

ATTORNEYS AT LAW

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March 1, 1999

U.S. Department of Labor
Pension and Welfare Benefits Administration
200 Constitution Avenue N.W.
Washington, DC 20210

2520032905018

RE: Merchants Holding Company Phantom Stock Plan

Gentlemen:

In compliance with the requirements of the alternative method of reporting and disclosure under Part I of Title I of the Employee Retirement Income Security Act of 1974 for unfunded pension plans covering a select group of management or highly compensated employees, specified in Department of Labor Relations, 29 C.F.R §2520.104-23, the following information is provided by Merchants Holding Company, located in Winona, Minnesota:

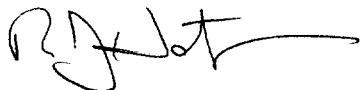
Name and Address of Employer: Merchants Holding Company
102 Plaza East
P.O. Box 248
Winona, Minnesota 55987-0248

Employer Identification Number: 41-150471

Merchants Holding Company maintains a plan primarily for the purpose of providing deferred compensation for select members of its management, and as of January 1, 1999, seven such members are covered under the plan.

Very truly yours,

LINDQUIST & VENNUM P.L.L.P.



Robert J. Hartman

RJH:kmg

cc: Merchants National Bank