

U.S. Securities and Exchange Commission

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 1995

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 33-00412-NY

FIRST PRIORITY GROUP, INC

(Exact name of small business issuer as specified in its charter)

New York 11-2750412

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

270 Duffy Avenue
Hicksville, New York 11801

(Address of principal executive offices)

(516) 938-1010

(Issuer's telephone number)

Check whether the issuer (1) has filed all reports required to be filed by
Section 13 or 15(d) of the Exchange Act during the past 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 X No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be
filed

by Section 12, 13 or 15(d) of the Exchange Act after the distribution of
securities under a plan confirmed by court. Yes No .

Page 1 of 12 pages.

Exhibit Index starts on page 10

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of
common equity, as of August 14, 1995: 4,883,883 shares of common stock

Transitional Small Business Format (check one)

Yes No

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FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	June 30, 1995
	Unaudited

<S>	<C>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 389,882
Accounts receivable	756,062
Other current assets	41,025

Total current assets	1,186,969
Property and equipment - net	69,159
Other assets	48,591

Total Assets	\$1,304,719

LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Accounts payable and accrued expenses	921,175

Total current liabilities	921,175
Shareholders' equity:	
Common stock \$.015 par value; Authorized 8,000,000 shares; Issued 5,150,550	77,258
Additional paid in capital	1,509,310
Deficit	(1,113,024)
Treasury stock	(90,000)
Total shareholders' equity	383,544

Total	\$1,304,719

</TABLE>

The accompanying notes are an integral part of these financial statements.

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FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	THREE MONTHS ENDED	
	June 30, 1995 ----	June 30, 1994 ----
	(Unaudited) <C>	(Unaudited) <C>
Revenue from operations	\$2,259,662	\$2,159,712
Costs of revenue (principally charges by repair facilities for services)	1,862,213 -----	1,740,259 -----
Gross profit	397,449	419,453
Operating expenses:		
Selling, general and administration	396,039 -----	354,592 -----
Income from operations	1,410	64,861
Interest and other income	1,394 -----	318 -----
Net income	\$ 2,804 ----- -----	\$ 65,179 ----- -----

Income per share	NIL	\$.01
	-----	-----
	-----	-----
Weighted average shares outstanding during the period	4,883,883	4,883,883
	-----	-----
	-----	-----

</TABLE>

The accompanying notes are an integral part of these financial statements.

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FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	SIX MONTHS ENDED	
	June 30, 1995	June 30, 1994
	----	----
	(Unaudited)	(Unaudited)
<S>	<C>	<C>
Revenue from operations	\$4,922,927	\$3,955,805
Costs of revenue (principally charges by repair facilities for services)	4,003,697	3,230,079
	-----	-----
Gross profit	919,230	725,726
Operating expenses:		
Selling, general and administration	761,394	635,280
	-----	-----
Income from operations	157,836	90,446
Interest and other income	2,180	1,231
	-----	-----
Income before income taxes	160,016	91,677
Provision for income taxes	1,000	0
	-----	-----
Net income	\$ 159,016	91,677
	-----	-----
	-----	-----
Income per share	\$.03	\$.02
	-----	-----
	-----	-----
Weighted average shares outstanding during the period	4,883,883	4,883,883
	-----	-----
	-----	-----

</TABLE>

The accompanying notes are an integral part of these financial statements.

FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

<TABLE>
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	SIX MONTHS ENDED	
	June 30, 1995 ----	June 30, 1994 ----
<S>	(Unaudited) <C>	(Unaudited) <C>
Cash flows from operating activities:		
Net income	\$ 159,016	\$ 91,677
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,647	16,668
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	(11,354)	(136,599)
Decrease (increase) in other current assets	(26,870)	(7,843)
Increase (decrease) in accounts payable and accrued expenses	185,497	177,119
	-----	-----
Net cash provided by operating activities	318,936	141,022
	-----	-----
Cash flows from investing activities:		
Additions to property and equipment	(17,956)	(21,339)
Deposits on property and equipment	(38,016)	0
	-----	-----
Net increase in cash	262,964	119,683
Cash at beginning of period	126,918	44,161
	-----	-----
Cash at end of period	\$ 389,882	\$163,844
	-----	-----

</TABLE>

The accompanying notes are an integral part of these financial statements.

FIRST PRIORITY GROUP, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. UNAUDITED FINANCIAL STATEMENTS

The information contained in the condensed consolidated financial statements for the period ended June 30, 1995 is unaudited, but includes all adjustments, consisting of normal recurring adjustments, which the Company considers necessary for a fair presentation of the financial position and the results of operations for these periods.

The financial statements and notes are presented as permitted by Form 10-QSB, and do not contain certain information included in the Company's annual statements and notes. These financial statements should be read in

conjunction with the Company's annual financial statement as reported in its most recent annual report on Form 10-KSB.

