SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1999

OR

[ ] 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: 1-11961

CARRIAGE SERVICES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE	76-0423828
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1300 POST OAK BLVD., SUITE 1500, HOUSTON, TX	77056
(Address of principal executive offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (281) 556-7400

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 X No__

The number of shares of the Registrant's Class A Common Stock, $.01 par value per share, and Class B Common Stock, $.01 par value per share, outstanding as of April 30, 1999 was 12,335,851 and 3,549,741 respectively.

CARRIAGE SERVICES, INC.

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FORWARD-LOOKING STATEMENTS

Certain matters discussed in this Form 10-Q are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those projected. Such risks and uncertainties include, but are not limited to, the following: the Company's ability to sustain its rapid acquisition rate, to manage the growth and to obtain adequate performance from acquired businesses; the economy and financial market conditions, including stock prices, interest rates and credit availability; and death rates and competition in the Company's markets.

CARRIAGE SERVICES, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE DATA)

	DECEMBER 31, 1998	MARCH 31, 1999 (UNAUDITED)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,892	$ 6,279
Accounts receivable --		
Trade, net of allowance for doubtful accounts of $3,435 in 1998 and $5,023 in 1999	17,835	25,746
Other	3,696	3,352
	21,531	29,098
Inventories and other current assets	7,457	8,395
Total current assets	31,880	43,772
Property, plant and equipment, at cost, net of accumulated depreciation of $11,363 in 1998 and $12,721 in 1999	131,144	137,858
Cemetery property, at cost	63,409	65,287
Names and reputations, net of accumulated amortization of $8,428 in 1998 and $9,842 in 1999	211,183	216,397
Deferred charges and other noncurrent assets	28,528	31,413
	$466,144	$494,727
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,754	$ 4,482
Accrued liabilities	9,168	13,941
Current portion of long-term debt and obligations under capital Lease	6,394	5,860
Total current liabilities	20,316	24,283
Preneed liabilities, net	11,106	10,828
Long-term debt, net of current portion	212,972	234,131
Obligations under capital leases, net of current portion	3,209	2,053
Deferred income taxes	16,474	16,962
Total liabilities	264,077	288,257
Commitments and contingencies		
Redeemable preferred stock	1,673	1,420
Stockholders' equity:		
Class A Common Stock, $.01 par value; 40,000,000 shares Authorized; 12,028,000 and 12,187,000 issued and outstanding at December 31, 1998 and March 31, 1999, respectively	120	121
Class B Common Stock; $.01 par value; 10,000,000 shares Authorized; 3,779,000 and 3,661,000 issued and outstanding at December 31, 1998 and March 31, 1999, respectively	38	37
Contributed capital	194,911	195,219
Retained earnings	5,325	9,673
Total stockholders' equity	200,394	205,050
	$466,144	$494,727

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

CARRIAGE SERVICES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED AND IN THOUSANDS, EXCEPT PER SHARE DATA)

	FOR THE THREE MONTHS ENDED MARCH 31, 1998	1999
Revenues, net		
Funeral	$ 23,243	$ 33,512
Cemetery	4,875	8,359
	28,118	41,871
Costs and expenses		
Funeral	15,833	22,037
Cemetery	3,498	6,209
	19,331	28,246
Gross profit	8,787	13,625
General and administrative expenses	1,869	2,479
Operating income	6,918	11,146
Interest expense, net	2,107	3,467
Income before income taxes	4,811	7,679
Provision for income taxes	2,165	3,302
Net income	2,646	4,377
Preferred stock dividend requirements	150	29
Net income available to common stockholders	$ 2,496	$ 4,348
Earnings per share:		
Basic	$ .22	$ .28
Diluted	$ .22	$ .27
Weighted average number of common and common Equivalent shares outstanding:		
Basic	11,151	15,807
Diluted	12,122	16,162

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

CARRIAGE SERVICES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED AND IN THOUSANDS)

