U.S. Securities and Exchange Commission
Washington, D.C. 20549

Form 10-QSB

(Mark One)

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

For the quarterly period ended June 30, 2001

|X| 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 0-21467

DRIVERSSHIELD.COM CORP.
(Exact name of small business issuer as specified in its charter)
(F/K/A FIRST PRIORITY GROUP, INC.)

New York	11-2750412
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
51 East Bethpage Road Plainview, New York 11803	(516) 694-1010
(Address of principal executive offices)	(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:
Common Stock par value $.015 per share
Preferred Stock Purchase Rights par value $.01 per share

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 |_|

As of August 14, 2001, the issuer had outstanding a total of 10,696,988 shares of common stock.

Transitional Small Business Format (check one) Yes |_| No |X|

DRIVERSSHIELD.COM CORP.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2001

CONTENTS

Item 1. Financial Statements

DRIVERSSHIELD.COM CORP.

CONDENSED CONSOLIDATED BALANCE SHEET

June 30, 2001

(UNAUDITED)

ASSETS

Current assets:	
Cash and cash equivalents	$ 743,685
Accounts receivable, net	1,437,113
Investment securities	1,527,915
Prepaid expenses and other current assets	93,497
Total current assets	3,802,210
Property and equipment, net of accumulated depreciation of $1,016,854	766,061
Security deposits	27,563
Total assets	$ 4,595,834

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:	
Accounts payable	$ 990,191
Accrued expenses and other current liabilities	668,999
Note payable	7,812
Total current liabilities	1,667,002
Shareholders' equity:	
Common stock, $.015 par value, authorized 30,000,000 shares; issued 11,416,655	171,250
Preferred stock, $.01 par value, authorized 1,000,000 shares; none issued or outstanding	--
Additional paid-in capital	9,627,717
Accumulated other comprehensive income, unrealized holding gain on investment securities	4,634
Deficit	(5,391,735)

	4,411,866
Less common stock held in treasury, at cost, 719,667 shares	1,483,034
Total shareholders' equity	2,928,832
Total liabilities and shareholders' equity	$ 4,595,834

See notes to condensed consolidated financial statements.

DRIVERSSHIELD.COM CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended June 30, 2001	June 30 2000
<S>	<C>	<C>
Revenue:		
Collision repairs and fleet management services	$ 3,493,399	$ 2,882,976
Subrogation and salvage service commissions	152,635	72,801
Automobile affinity services	396,482	455,257
Total revenues	4,042,516	3,411,034
Cost of revenue (principally charges incurred at repair facilities for services)	3,028,957	2,433,484
Gross profit	1,013,559	977,550
Operating expenses:		
Sales and marketing	218,268	97,523
General and administrative	771,727	835,605
Non-cash compensation (Note 5)	246,121	--
Depreciation and amortization	86,078	57,409
Total operating expenses	1,322,194	990,537
	(308,635)	(12,987)
Investment and other income	81,914	29,690
Income (loss) from operations before income taxes	(226,721)	16,703
Income taxes, all current	--	2,525
Net income (loss)	$ (226,721)	$ 14,178
Earnings (loss) per share:		
Basic	$ (.02)	$ .00
Diluted	(.02)	.00
Weighted average number of common shares outstanding	10,696,988	10,192,434

Effect of dilutive securities, stock options and warrants	--	1,518,192
Weighted average diluted common shares outstanding	10,696,988	11,710,626

</TABLE>

See notes to condensed consolidated financial statements.

DRIVERSSHIELD.COM CORP.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<TABLE>
<CAPTION>

	Six Months Ended June 30, 2001	June 30, 2000
<S>	<C>	<C>
Revenue:		
Collision repairs and fleet management services	$ 7,349,176	$ 5,555,731
Subrogation and salvage service commissions	324,222	218,020
Automobile affinity services	795,238	878,327
Total revenues	8,468,636	6,652,078
Cost of revenue (principally charges incurred at repair facilities for services)	6,285,863	4,703,513
Gross profit	2,182,773	1,948,565
Operating expenses:		
Sales and marketing	441,609	194,700
General and administrative	1,585,839	1,600,763
Non-cash compensation (Note 5)	246,121	--
Depreciation and amortization	168,725	115,173
Total operating expenses	2,442,294	1,910,636
	(259,521)	37,929
Other income (expense):		
Realized loss on investment	--	(1,518)
Investment and other income	126,529	66,405
Shares issued for restriction agreement (Note 6)	(77,438)	--
Total other income	49,091	64,887
Income (loss) from operations before income taxes	(210,430)	102,816
Income taxes, all current	42	4,700
Net income (loss)	$ (210,472)	$ 98,116
Earnings (loss) per share:		
Basic	$ (.02)	$ .01
Diluted	(.02)	.01

