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VESTA INSURANCE GROUP INC
Form POS AM
March 02, 2001

As filed with the Securities and Exchange Commission on March 2, 2001.

Registration No. 333-41560

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Post-Effective Amendment No. 3
to
Form S-3

REGISTRATION STATEMENT UNDER
THE SECURITIES ACT OF 1933

VESTA INSURANCE GROUP, INC.
(Exact name of registrant as specified in its charter)

Delaware	6711	63-1097283
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

3760 River Run Drive
Birmingham, Alabama 35243
(205) 970-7000
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

John McCullough, Vice President and Associate General Counsel
Vesta Insurance Group, Inc.
3760 River Run Drive
Birmingham, Alabama 35243
(205) 970-7000
(Name, address, including zip code, and telephone
number, including area code, of agent for service)

Approximate date of commencement of proposed sale to the public: As soon as practicable following the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and

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list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. []

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), SHALL DETERMINE.

[Logo]

5,900,000 SHARES OF COMMON STOCK

VESTA INSURANCE GROUP, INC.

Vesta Insurance Group, Inc. is offering up to 5,900,000 shares of our common stock. We may offer these shares from time to time directly to investors, through agents or finders acting on our behalf, or through underwriters. We will sell these shares directly, or through our agents or finders, at negotiated prices. If we engage any underwriters to sell these shares, we will set forth in a prospectus supplement the nature of the underwriting arrangements, the applicable underwriters discounts and commissions and the net proceeds we will receive in the sales.

We have listed these shares of our common stock for trading on the New York Stock Exchange under the symbol "VTA."

The shares offered in this prospectus involve a high degree of risk. You should carefully consider the "risk factors" described beginning on page 1 in determining whether to purchase the shares being offered hereby.

Neither the U.S. Securities and Exchange Commission nor any State Securities Commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this Prospectus is March 2, 2001

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VESTA INSURANCE GROUP

Vesta Insurance Group, Inc. is a holding company for a group of personal lines insurance companies that offer property/casualty, life and accident and health insurance. Our principal operating subsidiary is Vesta Fire Insurance Corporation. Our principal executive offices are at 3760 River Run Drive, Birmingham, Alabama 35243, and our telephone number is (205) 970-7000.

RISK FACTORS

You should carefully consider the risks described below before making an investment decision. The risks and uncertainties described below are not the only ones we may face. If any of the following risks actually occur, our business, financial condition or results of operations could be materially and adversely affected. In such case, the trading price of our Common stock could decline, and you may lose all or part of your investment.

BUSINESS RISKS

The Personal Lines Insurance Business is Highly Competitive, and We May Not Be Able to Compete Effectively Against Larger, Better Capitalized Companies

We compete with dozens of property and casualty insurance companies, many of which are better capitalized than us and have higher A.M. Best ratings than us. We believe that the superior capitalization of many of our competitors enables them to withstand lower profit margins and, therefore, to offer lower rates. We believe that the superior capitalization of many of our competitors enables them to market their products more aggressively and to take advantage more quickly of new marketing opportunities, such as the internet. We also believe that our competition may become increasingly better capitalized in the future as the traditional barriers between insurance companies and banks and other financial institutions erode and as the property and casualty industry continues to consolidate. We believe that our ability to compete against our larger, better capitalized competitors depends on our ability to deliver superior service and our strong relationships with our independent agency force.

If Our Competitors Decided to Target Our Customer Base by Offering Lower Priced Insurance, We May Not Be Able to Respond Competitively

We price our insurance based on estimated profit margins, and we do not

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expect to be able to significantly reduce our current estimated profit margins in the near future. Many of our competitors, however, are better capitalized than we are and may be able to withstand significant reductions in their estimated profit margins. If our competitors decided to target our customer base by offering lower priced insurance, we may not be able to respond competitively.

We Depend On Agents Who May Discontinue Sales of Our Policies at Any Time

Our relationship with our independent agents is perhaps the most important component of our current competitive profile. If these independent agents find it easier to do business with our competitors, it would be difficult to renew our existing business or attract new business in our Personal Lines segment. Because we do business with approximately 2500 agencies in 42 states, we can not rely on the independent agents' loyalty to us. Although we believe we enjoy good relationships with our independent agents and are striving to make doing business with us as easy as possible, we cannot be sure that these agents will continue to sell our insurance to the individuals they represent.

If We Cannot Adequately Meet Our Independent Agents' Needs or Keep Pace with Our Competitors' Technological Advances, We May Lose Significant Business

Because we do business with approximately 2,500 agents in approximately 40 states, we must be able to offer these agents innovative solutions to their daily problems and be able to respond to their needs as quickly as

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possible to develop their loyalty. If our agency force finds it easier to do business with our competitors, we may not be able to retain their business.