	FOR THE THREE MONTHS ENDED MARCH 31, 1998	1999
Cash flows from operating activities:		
Net income	$ 2,645	$ 4,377
Adjustments to reconcile net income to net cash Provided by operating activities --		
Depreciation and amortization	2,417	3,780
Provision for losses on accounts receivable	420	1,099
Deferred income taxes	947	474
Net cash provided by operating activities before changes in assets and liabilities	6,429	9,730
Changes in assets and liabilities, net of effects from acquisitions:		
(Increase) decrease in accounts receivable	(2,604)	195
Increase in inventories and other current assets	(397)	(4,156)
Increase in other deferred charges	(1,247)	(1,537)
Increase in accounts payable	233	1,626
Increase in accrued liabilities	1,521	1,843
Decrease in preneed liabilities	(303)	(176)
Net cash provided by operating activities	3,632	7,525
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(6,252)	(18,153)
Purchase of property, plant and equipment	(4,372)	(3,401)
Other, including disposition of assets	(171)	--
Net cash used in investing activities	(10,795)	(21,554)
Cash flows from financing activities:		
Proceeds from long-term debt	8,163	21,711
Payments on long-term debt and obligations under capital leases	(6,459)	(4,326)
Payment of preferred stock dividends	(150)	(29)
Other	27	60
Net cash provided by financing activities	1,581	17,416
Net increase (decrease) in cash and cash equivalents	(5,582)	3,387
Cash and cash equivalents at beginning of period	6,126	2,892
Cash and cash equivalents at end of period	$ 544	$ 6,279
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 2,001	$ 3,655
Cash paid for income taxes	$ 597	$ 1,644
Non-cash consideration for acquisitions	$ 2,056	$ 1,100

The accompanying notes are an integral part of these financial statements

CARRIAGE SERVICES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. BASIS OF PRESENTATION

The accompanying consolidated financial statements include Carriage Services, Inc. and its subsidiaries (the "Company"). All significant intercompany balances and transactions have been eliminated.

The information for the three months ended March 31, 1998 and 1999 is unaudited, but in the opinion of management, reflects all adjustments which are of a normal, recurring nature necessary for a fair presentation of financial position and results of operations for the interim periods. The accompanying consolidated financial statements have been prepared consistent with the accounting policies described in the Company's report on Form 10-K for the year ended December 31, 1998, and should be read in conjunction therewith. Certain prior period amounts in the consolidated financial statements have been reclassified to conform with current period presentation.

2. ACQUISITIONS

During the three months ended March 31, 1999, the Company purchased seven funeral homes and nine cemeteries. Four funeral homes and one cemetery were acquired during the three months ended March 31, 1998. These acquisitions have been accounted for by the purchase method, and their results of operations are included in the accompanying consolidated financial statements from the dates of acquisition.

The effect of the above acquisitions on the Consolidated Balance Sheets was as follows:

	MARCH 31, 1998	MARCH 31, 1999
	(IN THOUSANDS)	
Current assets, net of cash acquired	$ 647	$ 6,868
Cemetery property	2,305	3,072
Property, plant and equipment	1,683	4,075
Deferred charges and other noncurrent assets	101	562
Names and reputations	3,837	6,604
Current liabilities	(211)	(1,033)
Other liabilities	(54)	(895)
Total acquisitions	8,308	19,253
Consideration:		
Debt	2,056	1,100
Cash used for acquisitions	$ 6,252	$ 18,153

The following table represents, on an unaudited pro forma basis, the combined operations of the Company and the above noted acquisitions, as if such acquisitions had occurred as of January 1, 1998. Appropriate adjustments have been made to reflect the accounting basis used in recording these acquisitions, however, these unaudited pro forma results are based on the acquired businesses' historical financial results and do not assume any additional profitability resulting from the application of the Company's revenue enhancement measures or cost reduction programs to the historical results of the acquired businesses. These pro forma results have been prepared for comparative purposes only and do not purport to be indicative of the results of operations that would have resulted had the combinations been in effect on the dates indicated, that have resulted since the dates of acquisition or that may result in the future.