Weighted average number of common shares outstanding	10,634,143	9,406,449
Effect of dilutive securities, stock options and warrants	--	2,560,186
Weighted average diluted common shares outstanding	10,634,143	11,966,635

</TABLE>

See notes to condensed consolidated financial statements.

DRIVERSSHIELD.COM CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

<TABLE>
<CAPTION>

	Six Months Ended June 30, 2001	Six Months Ended June 30, 2000
<S>	<C>	<C>
Cash flows provided by (used in) operating activities:		
Net income (loss)	$(210,472)	$ 98,116
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	168,725	115,173
Shares issued for restriction agreement	77,438	--
Non-cash compensation	246,121	--
Gain on sale of assets	(3,198)	
Realized loss on investment	--	1,518
Options granted for services	31,127	39,967
Changes in assets and liabilities:		
Accounts receivable	376,634	344,317
Prepaid expenses and other current assets	5,751	1,536
Security deposit and other assets	--	3,020
Accounts payable	(163,781)	(178,513)
Accrued expenses and other current liabilities	30,836	(47,873)
Total adjustments	769,653	279,145
Net cash provided by (used in) operating activities	559,181	377,261
Cash flows used in investing activities:		
Purchase of property and equipment	(126,784)	(119,855)
Proceeds from sale of asset dispositions	15,600	--
Purchase of investments	(737,346)	(25,302)
Proceeds from sale of investments	--	300,000
Net cash provided by (used in) investing activities	(848,530)	154,843
Cash flows provided by (used in) financing activities:		
Repayment of note payable	(6,832)	(11,956)
Proceeds from disgorgement of short-swing profits	--	75,097
Proceeds from issuance of common stock	--	9,000
Net cash provided by (used in) financing activities	(6,832)	72,141

</TABLE>

See notes to condensed consolidated financial statements.

DRIVERSSHIELD.COM CORP.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(Continued)

	June 30, 2001	June 30, 2000
Net increase (decrease) in cash and cash equivalents	(296,181)	604,245
Cash and cash equivalents at beginning of period	1,039,866	542,359
Cash and cash equivalents at end of period	$ 743,685	$1,146,604
Supplemental disclosure of cash flow information:		
Cash paid during the period for income taxes	$ 42	$ 4,700

See notes to condensed consolidated financial statements.

DRIVERSSHIELD.COM CORP.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SIX MONTHS ENDED JUNE 30, 2001
(Unaudited)

1. BASIS OF PRESENTATION

The information contained in the condensed consolidated financial statements for the six month periods ended June 30, 2001 and 2000 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 in accordance with the requirements of 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 statements as reported in its most recent annual report on Form 10-KSB.

Certain prior period amounts have been reclassified to conform to the current period classification.

This report may contain forward-looking statements which involve certain risks and uncertainties. Factors may arise, including those identified in the Company's Form 10-KSB for the year ended December 31, 2000, which could cause the Company's operating results to differ materially from those contained in any forward-looking statement.

For the six month period ending June 30, 2001, there were no significant non-owner sources of income or expense. Accordingly, a separate statement of comprehensive income has not been presented herein.

2. BUSINESS OF THE COMPANY

The Company, a New York corporation, is engaged in the administration and provision of vehicle maintenance and repair management, including collision and general repair programs, appraisal services, subrogation services, vehicle salvage and vehicle rentals; and the administration of automotive collision repair referral services for self insured fleets, insurance companies, and automotive related benefits for affinity group members.

The Company's office is located at 51 East Bethpage Road, Plainview, New York 11803 and its telephone number is (516) 694-1010.

3. RESULTS OF OPERATIONS

The unaudited results of operations for the three and six months ended June 30, 2001, are not necessarily indicative of the results to be expected for the full year.

4. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing earnings (loss) by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if common stock equivalents, such as stock options and warrants, were exercised. The assumption of exercise of stock options and warrants was excluded from diluted earnings per share calculations for the three and six month periods ended June 30, 2001, as their inclusion would have resulted in an antidilutive effect. Common share equivalents, which were in the money, and would have been used in such calculation had their effect not been anti-dilutive, were approximately 2,689,000 and 2,529,000 for the three and six months periods, respectively.

5. NON-CASH CHARGE FOR VARIABLE PRICED OPTIONS

In October 1999 the Company repriced certain options previously granted to employees and third parties. The original grants gave holders the right to purchase common shares at prices ranging from $1.00 to $1.24; these were repriced to prices ranging from $.75 to $.83 per share. At the date of the repricing, the new exercise price was equal to the fair market value of the shares. Pursuant to FASB Interpetation No. 44, the Company accounts for these as variable from the date of the modification until they are exercised, forfeited or expired, and records the intrinsic value of such grants. Accordingly, the Company recorded a non-cash charge for compensation costs totaling $246,000, in the accompanying financial statements, during the second quarter ended June 30, 2001.

6. SHARES ISSUED IN EXCHANGE FOR RESTRICTION AGREEMENT AND OTHER CONSIDERATIONS

In March 2001, the Company issued 175,000 shares of its common stock to an individual shareholder in consideration for the lock-up of certain shares owned by this individual, and the right to purchase this individual's shares under the same terms and conditions as previously granted to another group. The new shares were issued with a restrictive legend precluding their transferability for twelve months from the date of issue. Additionally, restrictions were placed upon the transfer of other shares held by this individual through December 31, 2001. The Company recorded this transaction, in the accompanying financial statements, as a non-operating, non-cash expense of $77,000 during the first quarter ended March 31, 2001.

7. POTENTIAL ACQUSITION

In May 2001, the Company signed a letter of intent to merge Code Technologies, Inc., ("Code") a private company, into a wholly-owned subsidiary of driversshield.com Corp.

through an exchange of stock. Thereafter, Code would become a subsidiary of the Company. The letter of intent also contemplates that Pegasus Capital Advisors, L.P. ("Pegasus"), the controlling investor in Code and party to the letter of intent, will obtain $5 million in equity capital simultaneous with the merger to assist in the marketing and development of the businesses. Pegasus will also offer the Company further access to financial institutions as well as its ties within the automotive and insurance industries. Code has developed and launched a wireless in-vehicle communication system for vehicle safety and security combining GPS communication (global positioning) with other technologies for location tracking, vehicle monitoring and security, and a variety of other information. The transaction is subject to the favorable due diligence by both parties, and shareholder approval.

Item 2. Management's Discussion and Analysis or Plan of Operation

Forward Looking Statements - Cautionary Factors

The following discussion and analysis should be read in conjunction with the Company's Financial Statements and the notes hereto appearing elsewhere in this report. This report contains forward-looking statements within the meaning of the Private Securities Litigation Act of 1995. The Company cautions that forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties (including those identified in "Risk Factors" in the company's Form 10-KSB for the year ended December 31, 2000) and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Except for the historical information and statements contained in this Report, the matters and items set forth in this Report are forward looking statements.

Three Months ended June 30, 2001 (the "2001 Quarter") Compared to Three Months ended June 30, 2000 (the "2000 Quarter").

The 2001 Quarter reflected a net loss of $227,000 compared to net income of $14,000 in the 2000 Quarter. Excluding the non-cash charge of $246,000 for re-pricing certain stock options, net income for the 2001 Quarter would have been $19,000. This increase in net income from the prior year, of $5,000, resulted despite additional expenses and investment relating to the scale up of the Company's recently launched, insurance-industry CRM business. Expenses which included sales and marketing, and related website development costs, increased by $81,000, as described below. Had the Company chosen not to pursue this new business, the Company's net income would have increased nearly seven-fold. The Company made these expenditures from its internally generated cash flow. Basic and fully diluted loss per share was $.02 per share in the 2001 Quarter, versus $.00 in the 2000 Quarter.