If We Cannot Maintain and Improve Our A.M. Best Ratings, We May Not Be Able to Maintain Premium Volume in Our Insurance Operations Sufficient to Attain Our Financial Performance Goals

Our ability to retain our existing business or to attract new business in our insurance operations depends largely on our rating by A.M. Best Company. Although A.M. Best Company upgraded our rating to "B+" in February, 2000, we believe we must further improve our rating in order to more effectively compete in the highly competitive personal lines insurance market. Although we intend to work towards a higher rating, A.M. Best Company has ultimate discretion over its rating assignments. If we are unable to achieve a higher A.M. Best rating, we may not be able to grow our premium volume sufficient to attain our financial performance goals. If A.M. Best were to downgrade our rating, we could lose significant premium volume.

Our Acquisition Strategy May Require Us to Make Significant Capital Infusions, Be Dilutive to Our Existing Shareholders, and Result in Difficulties in Assimilating and Integrating the Operations, Personnel, Technologies, Products And Information Systems of Acquired Companies.

We have announced a strategy to maximize our returns through strategic investments, including entry into non-standard automobile, life and annuity products and accident and health coverage, and we plan to pursue acquisition opportunities in the future. Acquisitions may require significant capital infusions, typically entail many risks and could result in difficulties in assimilating and integrating the operations, personnel, technologies, products and information systems of the acquired company. We may also encounter unanticipated expenditures, changing relationships with customers, suppliers and strategic partners, or contractual, intellectual property or employment issues. In addition, the key personnel of the acquired company may decide not to work for us. The acquisition of another company or its products and technologies may

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also require us to enter into a geographic or business market in which we have little or no prior experience. These challenges could disrupt our ongoing business, distract our management and employees and increase our expenses. In addition, acquisitions may materially and adversely affect our results of operations because they may require large one-time write-offs, increased debt and contingent liabilities, substantial depreciation or deferred compensation charges or the amortization of expenses related to goodwill and other intangible assets. We may seek to account for acquisitions under the pooling-of-interests accounting method, but that method may not be available. Any of these events could cause the price of our common stock to decline. Furthermore, if we issue equity or convertible debt securities to pay for an acquisition, the issuance may be dilutive to our existing shareholders. In addition, the equity or debt securities that we may issue could have rights, preferences or privileges senior to those of the holders of our Common Stock.

We cannot assure you that we will be able to consummate any of our acquisitions or that we will realize the benefits anticipated from these acquisitions. In the future, we may not be able to find other suitable acquisition opportunities. Even if we do find suitable acquisition opportunities, we may not be able to consummate the acquisitions on commercially acceptable terms. Moreover, due to our limited acquisition experience, it may be difficult for us to successfully integrate any acquired businesses, products, technologies or personnel, which could materially and adversely affect our business, financial condition and results of operations.

FINANCIAL RISKS

We Are Currently Defending Class Action Litigation Seeking Unspecified but Potentially Significant Damages

As discussed in our public filings, we are currently defending a class action lawsuit alleging, among other things, violations of the federal securities laws. As of December 31, 2000, this class action was still in its preliminary stages. However, the damages or settlement costs incurred by us in disposition of this proceeding could be substantial. Although we have procured a multi-tiered package of directors and officers liability insurance to cover such damages or settlement costs, the issuer of the primary \$25 million policy, the Cincinnati Insurance Company, has attempted to rescind its policy. We cannot guarantee that insurance coverage will ultimately be available for any damages or settlements costs incurred. If the damages or settlement costs incurred in connection

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with this class action are ultimately determined to not be covered by our directors' and officers' insurance policies for any reason, we may incur a significant loss during the period in which such determination is made.

We Face a Risk of Non-Collection of Reinsurance Recoverables Involving Substantial Amounts

Although we reinsure a significant portion of potential losses on the policies which we issue, we initially pay all claims and seek to recover the reinsured losses from our reinsurers. Although we report as assets the amount of claims paid which we expect to recover from reinsurers, we can never be certain that we will be able to collect those amounts. Sometimes the reinsurer is unable to pay, and other times the reinsurer may dispute our calculation of the amounts recoverable. Approximately \$54.5 million of our reinsurance recoverables reported as of September 30, 2000 was attributable to one reinsurance treaty. Although we believe this amount is properly recoverable under the terms of such

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treaty, the various treaty participants have disputed our calculation. If the amount recoverable under such treaty is ultimately determined to be materially less than the amount we have reported as recoverable, we may incur a significant loss during the period in which such determination is made.