2. BUSINESS OF THE COMPANY

First Priority Group, Inc. (the "Company"), a New York corporation formed in October 1983, is engaged directly and through its wholly-owned subsidiaries in automotive fleet management and administration of automotive repairs for businesses, insurance companies and members of affinity groups. The services provided by the Company include the computerized compilation and analysis of vehicle usage and maintenance data and the repair and maintenance of vehicles through approximately 3,000 independently contracted repair facilities nationwide. The Company's office is located at 270 Duffy Avenue, Hicksville, New York 11801 and its telephone number is (516) 938-1010.

3. RESULTS OF OPERATIONS

The unaudited results of operations for the three and six months ended June 30, 1995 and 1994 are not necessarily indicative of the results to be expected for the full year.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION.

For the three months ended June 30, 1995 the Company's revenues from operations increased by \$99,950 (4.6%) to \$2,259,662 from \$2,159,712 for the three months ended June 30, 1994. The gross profit as a percentage decreased 1.8% for the three months ended June 30, 1995 to 17.6% from 19.4% for the same period of 1994. The decreased gross profit percentage is mainly due to fee based programs offered to large companies at a reduced rate as an incentive to sign on long term contracts. This business practice has dramatically reduced the company's attrition rate.

For the six months ended June 30, 1995 the Company's revenues from operations increased by \$967,122 (24.4%) to \$4,922,927 from \$3,955,805 for the six months ended June 30, 1994. The gross profit as a percentage increased .4% for the six months ended June 30, 1995 to 18.7% from 18.3% for the same period of 1994.

Selling, general and administrative expenses increased \$41,447 (11.7%) to \$396,039 for the second quarter of 1995 from \$354,592 during the same period of 1994. Selling, general and administrative expenses increased \$126,114 (19.9%) to \$761,394 for the first six months of 1995 from \$635,280 during the same period of 1994. The increased selling, general, and administrative costs is due to increased advertising, personnel, and benefit costs.

The Company has recently expanded its program of providing automobile collision repair services to the insurance industry. Under its Direct Repair and Appraisal Program, the Company provides appraisal services on a per accident fee basis to insurance companies. Additionally, the Company offers, to the insured, to repair the damaged vehicle through the Company's extensive shop repair network. The Company believes that the provision of such services to insurance companies may become an important source of revenues for the Company because of the high volume of collision appraisal and repair referrals that insurance companies provide as compared with the Company's corporate fleet management clients. The Company has taken steps to obtain several insurance companies as clients.

The Company has recently begun marketing consumer oriented auto club programs through a network of outside marketing agents. The Company has recently entered into agreements with several marketing agencies and affinity groups and will be providing fee based services. Several of these agreements provide for the clients to meet certain minimum guarantees. At least three of these clients have already begun to pay fees to the Company.

The Company completed the replacement of its telephone system with a more technologically advanced system in July 1995. As a result of this, the Company expects lower per call costs and improved customer service efficiency. The Company financed \$41,600 of the cost of the system through a bank loan.

The Company believes that it has adequate liquidity to support its cost of operations for the foreseeable future.

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ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) LIST OF EXHIBITS

Exhibit No.	Description
-----	-----
3.1	Certificate of incorporation of the Company, as amended, incorporated by reference to Exhibit 19.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1991.
3.2	By-laws of the Company, incorporated by reference to Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1991.

(b) REPORTS ON FORM 8-K

None

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SIGNATURES

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

FIRST PRIORITY GROUP, INC.

Date: August 14, 1995

By: /s/ Michael Karpoff

Michael Karpoff
Co-Chairman of the Board
of Directors, President and
Director (Principal Executive
Officer)

Date: August 14, 1995

By: /s/ Barry Siegel

Barry Siegel
Co-Chairman of the Board
of Directors, Treasurer,
Secretary and Director
(Principal Financial
and Accounting Officer)

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INDEX OF EXHIBITS

EXHIBIT NO.	DESCRIPTION	PAGE
-----	-----	-----

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- 3.2 By-laws of the Company, incorporated by reference to Exhibit 19.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 1991.

<TABLE> <S> <C>

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM BALANCE SHEET AT 6/30/95, INCOME STATEMENT FOR THE 3 MONTHS ENDED 6/30/95, INCOME STATEMENT FOR THE 6 MONTHS ENDED 6/30/95, CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW AT 6/30/95 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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<F1>INCLUDES OTHER CURRENT ASSETS OF \$41,025.

<F2>INCLUDES INTEREST AND OTHER INCOME OF \$1,394 FOR THE 3 MONTHS ENDED JUNE 30, 1995 AND \$2,180 FOR THE 6 MONTHS ENDED JUNE 30, 1995.

</FN>

</TABLE>