Revenues

Revenues were $4,043,000 in the 2001 Quarter, versus $3,411,000 in the 2000 Quarter, representing an increase of $632,000 or 19%. The Company's revenues increased $691,000, from $2,956,000 to $3,647,000, due to its collision repair and fleet management service business, including subrogation and salvage commissions. This represented an increase of 23% for the 2001 Quarter, as compared to the 2000 Quarter. The increase in revenues for collision repair and fleet management services reflects expansion of the client base that was added to the fleet program during the second quarter of 2000, as well as growth from existing customers. In the 2001 Quarter, Affinity Services sales decreased $59,000 or 13%, to $396,000 as compared to $455,000 for the same period in 2000, reflecting a percentage of members that did not renew their memberships after the significant increases in memberships that resulted from marketing efforts during the prior year.

Operating Income and Expenses

Consolidated net income, excluding the charge of $246,000 described above, was $19,000 in the 2001 Quarter compared to net income of $14,000 in the 2000 Quarter, an increase of $5,000. The increase in revenues of $632,000, described above, resulted in an increase in gross profit of $36,000. The gross profit percentage declined from 29% in the 2000 Quarter to 25% in the 2001 Quarter due to a lower percentage of the Company's revenues arising from Affinity Services, which carry higher margins. The direct costs of services related to revenues (principally charges from automotive repair facilities) were $3,029,000 in the 2001 Quarter, as compared to $2,433,000 for the same period in 2000, representing an increase of $596,000 or 24%, while the increase in revenues was

19% in the aggregate.

Selling, general and administrative expenses, in the aggregate, increased by $57,000 (6%), to $990,000 in the 2001 Quarter, from $933,000 in the 2000 Quarter. This was the result of increases in sales and marketing, of $121,000, primarily attributable to the scale up of marketing and selling activities of driversshield.com CRM, the Company's new insurance industry business, offset in part by decreases in general and administrative expenses, of $64,000, primarily professional legal and accounting fees, and office supplies, offset in part by higher computer support costs.

The Company recorded, in the 2001 Quarter, $246,000 as a non-cash compensation charge for variable stock options; there was no comparable amount in the 2000 Quarter.

Depreciation expense increased $29,000, from $57,000 in the 2000 Quarter to $86,000 in the 2001 Quarter, primarily as a result of additional capital expenditures supporting the Company's technology systems.

Investment and other income increased $52,000, from $30,000 in the 2000 Quarter to $82,000 in the 2001 Quarter due to improved treasury management, and from a non-recurring recovery in the amount of $25,000.

Six Months ended June 30, 2001 (the "2001 Period") Compared to Six Months ended June 30, 2000 (the "2000 Period")

The 2001 Period reflected a net loss of $210,000 compared to net income of $98,000 in the 2000 Period. Excluding two non-cash charges totaling $323,000, described below, the net income for the 2001 Period would have been $113,000. This increase in net income from the prior year, of $15,000, occurred despite additional selling and marketing expenses of $247,000, primarily related to the scale up of the Company's recently launched insurance-industry CRM business. The Company made these expenditures from its internally generated cash flow. Basic and fully diluted loss per share was $.02 per share in the 2001 Quarter, versus $.01 per share income in the 2000 Period.

Revenues

Revenues were $8,469,000 in the 2001 Period, versus $6,652,000 in the 2000 Period, representing an increase of $1,817,000 or 27%. The Company's revenues increased

$1,900,000, from $5,774,000 to $7,674,000, from its collision repair and fleet management services, including subrogation and salvage commissions. This represented an increase of 33% for the 2001 Period, as compared to the 2000 Period. The increase in revenues for collision repair and fleet management services reflects expansion of the client base that was added to the fleet program during the second quarter of 2000, as well as growth from existing customers. In the 2001 Period Affinity Services sales decreased by $83,000 to $795,000 as compared to $878,000 for the same period in 2000, reflecting 9% of members that did not renew their memberships after the significant increase in memberships that resulted from marketing efforts during the prior year.