If Loss Reserves Prove to be Inadequate, Then We Would Incur a Charge to Earnings

We maintain reserves to cover our estimated ultimate liability for losses and related expenses with respect to reported and unreported claims incurred. To the extent that reserves prove to be inadequate in the future, we would have to increase our reserves and incur a charge to earnings in the period such reserves are increased, which could have a material adverse effect on our financial condition and results of operations. The establishment of appropriate reserves is an inherently uncertain process, and we can not be sure that ultimate losses and related expenses will not materially exceed our reserves. Reserves are estimates involving actuarial and statistical projections at a given time of what we expect to be the cost of the ultimate settlement and administration of claims based on facts and circumstances then known, estimates of future trends in claims severity and other variable factors such as inflation.

Substantial Sales of Our Common Stock by Our Large Stockholders Could Cause Our Stock Price to Fall.

We have a limited number of stockholders that hold a large portion of our common stock, and a limited number of persons may acquire large portions of our common stock as a result of this offering. To the extent any large stockholder sells substantial amounts of our common stock in the public market, the market price of our common stock could fall.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Securities Exchange Commission allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this Prospectus, and information that we file later with the Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we will make with the Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities and Exchange Act of 1934:

(a) our Annual Report on Form 10-K for the fiscal year ended December 31, 1999 filed March 30, 2000, as amended by Form 10-K/A filed November 29, 2000;

(b) our definitive proxy materials dated April 11, 2000 for the annual meeting of stockholders held May 18, 2000;

(c) our Quarterly Reports on Form 10-Q for the quarter ended September 30, 2000, June 30, 2000 and March 31, 2000;

(d) our Current Reports on Form 8-K filed January 30, 2001, January 11, 2001, July 14, 2000, June 21, 2000 and January 13, 2000, and our amended current report on Form 8-K/A filed September 12, 2000;

(e) The description of our common stock set forth in our registration statement on Form 8-A, filed November 13, 1993, as supplemented by the rights registered on Form 8-A filed July 12, 2000, as amended on September 1, 2000.

We will provide without charge to each person to whom this Prospectus is

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delivered, on the written or oral request of any such person, a copy of any or all documents incorporated herein by reference (other than the exhibits to such documents unless such exhibits are specifically incorporated by reference). Such requests should be directed to John McCullough, Vice President - Associate General Counsel, Vesta Insurance Group, Inc., 3760 River Run Drive, Birmingham, Alabama 35243.

USE OF PROCEEDS

As discussed in "Plan of Distribution" below, we intend to use the proceeds of this offering to repay a \$32,200,000 promissory note that we made to the Birmingham Investment Group, LLC in connection with our recent repurchase of these shares. This note becomes due on May 26, 2001 and bears interest at the rate of 9% per annum. In addition, we may use the proceeds from the sale of the shares for working capital and other general corporate purposes.

PLAN OF DISTRIBUTION

We repurchased these shares from the Birmingham Investment Group, LLC on January 29, 2001 in exchange for \$15 million in cash and a \$32.2 million note due May 26, 2001. This note is secured by our pledge of five million (5,000,000) shares of our common stock, which may be the same shares that we are offering for sale in this prospectus.

Under the terms of the pledge agreement, the Birmingham Investment Group shall automatically release one share from the pledge for every \$6.44 principal amount we repay on the note. Recognizing our intent to repay this note with the proceeds that we receive from the sale of these shares, as well as our need to deliver these shares free and clear of any lien, the Birmingham Investment Group has further agreed, pursuant to the terms of a related letter agreement dated January 26, 2001, to release shares from the pledge upon reasonable prior notice of a proposed sale, provided we repay the principal owing on the note in an amount equal to \$6.44 per share sold within 5 business days after the sale. This procedure permits us to secure the release of any shares that may be subject to

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the pledge agreement prior to actually making the requisite principal repayment on the related note. We intend to obtain appropriate documentation from the Birmingham Investment Group evidencing the release of shares from this pledge from time to time and as requested by potential purchasers.

We may sell the securities being offered hereby in one or more of the following ways from time to time:

- . directly to investors;
- . through agents and finders, including Cochran, Caronia and Co. Inc.; or
- . to underwriters for resale to the public or to investors.

Direct Sales

We may sell the shares of common stock directly to one or more purchasers without using agents, finders or underwriters.

