

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

MAYS J W INC  
Form 10-Q  
December 13, 2007

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, 2007

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 incorporation or organization)	(I.R.S. Employer 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, or a non-accelerated filer. See definition of "accelerated  
filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  . Accelerated filer  . Non-accelerated  
filer  .

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 December 12, 2007
Common Stock, \$1 par value	2,015,780 shares

This report contains 19 pages.

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

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 2007	July 31 2007
-----	(Unaudited)	(Audited)
Property and Equipment - Net (Notes 6 and 7)	\$45,081,666	\$44,970,367
	-----	-----

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

Current Assets:		
Cash and cash equivalents	4,080,629	5,965,350
Marketable securities (Note 4)	48,130	47,418
Receivables	178,557	126,253
Deferred income taxes	100,000	129,000
Income taxes refundable	133,332	-
Prepaid expenses	875,006	1,703,539
Security deposits	16,903	16,903
	-----	-----
Total current assets	5,432,557	7,988,463
	-----	-----
Other Assets:		
Deferred charges	3,424,671	3,410,592
Less accumulated amortization	1,315,035	1,219,123
	-----	-----
Net	2,109,636	2,191,469
Receivables	4,267	4,667
Security deposits	1,408,814	1,385,606
Unbilled receivables (Note 9)	3,323,147	3,461,147
Marketable securities (Note 4)	967,900	160,500
	-----	-----
Total other assets	7,813,764	7,203,389
	-----	-----
TOTAL ASSETS	\$58,327,987	\$60,162,219
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
-----		
Long-Term Debt:		
Mortgages and term loan payable (Note 6)	\$11,342,916	\$11,553,510
Note payable - related party (Note 8)	1,000,000	1,000,000
Security deposits payable	1,079,284	1,078,006
	-----	-----
Total long-term debt	13,422,200	13,631,516
	-----	-----
Deferred Income Taxes	2,171,000	2,250,000
	-----	-----
Current Liabilities:		
Accounts payable	131,808	89,621
Payroll and other accrued liabilities	1,998,852	2,147,708
Income taxes payable	-	1,456,558
Other taxes payable	3,360	7,909
Current portion of mortgages payable (Note 6)	918,756	865,158
Current portion of security deposits payable	16,903	16,903
	-----	-----
Total current liabilities	3,069,679	4,583,857
	-----	-----
Total liabilities	18,662,879	20,465,373
	-----	-----
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 gain on available for sale securities - net of deferred taxes of \$20,000 at October 31, 2007		

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

and \$17,000 at July 31, 2007	37,648	33,248
Retained earnings	35,390,770	35,426,908
	-----	-----
	40,952,960	40,984,698
Less common stock held in treasury, at cost - 162,517 shares at October 31, 2007 and at July 31, 2007 (Note 12)	1,287,852	1,287,852
	-----	-----
Total shareholders' equity	39,665,108	39,696,846
	-----	-----
Contingencies (Notes 13 and 14)		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$58,327,987	\$60,162,219
	=====	=====

See Notes to Consolidated Financial Statements.

-3-

J. W. MAYS, INC.

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

	Three Months Ended October 31	
	2007	2006
	-----	-----
	(Unaudited)	(Unaudited)
Revenues		
Rental income (Notes 5 and 9)	\$3,507,877	\$3,302,702
Recovery of real estate taxes	-	13,996
(Loss) on disposition of fixed assets	(30,670)	-
	-----	-----
Total revenues	3,477,207	3,316,698
	-----	-----
Expenses		
Real estate operating expenses	2,145,580	2,125,891
Administrative and general expenses	780,356	731,140
Depreciation and amortization	396,041	394,932
	-----	-----
Total expenses	3,321,977	3,251,963
	-----	-----
Income from operations before investment income, interest expense and income taxes	155,230	64,735
	-----	-----
Investment income and interest expense		

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

Investment income (Note 4)	64,445	23,500
Interest expense (Notes 6, 8, and 11)	(239,813)	(257,131)
	-----	-----
	(175,368)	(233,631)
	-----	-----
(Loss) before income taxes	(20,138)	(168,896)
Income taxes provided	16,000	9,000
	-----	-----
Net (loss)	(36,138)	(177,896)
Retained earnings, beginning of period	35,426,908	33,370,969
	-----	-----
Retained earnings, end of period	\$35,390,770	\$33,193,073
	=====	=====
(Loss) per common share (Note 2)	\$ (.02)	\$ (.09)
	=====	=====
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	
	2007	2006
	-----	-----
	(Unaudited)	(Unaudited)
Net (loss)	\$ (36,138)	\$ (177,896)
	-----	-----
Other comprehensive income, net of taxes (Note 3)		
Unrealized gain on available-for-sale securities:		
Net of taxes of \$ 3,000 for each of the three		
months ended October 31, 2007 and 2006.	4,400	7,000
	-----	-----
Net change in comprehensive income	4,400	7,000
	-----	-----
Comprehensive (loss)	\$ (31,738)	\$ (170,896)
	=====	=====