Operating Income and Expenses

Consolidated net income, excluding two non-cash charges of $246,000 and $77,000 described below, increased by $15,000, to net income of $113,000 in the 2001 Period from net income of $98,000 in the 2000 Period. The increase in revenues of $1,817,000, described above, resulted in an increase in gross profit of $234,000. The gross profit percentage declined from 29% in the 2000 Period to 26% in the 2001 Period due to a lower percentage of the Company's revenues arising from Affinity Services, which carry higher margins. The direct costs of services related to revenues (principally charges from automotive repair facilities) were $6,286,000 in the 2001 Period, as compared to $4,704,000 for the same period in 2000, representing an increase of $1,582,000 or 34%, while the increase in revenues was 27% in the aggregate.

Selling, general and administrative expenses increased, in the aggregate, by $232,000 (13%), to $2,028,000 in the 2001 Period, from $1,796,000 in the 2000 Period. However, this was the result of increases in sales and marketing of

$247,000 attributable primarily to marketing and selling activities of driversshield.com CRM, the Company's insurance industry business, offset by decreases in certain general and administrative expenses totaling $15,000.

In addition, the Company recorded $246,000 as a non-cash compensation charge for variable stock options; there was no comparable amount in the 2000 Period.

Depreciation expense increased $54,000, from $115,000 in the 2000 Period to $169,000 in the 2001 Period, primarily as a result of additional capital expenditures supporting the Company's technology systems.

Investment and other income increased $61,000, from $66,000 in the 2000 Period to $127,000 in the 2001 Period due to improved treasury management, and from a non-recurring recovery in the amount of $25,000.

Other expense of $77,000 reflected a non-recurring, non-cash charge for the issuance of certain restricted shares recorded in the 2001 Period. There was no comparable amount in the prior period.

Liquidity and Capital Resources

As of, June 30, 2001, the Company had cash and cash equivalents of $744,000. The Company also holds 155,434 shares of highly liquid, Salomon Smith Barney Adjustable Rate Government Income Fund valued at $1,528,000 at June 30, 2001, for a total of $2,272,000 of cash and liquid investments. The comparable amount at December 31, 2000 was $1,829,000, resulting in an increase of $443,000 through June 30, 2001. Working capital of the Company as of June 30, 2001, was $2,135,000 versus $1,935,000 at December 31, 2000, and its working capital ratio at June 30, 2001 was 2.3:1. While the aggregate of all cash activities reflects a net reduction of $296,000 for the six months ended June 30, 2001, $737,000 was converted from excess cash into additional investment in the Smith Barney fund, described above.

The Company believes that its present cash position will enable the Company to continue to support its operations for the next twelve months.

The Company has a $10 million equity based funding commitment. This equity facility enables the Company to draw funds as needed, with a certain minimum amount, on a monthly basis for a twelve month period following the effective date of a registration statement. A registration statement for the securities became effective on November 14, 2000. Pricing will be established during the draw down periods pursuant to the volume-weighted average trading price of the Company's common stock during a specified period preceding the draw down. No funding has occurred to date under this agreement.

In March 2001, the Company received a Nasdaq Staff Determination that it had failed to meet the $1 minimum price requirement for continued listing on the Nasdaq SmallCap Market and that its shares were subject to potential delisting. The Company requested a hearing that occurred in May 2001, which resulted in the Nasdaq Listing Qualifications Panel providing formal notification, in June 2001, approving continued listing on the basis of the Company having met compliance with all requirements.

In May 2001 the Company signed a letter of intent to merge a private company, Code Technologies Inc. ("Code") into a wholly owned subsidiary of driversshield.com Corp. The merger will be effected as an exchange of stock, not requiring payment out of cash funds of the Company. The letter of intent also contemplates that Pegasus Capital Advisors, L.P. will assist in obtaining $5 million of equity for marketing and development of the businesses. The transaction is subject to due diligence of both parties and shareholder approval.

Deferred Income Taxes

The Company has an operating loss carryforward of approximately $4.7 million which is available to offset future taxable income. A valuation allowance has been established for the full amount of the deferred tax benefit and accordingly no deferred tax asset has been presented in the accompanying financial statements. To the extent the Company is profitable in future periods, such carryforwards may be utilized to offset taxable earnings. However, to the extent the Company is not profitable it would not be able to realize this benefit.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

None

(b) Reports on Form 8-K

None

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.

driversshield.com Corp.

Date: August 14, 2001 By: Barry Siegel

Chairman of the Board, Secretary and Chief Executive Officer

Date: August 14, 2001 By: Philip B. Kart

Chief Financial Officer