	THREE MONTHS ENDED MARCH 31,	
	1998	1999
	(IN THOUSANDS, EXCEPT PER SHARE DATA)	
Revenues, net	$ 40,769	$ 44,602
Net income before income taxes	4,155	8,209
Net income available to common stockholders	2,135	4,650
Earnings per common share:		
Basic	0.19	0.29
Diluted	0.19	0.29

3. MAJOR SEGMENTS OF BUSINESS

Carriage conducts funeral and cemetery operations only in the United States.

(in thousands)	FUNERAL	CEMETERY	CORPORATE	CONSOLIDATED
External revenues:				
Three months ended March 31, 1999	$ 33,512	$ 8,359	--	$ 41,871
Three months ended March 31, 1998	23,243	4,875	--	28,118
Profit and Loss:				
Three months ended March 31, 1999	$ 10,331	$ 2,763	$ (8,717)	$ 4,377
Three months ended March 31, 1998	4,255	2,131	(3,740)	2,646
Total Assets:				
March 31, 1999	$345,906	$119,107	$ 29,714	$ 494,727
March 31, 1998	201,813	59,346	26,152	287,311

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The Company is a leading provider of death care services and products in the United States. The Company's focus is on growth through acquisitions and enhancements at facilities currently owned to increase revenues and gross profit. That focus has resulted in a successful track record of internal growth from attractive acquisition opportunities; high standards of service, operational and financial performance; and an infrastructure containing measurement and management systems. The operating focus for 1999 includes institutionalization of internal training, internal growth, and making quality initiatives introduced in 1998 an integral part of the culture.

Income from operations, which the Company defines as earnings before interest and income taxes, increased, as a percentage of net revenues, from 24.6% for the first quarter of 1998 to 26.6% for the first quarter of 1999. This improvement was largely due to the increased gross profits at the individual funeral home locations. Gross margins for the funeral homes increased from 31.9% in the first quarter of 1998 to 34.2% in the first quarter of 1999, on an increase in revenue of 44%. As a percentage of cemetery net revenues, cemetery gross profit was 25.7% in first quarter of 1999 compared to 28.2% in the first quarter in 1998. Revenues and gross profits from cemeteries increased 71% and 56%, respectively, in the first quarter of 1999 compared to the same period in 1998.

The Company has experienced significant growth through acquisitions. Forty-four funeral homes and ten cemeteries were acquired during 1997 for approximately $118 million. During 1998, the Company acquired 48 funeral homes and seven cemeteries for an aggregate consideration of approximately $159 million. These acquisitions were funded through cash flow from operations, additional borrowings under the Company's credit facilities and issuance of preferred and common stock. In addition, as of April 30, 1999, the Company has either acquired or has letters of intent to acquire 16 funeral homes and 14 cemeteries for an aggregate consideration of approximately $38 million. The Company believes its increased recognition in the death care industry as an established operator and purchaser of funeral homes and cemeteries, as well as favorable conditions in the acquisition marketplace, has improved its ability to attract potential acquisitions that are larger, strategic and accretive and its ability to finance its acquisitions with debt and equity.

RESULTS OF OPERATIONS

The following is a discussion of the Company's results of operations for the three month periods ended March 31, 1998 and 1999. For purposes of this discussion, funeral homes and cemeteries owned and operated for the entirety of each period being compared are referred to as "existing operations." Operations acquired or opened during either period being compared are referred to as "acquired operations."

FUNERAL HOME SEGMENT. The following table sets forth certain information regarding the net revenues and gross profit of the Company from its funeral home operations for the three months ended March 31, 1998 compared to the three months ended March 31, 1999.

	THREE MONTHS ENDED MARCH 31,		CHANGE	
	1998	1999	AMOUNT	PERCENT
	(DOLLARS IN THOUSANDS)			
Net revenues:				
Existing operations	$22,845	$23,325	$ 480	2.1%
Acquired operations	398	10,187	9,789	*
Total net revenues	$23,243	$33,512	$10,269	44.2%
Gross profit:				
Existing operations	$ 7,240	$ 7,610	$ 370	5.1%
Acquired operations	170	3,865	3,695	*
Total gross profit	$ 7,410	$11,475	$ 4,065	54.9%

* Not meaningful.