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	
	2007	2006
	(Unaudited)	(Unaudited)
<b>Cash Flows From Operating Activities:</b>		
Net (loss)	\$ (36,138)	\$ (177,896)
Adjustments to reconcile income to net cash provided by operating activities:		
Loss on disposition of fixed assets	30,670	-
Depreciation and amortization	396,041	394,932
Amortization of deferred expenses	95,912	73,234
Other assets - deferred expenses	(14,079)	(558,788)
- unbilled receivables	138,000	138,000
Deferred income taxes	(53,000)	4,000
Changes in:		
Receivables	(51,904)	(62,094)
Prepaid expenses	828,533	799,760
Income taxes refundable	(133,332)	(52,438)
Accounts payable	42,187	50,613
Payroll and other accrued liabilities	(148,856)	179,729
Income taxes payable	(1,456,558)	(794,314)
Other taxes payable	(4,549)	(2,553)
Cash (used) by operating activities	(367,073)	(7,815)
<b>Cash Flows From Investing Activities:</b>		
Capital expenditures	(538,010)	(76,853)
Security deposits	(23,208)	(101,866)
Marketable securities:		
Payments for purchases	(800,712)	(69)
Cash (used) by investing activities	(1,361,930)	(178,788)
<b>Cash Flows From Financing Activities:</b>		
Increase - security deposits	1,278	101,866
Borrowings - mortgage and other debt	41,955	-
Decrease - mortgage and other debt payments	(198,951)	(264,177)
Cash (used) by financing activities	(155,718)	(162,311)
(Decrease) in cash	(1,884,721)	(348,914)
Cash and cash equivalents at beginning of period	5,965,350	2,335,328
Cash and cash equivalents at end of period	\$4,080,629	\$1,986,414

## 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 rent expense accrued to a related party is considered a significant estimate and may vary materially from the amount recorded in the financial statements.

The interim financial statements are prepared pursuant to the requirements for reporting on Form 10-Q. The July 31, 2007 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, 2007. 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, 2008.

#### 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, 2007 and October 31, 2006.

#### 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 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

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

are accrued as earned.

-6-

As of October 31, 2007, the Company's marketable securities were classified as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses
	-----	-----	-----
Current:			
Held-to-maturity:			
Certificate of deposit	\$48,130	\$-	\$-
	=====	=====	=====
Noncurrent:			
Available-for-sale:			
Equity securities	\$910,252	\$57,648	\$-
	=====	=====	=====

Investment income consists of the following:

	Three Months Ended	
	October 31	
	-----	-----
	2007	2006
	-----	-----
Interest income	\$49,052	\$5,793
Dividend income	15,393	17,707
	-----	-----
Total	\$64,445	\$23,500
	=====	=====

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.

The Company derives rental income from fifty-two tenants, of which one tenant accounted for 11.85% and another tenant accounted for 13.11% of rental income during the three months ended October 31, 2007. No other tenant accounted for more than 10% of rental income during the same period.

The Company has two irrevocable Letters of Credit totaling \$137,500 at October 31, 2007 and July 31, 2007, provided by two tenants.

-7-

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

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

October 31, 2007					
		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%	4/01/12	\$59,245	\$1,267,992
Jamaica, New York property	(b)	6.81%	10/01/11	113,971	2,472,120
Jowein building, Brooklyn, NY	(c)	9 %	4/01/09	59,931	1,088,033
Fishkill, New York property	(d,e)	Variable	2/18/08	32,242	1,802,484
Bond St. building, Brooklyn, NY	(e)	Variable	2/18/08	65,664	3,671,006
Term-loan payable to bank	(f)	6.50%	5/01/10	347,703	601,281
Jowein building, Brooklyn, NY	(g)	Variable	8/01/10	240,000	440,000
				\$918,756	\$11,342,916
Total				\$918,756	\$11,342,916

(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 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)

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

year level amortization period. The constant quarterly payments of interest and principal are \$40,316. The outstanding balance of the loan, totaling \$1,056,007, will become due and payable on April 1, 2009. Interest paid for the three months ended October 31, 2007 and October 31, 2006 was \$26,042 and \$27,257, respectively

- (d) On June 2, 1999, the existing first mortgage loan balance on the Fishkill, New York property was extended for a period of five years. Under the terms of the extension agreement, the annual interest rate was reduced from 9% to 8.25% and the interest and principal payments were made in constant monthly amounts based upon a fifteen (15) year payout period. On August 19, 2004 the Company extended the 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 intends to convert the loan to a seven (7) year permanent mortgage loan prior to maturity.