Agents and Finders

We may engage agents or finders to use their reasonable efforts to solicit

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purchasers for the shares, including Cochran, Caronia and Co., Inc, a full service financial advisory firm that routinely provides financial advisory services to us. During 2000, we paid Cochran, Caronia approximately \$1.3 million in fees. If we engage any other finders or agents with which we have any material relationship, we will provide a prospectus supplement describing that relationship.

Underwriters

If we engage underwriters to sell the shares, they will acquire the underwritten shares for their own account. The underwriters may resell the shares in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. If we engage any underwriters to sell the shares, we will set forth in a prospectus supplement the following information concerning the underwriter and our relationship with the underwriter:

- . the name or names of the underwriters;
- . whether the underwriting is a firm commitment or best efforts arrangement;
- . the amount of shares underwritten;
- . any material relationship we may have with the underwriter;
- . the nature of any underwriter's compensation and any discounts and commissions to be paid to the underwriter or any dealers in connection with the sale of the underwritten shares;
- . the nature of any over-allotment option giving the underwriter the right to buy additional shares from us;
- . whether the underwriter has any representation on our board of directors;
- . the nature of any indemnification agreement we may have with the underwriter;
- . any anticipated market stabilizing transactions in which the underwriter may engage; and
- . the purchase price of the securities being offered and the net proceeds we will receive from the sale.

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VALIDITY OF SECURITIES

The validity of the Common stock offered hereby has been passed on by Donald W. Thornton, Senior Vice President and General Counsel to Vesta. As of December 31, 2000, Mr. Thornton was the beneficial owner of 92,968 shares of our Common stock.

EXPERTS

The financial statements as of December 31, 1999 and December 31, 1998 and for each of the years then ended, incorporated in this prospectus by reference to the Annual Report on Form 10-K/A, have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the

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authority of said firm as experts in auditing and accounting.

The financial statements and schedules as of December 31, 1997 and for the year then ended December 31, 1997, incorporated by reference herein and in the Registration Statement, have been incorporated by reference in reliance upon the reports of KPMG LLP, independent certified public accountants, appearing elsewhere herein, and upon authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Securus Financial Corporation and Subsidiaries as of December 31, 1999 and 1998 and for each of the three years in the period ended December 31, 1999, incorporated in this prospectus by reference to the Current Report on Form 8-K/A of Vesta Insurance Group, Inc. dated September 12, 2000, have been so incorporated in reliance on the report of Grant Thornton LLP, independent certified public accountants, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We are subject to the informational requirements of the Exchange Act, and in accordance therewith file reports and other information with the Commission. Such reports and other information can be inspected and copied at the public reference facilities of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices at 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, 13th Floor, New York, New York 10048. Copies of such material can also be obtained at prescribed rates by writing to the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission maintains a Web site that contains reports, proxy and information statements and other information regarding registrants, that file electronically at <http://www/gov>.

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PART II INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution

The estimated expenses of issuance and distribution, other than underwriting discounts and commissions, to be borne by Vesta are:

Securities and Exchange Commission Registration Fee	\$10,027.75
Fees and Expenses of Counsel.....	10,000.00
Fees of Accountants	15,000.00
Miscellaneous Expenses.....	1,000.00

Total.....	\$36,027.75
	=====

Item 15. Indemnification of Directors and Offices

Vesta is a Delaware corporation. Section 145 of the Delaware General Corporation Law empowers a Delaware corporation to indemnify any person who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by or in the right of such corporation) by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another

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corporation or enterprise. A corporation may indemnify such person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. A corporation may, in advance of the final disposition of any civil, criminal, administrative or investigative action, suit or proceeding, pay the expenses (including attorneys' fees) incurred by any officer or director in defending such action provided that the director or officer undertake to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation.

A Delaware corporation may indemnify officers and directors in an action by or in the right of the corporation to procure a judgment in its favor under the same conditions, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where the officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him against the expenses (including attorneys' fees) which he actually and reasonably incurred in connection therewith. The indemnification provided is not deemed to be exclusive of other rights to which an officer or director may be entitled under any corporation's bylaws, agreement or otherwise.

Vesta's Certificate of Incorporation provides that no officer or director of Vesta will be personally liable to Vesta or its shareholders for monetary damages for breach of fiduciary duty as an officer or director, except for liability (i) for any breach of the officer's or director's duty of loyalty to Vesta or shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, which concerns unlawful payments of dividends, stock purchases or redemptions, or (iv) for any transaction from which the officer or director received an improper personal benefit.

Vesta's Bylaws provide that each director and officer of Vesta, and each person serving at the request of Vesta as a director, officer, employee or agent of any other corporation or of a partnership, joint venture, trust or other enterprise, who was or is made a party to or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, will be indemnified and held harmless to the fullest extent authorized by Delaware law against all expense, liability and loss reasonably incurred by such indemnitee in such action, suit or proceeding.