Due to the rapid growth of the Company, existing operations represented 70% of the total funeral revenues and 66% of the total funeral gross profit for the three months ended March 31, 1999. Total funeral net revenues for the three months ended March 31, 1999 increased $10.3 million or 44.2% over the three months ended March 31, 1998. The higher net revenues reflect an increase of $9.8 million in net revenues from acquired operations and an increase in net revenues of $480,000 from existing operations.

Total funeral gross profit for the three months ended March 31, 1999 increased $4.1 million or 54.9% over the comparable three months of 1998. The higher total gross profit reflected an increase of $3.7 million from acquired operations and an increase of $370,000 from existing operations. Gross profit for existing operations increased due to the efficiencies gained by consolidation, cost savings, improved collections experience and the increasing effectiveness from the Company's training incentives. Total gross margin increased from 31.9% for the first quarter of 1998 to 34.2% for the first quarter of 1999 due to these factors.

CEMETERY SEGMENT. The following table sets forth certain information regarding the net revenues and gross profit of the Company from its cemetery operations for the three months ended March 31, 1998 compared to the three months ended March 31, 1999.

	THREE MONTHS ENDED MARCH 31,		CHANGE	
	1998	1999	AMOUNT	PERCENT
	(DOLLARS IN THOUSANDS)			
Net revenue:				
Existing operations	$4,801	$5,134	$ 333	6.9%
Acquired operations	74	3,225	3,151	*
Total net revenues	$4,875	$8,359	$3,484	71.5%
Gross profit:				
Existing operations	$1,355	$1,403	$ 48	3.5%
Acquired operations	22	747	725	*
Total gross profit	$1,377	$2,150	$ 773	56.1%

* Not meaningful.

Due to the rapid growth of the Company, existing operations represented approximately 61% of cemetery revenues and approximately 65% of cemetery gross profit for the three months ended March 31, 1999. Total cemetery net revenues for the three months ended March 31, 1999 increased $3.5 million over the three months ended March 31, 1998, and total cemetery gross profit increased $773,000 over the comparable three months of 1998. The higher net revenues reflect an increase of $333,000 from existing operations and an increase of $3.2 million from acquired operations. The higher gross profit reflected an increase of $48,000 from existing operations and $725,000 from acquired operations. Total gross margin decreased from 28.2% for the three months ended March 31, 1998 to 25.7% for the three months ended March 31, 1999. The decrease was due primarily to costs incurred during the first quarter of 1999 related to the Company's acquisition of nine cemeteries from Service Corporation International, Inc. on March 30, 1999.

OTHER. General and administrative expenses for the three months ended March 31, 1999 increased $610,000 or 32.6% over the first three months of 1998 due primarily to the increased personnel expense necessary to support the continued growth and acquisition activity. However, the increase in general and administrative expenses as a percentage of net revenues decreased from 6.6% to 5.9% as the expenses were spread over a larger volume of revenue.

Interest expense for the three months ended March 31, 1999 increased $1.4 million over the first three months of 1998, principally due to increased borrowings for acquisitions.

Preferred stock dividends of $29,000 were subtracted from the $4.4 million of net income in computing the net income available to common stockholders of $4.3 million for the three months ended March 31, 1999. The reduction in preferred stock dividends from 1998 to 1999 is due to conversions of the preferred stock to common stock.

For the three months ended March 31, 1999, the Company provided for income taxes on income before income taxes at a combined state and federal rate of 43% compared with 45% for the same period in 1998.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents totaled $6.3 million at March 31, 1999, representing an increase of $3.4 million from December 31, 1998. For the three months ended March 31, 1999, cash provided by operations was $7.5 million as compared to cash provided by operations of $3.6 million for the three months ended March 31, 1998. The increase in net cash provided by operating activities was principally due to the increase in income from operations, which was partially offset by increases in inventories and other current assets. Cash used in investing activities was $21.6 million for the three months ended March 31, 1999 compared to $10.8 million for the first three months of 1998, due primarily to an increase in amounts paid in connection with acquisitions. In the first three months of 1999, cash flow provided by financing activities amounted to approximately $17.4 million, primarily due to proceeds from long-term debt which were used to fund acquisitions.