-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 loan also refinanced the existing mortgage on the Company's Fishkill, New York property which matured on July 1, 2004 (see Note 6(d)). The Company will have 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 (the "First Permanent Loan") (see Note 6(d)), b) a permanent subordinate mortgage loan in the amount \$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 September 2007, 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 total amount financed was \$916,670. The outstanding balance of the multiple draw term loan as of October 31, 2007 was \$5,571,396 which were for both the Bond Street and Fishkill properties. The interest rate at October 31, 2007 was 7.39% per annum. The Company intends to convert the loan to a seven (7) year permanent mortgage loan prior to maturity.
- (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.

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

- (g) The Company, on July 22, 2005, closed a loan with a bank for \$1,200,000. The loan will be 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 will be 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, 2007 was 8.75% per annum.

-9-

### 7. Property and Equipment - at cost:

	October 31 2007	July 31 2007
	-----	-----
Property:		
Buildings and improvements	\$60,717,435	\$60,896,956
Improvements to leased property	9,154,777	9,089,969
Land	6,037,134	6,037,134
Construction in progress	869,206	544,636
	-----	-----
	76,778,552	76,568,695
Less accumulated depreciation	31,899,108	31,790,146
	-----	-----
Property - net	44,879,444	44,778,549
	-----	-----
Fixtures and equipment and other:		
Fixtures and equipment	729,784	726,966
Other fixed assets	227,582	227,747
	-----	-----
	957,366	954,713
Less accumulated depreciation	755,144	762,895
	-----	-----
Fixtures and equipment and other - net	202,222	191,818
	-----	-----
Property and equipment - net	\$45,081,666	\$44,970,367
	=====	=====

### 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 is 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 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.

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

### 10. Employees' Retirement Plan:

The Company sponsors a noncontributory Money Purchase Plan covering substantially all of its employees. Operations were charged \$75,705 and \$68,784 as contributions to the Plan for the three months ended October 31, 2007, and October 31, 2006, 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	
	2007	2006
Interest paid, net of capitalized interest of \$8,890 (2007)	\$241,870	\$259,395
Income taxes paid	\$1,658,890	\$851,811

### 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, 2007 and at July 31, 2007.

### 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 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

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

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 is ongoing. 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.

### 14. Subsequent Event:

Levitz Home Furnishings, Inc. whose lease was assigned to PLVTZ, LLC, d/b/a Levitz Home Furnishings ("Levitz") which occupies retail space at the Company's Jowein building in Brooklyn, New York and which accounted for 5.60% of the annual rental income of the Company for the fiscal year ended July 31, 2007, filed for Chapter 11 bankruptcy protection from creditors on November 8, 2007. Levitz has not expressed its intentions as to what actions it may take with respect to such property, and the Company is unable to determine the effect, if any, of such filing on its operations.

-11-

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

### Results of Operations:

Three Months Ended October 31, 2007 Compared to the Three Months Ended October 31, 2006:

In the three months ended October 31, 2007, the Company reported a net loss of (\$ 36,138), or (\$.02) per share. In the comparable three months ended October 31, 2006, the Company reported a net loss of (\$177,896), or (\$.09) per share.

Revenues in the current three months increased to \$3,477,207 from \$3,316,698 in the comparable 2006 three months. The increase in revenues was due to the Company's leasing to five additional tenants at the Company's Brooklyn, Jamaica and Levittown, New York properties, offset by the vacating of a tenant at the Company's Brooklyn, New York property in July 2007.

Real estate operating expenses in the current three months increased to \$2,145,580 from \$2,125,891 in the comparable 2006 three months primarily due to increases in rental expense, utility costs and lease commission expense, partially offset by decreases in real estate taxes and maintenance costs. The increase in rent expense on the Company's Jamaica, New York property is based on a significant estimate.

Administrative and general expenses in the current three months increased to \$780,356 from \$731,140 in the comparable 2006 three months primarily due to increases in payroll costs and insurance costs, partially offset by decreases in legal and professional costs.