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Vesta's Bylaws also provide that Vesta may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of Vesta or of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss.

While Vesta's Certificate of Incorporation and Bylaws provide officers and directors with protection from awards for monetary damages for breaches of their duty of care, they do not eliminate such duty. Accordingly, the Certificate of incorporation will have no effect on the availability of equitable remedies such as an injunction or rescission based on an officer's or a director's breach of his or her duty of care.

Item 16. Exhibits

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An index to Exhibits attached to this registration statement appears at page II-5 hereof.

Item 17. Undertakings

(a) Vesta hereby undertakes:

- (1) To file, during any period in which offers or sales are being made of the securities registered hereby, a post-effective amendment to this Registration Statement to include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement.
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) Vesta hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of Vesta's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this Registration Statement shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing this registration statement on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Birmingham, State of Alabama, on March 1, 2001.

VESTA INSURANCE GROUP, INC.

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By: /s/ Norman W. Gayle

Norman W. Gayle, III, President

In accordance with the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on February 14, 2001.

SIGNATURE -----	TITLE -----
/s/ Norman W. Gayle ----- Norman W. Gayle, III	President (Principal Executive Officer), Director
/s/ James E. Tait ----- James E. Tait	Chairman of the Board of Directors
/s/ William P. Cronin ----- William P. Cronin	Chief Financial Officer (Principal Financial Officer)
/s/ Hopson B. Nance ----- Hopson B. Nance	Controller (Principal Accounting Officer)
----- Robert B. D. Batlivala	Director
* ----- Walter M. Beale, Jr.	Director
* ----- Ehney A. Camp, III	Director
* ----- Alan S. Farrior	Director
* ----- Clifford F. Palmer	Director
* ----- Stephen R. Windom	Director
/s/ Donald W. Thornton ----- * By Donald W. Thornton, acting	

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pursuant to power of attorney

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INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
-----	-----
4.1	Indenture between Vesta and Southtrust Bank of Alabama, National Association, dated as of July 19, 1995 (filed as an exhibit to Vesta's Form 10-K for the year ended December 31, 1995, filed on March 28, 1996 and incorporated herein by reference (File No. 1-12338)).
4.2	Supplemental Indenture between Vesta and Southtrust Bank of Alabama, National Association, dated July 19, 1995 (filed as an exhibit to Vesta's Form 10-K for the year ended December 31, 1995, filed on March 28, 1996 and incorporated herein by reference (File No. 1-12338)).
4.3	Indenture dated as of January 31, 1997, between Vesta and First Union National Bank of North Carolina, as trustee (filed as an exhibit to Vesta's Form 10-Q for the quarter ended March 31, 1997, filed on May 13, 1997 and incorporated herein by reference (File No. 1-12338)).
4.4	Amended and Restated Declaration of Trust, dated as of January 31, 1997, of Vesta Capital Trust I (filed as an exhibit to Vesta's Form 10-Q for the quarter ended March 31, 1997, filed on May 13, 1997 and incorporated herein by reference (File No. 1-12338)).
4.5	Capital Securities Guarantee Agreement, dated as of January 31, 1997, between Vesta and First Union National Bank of North Carolina, as trustee (filed as an exhibit to Vesta's Form 10-Q for the quarter ended March 31, 1997, filed on May 13, 1997 and incorporated by reference (File No. 1-12338)).
5.1	Opinion regarding validity of the shares (filed as an exhibit to Post Effective Amendment No. 1 to this registration statement, filed January 31, 2001 and incorporated herein by reference).
10.1	Promissory Note, dated January 26, 2001, in the principal amount of \$32,200,000 (filed as an exhibit to Post Effective Amendment No. 2 to this registration statement, filed February 15, 2001 and incorporated herein by reference).
10.2	Pledge Agreement between Vesta and the Birmingham Investment Group, L.L.C. (filed as an exhibit to Post Effective Amendment No. 2 to this registration statement, filed February 15, 2001 and incorporated herein by reference).
10.3	Letter Agreement between Vesta and the Birmingham Investment Group, L.L.C. (filed as an exhibit to Post Effective Amendment No. 2 to this registration statement, filed February 15, 2001 and incorporated herein by reference).

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- 23.1 Consent of KPMG LLP.
- 23.2 Consent of PricewaterhouseCoopers LLP.
- 23.3 Consent of Grant Thornton LLP.
- 24 Power of Attorney (included in signature page to Post-Effective Amendment No. 1 filed January 31, 2001).

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