Historically, the Company has financed its acquisitions with proceeds from debt and the issuance of common and preferred stock. As of March 31, 1998, the Company had 1,682,500 shares outstanding of Series D Preferred Stock. The Series D Preferred Stock is convertible into Class B Common Stock. The holders of Series D Preferred Stock are entitled to receive cash dividends at an annual rate of $.06-$.07 per share depending upon the date such shares were issued. The Company may, at its option, redeem all or any portion of the shares of the Series D Preferred Stock at a redemption price of $1.00 per share, together with all accrued and unpaid dividends. Such redemption is subject to the right of each holder of Series D Preferred Stock to convert such holder's shares into shares of Class B Common Stock. On December 31, 2001, the Company must redeem all shares of Series D Preferred Stock then outstanding at a redemption price of $1.00 per share, together with all accrued and unpaid dividends. On March 30, 1999, holders of Series F Preferred Stock converted 252,410 into 17,925 shares of Class B Common Stock, and then converted those Class B shares into 17,925 shares of Class A Common Stock.

As of March 31, 1998, the Company had 12,278,285 shares of Series F Preferred Stock issued and outstanding. The Series F Preferred Stock paid cash dividends at the annual rate of $.042 per share. On December 31, 1998, all of the Series F Preferred Stock was converted into an aggregate of 722,250 shares of Class A Common Stock at the exercise price of $17 per share.

The Company has a credit facility with a group of banks for a $225 million revolving line of credit. The credit facility has a five-year term, is unsecured and contains customary restrictive covenants, including a restriction on the payment of dividends on common stock, and requires the Company to maintain certain financial ratios. Interest under the credit facility is provided at both LIBOR and prime rate options. The Company has the ability under the credit facility to increase its total debt outstanding to as much as 60 percent of its total capitalization. As of March 31, 1999, the Company's total debt to total capitalization was 54 percent.

The Company expects to continue to aggressively pursue additional acquisitions of funeral homes and cemeteries to take advantage of the trend toward consolidation occurring in the industry which will require significant levels of funding from various sources. The Company has budgeted $155 million for its acquisition program in 1999. In addition, the Company currently expects to incur approximately $15 million of capital expenditures during 1999, primarily for upgrading funeral home facilities. The Company believes that cash flow from operations, borrowings under the credit facility and its ability to issue additional debt and equity securities should be sufficient to fund acquisitions and its anticipated capital expenditures and other operating requirements. In March 1997, the Company filed a shelf registration statement relating to 2,000,000 shares of Class A Common Stock to be used to fund acquisitions. As of March 31, 1999, approximately 1,057,000 shares remained. Because future cash flows and the availability of financing are subject to a number of variables, such as the number and size of acquisitions made by the Company, there can be no assurance that the Company's capital resources will be sufficient to fund its capital needs. Additional debt and equity financings may be required to continue the Company's acquisition program. The availability and terms of these capital sources will depend on prevailing market conditions and interest rates and the then-existing financial condition of the Company.

SEASONALITY

The Company's business can be affected by seasonal fluctuations in the death rate. Generally, death rates are higher during the winter months. In addition the quarterly results of the Company may fluctuate depending on the magnitude and timing of acquisitions.

INFLATION

Inflation has not had a significant impact on the results of operations of the Company.

YEAR 2000

Our information systems management group is continually reviewing the management and accounting software packages for internal accounting and information requirements to keep pace with our continued growth and to achieve Year 2000 compliance. To address the Year 2000 issue, our program which encompasses performing an inventory of our information technology and non-information technology systems, assessing the potential problem areas, testing the systems for Year 2000 readiness, and modifying systems that are not Year 2000 ready.

To date, inventory and assessment have been completed for all of our core systems that are essential for business operations. All of these core systems are believed to be Year 2000 compliant except for a portion of the record-keeping system for certain cemetery operations, for which the modifications have been completed, tested and certified as Year 2000 compliant. As of March 31, 1999, management estimated that we had completed more than ninety percent of the work involved in modifying, replacing and testing the non-compliant hardware and software. The inventory and assessment phases for newly acquired businesses is performed during the acquisition process as part of our due diligence analysis.