Depreciation and amortization expense in the current three months increased to \$396,041 from \$394,932 in the comparable 2006 three months.

Interest expense and other expenses in the current three months exceeded investment income by \$175,368 and by \$233,631 in the comparable 2006 three months. The decrease in the excess of interest expense over investment income was due primarily to increased investment income and scheduled repayments of debt.

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

### 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 \$4,080,629 at October 31, 2007.

In October 2006, the Company entered into a lease agreement with a restaurant at the Company's Levittown premises. The restaurant intends to construct a new building. The tenant expects to open the restaurant in fiscal 2008. The tenant began paying partial rent in September 2007. This will replace the tenant that vacated the premises in September 2004. The annual rental income from this lease agreement will more than offset the annual rental income lost from the previous tenant.

The Company was informed by a tenant who occupies 22,192 square feet of office space at its Brooklyn, New York property, that the tenant would vacate the premises in July 2007. The annual loss in rental income to the Company will be approximately \$470,000. The Company is actively seeking, through brokers, tenants to occupy the vacated space.

-12-

In May 2007, the Company entered into a lease agreement with a tenant for 15,900 square feet of office space at its Jowein building in Brooklyn, New York. Rent is anticipated to commence in January 2008.

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 2008.

### Cash Flows From Operating Activities:

**Payroll and Other Accrued Liabilities:** The Company paid \$43,500 for commissions incurred in order to lease space at the Company's properties in the three months ended October 31, 2007. The original amount of the brokerage commissions was \$2,366,743. As of October 31, 2007, \$1,704,877 had been paid.

The Company has accrued an additional \$560,250 in rent expense to its landlord, which is an affiliated Company, on its Jamaica, New York property. The rent expense is based upon a significant estimate. The final amount of rent expense has not yet been determined and may be submitted to an independent arbitrator for resolution.

### Cash Flows From Investing Activities:

The Company had expenditures of \$242,323 in the three months ended October 31, 2007 for the renovation of 32,890 square feet for office space for a tenant at its Jamaica, New York building. The cost of the project will be approximately \$600,000 and is anticipated to be completed in December 2007.

The Company had expenditures of \$47,260 in the three months ended October 31,

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

2007 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 2008.

### Cash Flows From Financing Activities:

**Borrowing:** The Company drew down an additional \$41,955 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 total amount financed was \$916,670. (See Note 6(e) 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, 2007, the Company had fixed-rate debt of \$7,010,276 and variable-rate debt of \$6,251,396. Because of the extension of the Fishkill, New York property loan, the Bond Street building, Brooklyn, New York and the Jowein building, Brooklyn, New York loans (presently with balances of \$1,834,726, \$3,736,670, and \$680,000, respectively), 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 \$62,514 for these loans.

-13-

### Cautionary Statement Regarding Forward-Looking Statements:

This Quarterly Report on Form 10-Q may contain forward-looking statements which include assumptions about future market conditions, operations and financial results. These statements are based on current expectations and are subject to risks and uncertainties. They are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The Company's actual results, performance or achievements in the future could differ significantly from the results, performance or achievements discussed or implied in such forward-looking statements herein and in prior Securities and Exchange Commission filings by the Company. The Company assumes no obligation to update these forward-looking statements or to advise of changes in the assumptions on which they were based.

Factors that could cause or contribute to such differences include, but are not limited to, changes in the competitive environment of the Company, general economic and business conditions, industry trends, changes in government rules and regulations and environmental rules and regulations. Statements concerning interest rates and other financial instrument fair values and their estimated contribution to the Company's future results of operations are based upon market information as of a specific date. This market information is often a function of significant judgment and estimation. Further, market interest rates are subject to significant volatility.

### 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, 2007, 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

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

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.

-14-

### 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 - A report on Form 8-K was filed by the registrant during the three months ended October 31, 2007. Item reported - The Company reported its financial results for the three and twelve months ended July 31, 2007. Date of report filed - October 11, 2007.

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

-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.

-----  
(Registrant)

Date December 12, 2007

Lloyd J. Shulman

-----  
Lloyd J. Shulman  
President  
Chief Executive Officer

Date December 12, 2007

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)) 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

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

entities, particularly during the period in which this report is being prepared;

(b) 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

(c) 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 12, 2007

/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)) 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

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

consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) 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

(c) 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 12, 2007

/s/ Mark S. Greenblatt

-----  
Mark S. Greenblatt  
Vice President  
Chief Financial Officer

-18-

EXHIBIT 32

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

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, 2007 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:

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

- (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 12, 2007

/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.