

February 10, 19 98

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U.S. Department of Labor
Pension and Welfare Benefits Administration
200 Constitution Avenue NW, Room N-5638
Washington, DC 20210

98 FEB 15 11:22

Re: Merchants & Farmers Bank & Trust Company Deferred Compensation Plan

To the Secretary of Labor:

In order to comply with the requirements of the alternative reporting and disclosure method under the Employee Retirement Income Security Act of 1974 ("ERISA"), Title I, Part 1, as provided for an unfunded or insured deferred compensation plan for a select group of management or highly compensated employees in Department of Labor Regulations § 2520.104-23, the following information is provided by the undersigned Plan Administrator:

1. The name of the employer is: Merchants & Farmers Bank & Trust Company.
2. The mailing address of the employer is:
501 South Fifth Street
Leesville, Louisiana 71448
3. The employer's federal identification number (EIN) is: 72-0258810.
4. The number of plans and the number of participants in each plan is:
One (1) plan(s) covering One (1) employee.
5. Attached is a copy of the front page of the executed Deferred Compensation Agreement indicating that the date the agreement became subject to Title I of ERISA was March 1, 1998. The employer will send a copy of all Plan documents and agreements to the Secretary, upon request.
6. The above-named employer maintains this plan primarily for the purpose of providing deferred compensation benefits to a select group of management or highly compensated employees.

Merchants & Farmers Bank & Trust Co.

By: *Tom Taylor*
Title: Executive Vice President

Ray Williams
Plan Administrator

Enclosure(s)
0463785.01

**MERCHANTS & FARMERS BANK & TRUST COMPANY
DEFERRED COMPENSATION AGREEMENT**

THIS AGREEMENT, made in Leesville, Louisiana, this 1st day of March, 1998, between MERCHANTS & FARMERS BANK & TRUST COMPANY, a Louisiana banking corporation (the "Bank"), and Ronald E. Steed (the "President").

PREAMBLE

The Board of Directors of the Bank has determined it would be in the Bank's best interest to provide an incentive for its President to remain with the Bank and to continue to exercise his best efforts on behalf of the Bank through adoption of this Deferred Compensation Agreement (the "Agreement"). It is intended that the Agreement will be exempt from Parts 2, 3 and 4 of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") as an unfunded arrangement maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees.

By separate agreement, the Bank has created an irrevocable trust (the "Trust") to facilitate the payment of deferred compensation to the President under this Agreement. The Trust and any assets held by the Trust to assist the Bank in meeting its obligations under this Agreement will conform to the terms of the model trust described in IRS Revenue Procedure 92-64.

Accordingly, the Bank and the President do hereby enter into this Agreement upon the terms and conditions hereinafter stated.

MERCHANTS & FARMERS Bank & Trust Company
Post Office Box 1151
Leesville, Louisiana 71496-1151
ADDRESS SERVICE REQUESTED



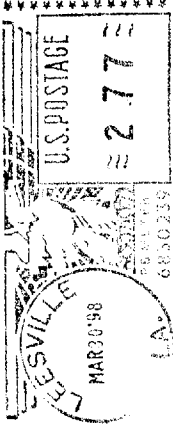
MEMBER FDIC

CERTIFIED

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MAIL

RETURN RECEIPT REQUESTED



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