We are also communicating with vendors, trustees and other third parties with which we conduct business to determine the extent to which those companies are addressing their Year 2000 compliance. To date, no significant third parties have informed us that any Year 2000 issue exists which will have a material effect on us.

Although we expect to be ready to continue our business activities without interruption by a Year 2000 problem, we recognize the general uncertainty inherent in the Year 2000 issue, in part because of the uncertainty about the Year 2000 readiness of third parties. Under a "most likely worst case Year 2000 scenario," it may be necessary for us to replace some suppliers, rearrange some work plans or even temporarily interrupt some normal business activities or operations. We believe that such circumstances would be isolated and would not result in a material adverse impact to our operations or pose a material financial risk to us. We have begun, but not yet completed, developing a contingency plan to deal with the "most likely worst case Year 2000 scenario." The contingency plan is expected to be completed during the third quarter of 1999.

Based on the current assessment, our total costs of becoming Year 2000 compliant are not expected to be significant to our financial position, results of operations or cash flows. As of March 31, 1999, we spent approximately $50,000 related to Year 2000 compliance. The total remaining costs for addressing the Year 2000 issue are presently estimated to be less than $100,000.

The estimated costs of the projects are forward-looking statements based on our best estimates, which were derived utilizing numerous assumptions of future events. While we believe all necessary work will be completed in a timely fashion, there can be no assurance that these estimates will be achieved and actual results could differ materially from those anticipated. Some of the factors that might cause such material differences include failure by third parties to adequately solve Year 2000 problems, the cooperation of third parties and the ability to identify and correct potential problems.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES OF MARKET RISK

There has been no material change in the Company's position regarding quantitative and qualitative disclosures of market risk from that disclosed in the Company's 1998 form 10-K.

PART II -- OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

11.1 -- Statement regarding computation of per share earnings

27.1 -- Financial Data Schedule

(b) Reports on Form 8-K

The Company filed a Current Report on Form 8-K on April 13, 1999 with respect to its acquisition of all of the operating assets of nine cemeteries and five funeral homes from Service Corporation International, Inc. on March 30, 1999.

SIGNATURE

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.

CARRIAGE SERVICES, INC.

MAY 14, 1999	/S/THOMAS C. LIVENGOOD
Date	Thomas C.Livengood, Executive Vice President and Chief Financial Officer {Principal Financial Officer and Duly Authorized Officer)

EXHIBIT 11.1

CARRIAGE SERVICES, INC.
COMPUTATION OF PER SHARE EARNINGS
(UNAUDITED AND IN THOUSANDS, EXCEPT PER SHARE DATA)

Earnings per share for the three month periods ended March 31, 1998 and 1999 is calculated based on the weighted average number of common and common equivalent shares outstanding during the period as prescribed by SFAS 128. The following table sets forth the computation of the basic and diluted earnings per share for the three month periods ended March 31, 1998 and 1999:

	THREE MONTHS ENDED MARCH 31, 1998	THREE MONTHS ENDED MARCH 31, 1999
Net income	$ 2,646	$ 4,377
Preferred stock dividends	150	29
Net income available to common stockholders for basic EPS computation	2,496	4,348
Effect of dilutive securities	150	--
Net income available to common stockholders for diluted EPS computation	$ 2,646	$ 4,348
Weighted average number of common shares outstanding for basic EPS computation	11,152	15,808
Effect of dilutive securities:		
Stock options	175	354
Assumed conversion of preferred stock	795	--
Weighted average number of common and common equivalent shares outstanding for diluted EPS computation	12,122	16,162
Earnings per share:		
Basic	$ .22	$ .28
Diluted	$ .22	$ .27

THE FINANCIAL DATA SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED
FROM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1999 AND IS QUALIFIED IN ITS
ENTIRETY BY REFERENCES TO SUCH FINANCIAL STATEMENTS.

1,000

3-MOS
DEC-31-1999
MAR-31-1999
6,279
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34,121
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