As of October 31, 2008, \$2,170,004 had been paid.

A tenant at the Company's Jowein building in Brooklyn, New York paid the rent in advance to the end of the lease term which is April 2010. The amount paid in advance as of October 31, 2008 is \$536,536.

Cash Flows From Investing Activities:

The Company had expenditures of \$115,000 in the three months ended October 31, 2008 for the construction of two new elevators. The total cost of the project is approximately \$1,100,000, of which \$850,000 will be financed by a bank. The project is anticipated to be completed in fiscal 2009.

Cash Flows From Financing Activities:

On September 22, 2008, the Company made a payment in the amount of \$300,000, which was a partial payment towards the principal amount of its loan on the Jowein Building in Brooklyn, New York. (See Note 6(c) to the Consolidated Financial Statements.)

Quantitative and Qualitative Disclosures About Market Risks:

The Company uses both fixed-rate and variable-rate debt to finance its capital requirements. These transactions expose the Company to market risk related to changes in interest rates. The Company does not use derivative financial instruments. At October 31, 2008, the Company had fixed-rate debt of \$11,589,482 and variable-rate debt of \$440,000. Because of the Jowein building, Brooklyn, New York loan (presently with a balance of \$440,000), if interest rates were to change 100 basis points, the effect on net income from operations and future cash flows would be a decrease, should the rates increase, or an increase, should the rates decline, of \$4,400 for this loan.

-13-

Cautionary Statement Regarding Forward-Looking Statements:

This section, Management's Discussion and Analysis of Financial Condition and Results of Operations, other sections of this Report on Form 10-Q and other reports and verbal statements made by our representatives from time to time may contain forward-looking statements that are based on our assumptions, expectations and projections about us and the securities industry. These include statements regarding our expectations about revenues, our liquidity, or expenses and our continued growth, among others. Such forward-looking statements by their nature involve a degree of risk and uncertainty. We caution that a variety of factors, including but not limited to the factors listed below, could cause business conditions and our results to differ materially from what is contained in forward-looking statements:

changes in the rate of economic growth in the United States;

the ability to obtain credit from financial institutions and at what costs;

changes in the financial condition of our customers;

changes in regulatory environment;

lease cancellations;

changes in our estimates of costs;

Edgar Filing: MAYS J W INC - Form 10-Q

war and/or terrorist attacks on facilities where services are or may be provided;

outcomes of pending and future litigation;

increasing competition by other companies;

compliance with our loan covenants;

recoverability of claims against our customers and others by us and claims by third parties against us; and

changes in estimates used in our critical accounting policies.

Other factors and assumptions not identified above were also involved in the formation of these forward-looking statements and the failure of such other assumptions to be realized, as well as other factors, may also cause actual results to differ materially from those projected. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described above in connection with any forward-looking statements that may be made by us.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures we make in proxy statements, quarterly reports on Form 10-Q, Annual Reports on Form 10-K and current reports on Form 8-K filed with the Securities and Exchange Commission.

Controls and Procedures:

The Company's management reviewed the Company's internal controls and procedures and the effectiveness of these controls. As of October 31, 2008, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13a-14(c) and 15d-14(c) of the Securities Exchange Act of 1934. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in its periodic SEC filings.

There was no change in the Company's internal controls over financial reporting or in other factors during the Company's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. There were no significant deficiencies or material weaknesses, and therefore there were no corrective actions taken.

Our Accounting Department is comprised of four persons. Due to such a limited number of persons, a complete segregation of all of the duties as to which the department is responsible is not possible. In order to make sure that the inability to segregate all duties does not affect our timely and accurate financial reporting, we need to remain vigilant in maintaining compensating controls. These compensating controls will continue to be monitored in order to assure us that our internal controls over financial reporting remain at a high level despite the limited number of Accounting Department personnel.

Edgar Filing: MAYS J W INC - Form 10-Q

Part II - Other Information

Item 6 - Exhibits and Reports on Form 8-K

(a) List of Exhibits:

Exhibit Number	Exhibit	Sequentially Numbered Page
(2)	Plan of acquisition, reorganization, arrangement, liquidation or succession.	N/A
(4)	Instruments defining the rights of security holders, including indentures.	N/A
(10)	Material contracts.	N/A
(11)	Statement re computation of per share earnings	N/A
(15)	Letter re unaudited interim financial information.	N/A
(18)	Letter re change in accounting principles.	N/A
(19)	Report furnished to security holders.	N/A
(22)	Published report regarding matters submitted to vote of security holders.	N/A
(24)	Power of attorney.	N/A
(27)	Financial data schedule.	N/A
(31)	Additional exhibits--Certifications Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	
	(31.1) Chief Executive Officer	17
	(31.2) Chief Financial Officer	18
(32)	Certification Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, 18 U.S.C. Section. 1350.	19

- (b) Reports on Form 8-K - One report on Form 8-K was filed by the registrant during the three months ended October 31, 2008.

Item reported:

The Company reported its financial results for the three and twelve months ended July 31, 2008.

Date of report filed - October 9, 2008.

-15-

SIGNATURES

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

J.W. MAYS, Inc.

Edgar Filing: MAYS J W INC - Form 10-Q

(Registrant)

Date December 10, 2008

Lloyd J. Shulman

Lloyd J. Shulman
President
Chief Executive Officer

Date December 10, 2008

Mark S. Greenblatt

Mark S. Greenblatt
Vice President
Chief Financial Officer

-16-

EXHIBIT 31.1

CERTIFICATION

I, Lloyd J. Shulman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of J.W. Mays, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external

Edgar Filing: MAYS J W INC - Form 10-Q

purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 10, 2008

/s/ Lloyd J. Shulman

Lloyd J. Shulman
President
Chief Executive Officer

-17-

EXHIBIT 31.2

CERTIFICATION

I, Mark S. Greenblatt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of J.W. Mays, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))

Edgar Filing: MAYS J W INC - Form 10-Q

for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 10, 2008

/s/ Mark S. Greenblatt

Mark S. Greenblatt
Vice President
Chief Financial Officer

-18-

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

EXHIBIT 32

Edgar Filing: MAYS J W INC - Form 10-Q

The following certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. Section 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

In connection with the Quarterly Report of J. W. Mays, Inc. (the "Company") on Form 10-Q for the period ending October 31, 2008 as filed with the Securities and Exchange Commission (the "Report"), we, Lloyd J. Shulman and Mark S. Greenblatt, Chief Executive Officer and Chief Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

December 10, 2008

/s/ Lloyd J. Shulman

Lloyd J. Shulman
Chief Executive Officer

/s/ Mark S. Greenblatt

Mark S. Greenblatt
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to J.W. Mays, Inc. and will be retained by J. W. Mays, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.