

HOUSLEY KANTARIAN & BRONSTEIN, P.C.

2520053322179

SUITE 700
1220 19TH STREET, N.W.
WASHINGTON, D. C. 20036

TELEPHONE
(202) 622-9611
TELECOPIER
(202) 822-0140

ALLAN D. HOUSLEY*
HARRY K. KANTARIAN
LEONARD S. VOLIN
GARY R. BRONSTEIN
JAMES C. STEWART
J. MARK POERIO*
HOWARD S. PARRIS
K. SCOTT FIFE
CYNTHIA R. CROSS
JOEL E. RAPPOPORT
JOAN S. GUILFOYLE*
KATHLEEN H. KIM
EVAN M. SEIGEL
JONATHAN C. PAVONY*
RAYMOND R. PRING, JR.*

January 20, 1998

*NOT ADMITTED IN DC

Top Hat Plan Exemption
Pension and Welfare Benefits Administration
U.S. Department of Labor, Room N-5644
200 Constitution Avenue N.W.
Washington, DC 20010

Re: Fulton Savings Bank
Deferred Compensation Plan

Dear Sir/Madam:

Please be advised that in December 1997, Fulton Savings Bank (the "Bank") approved the Fulton Savings Bank Deferred Compensation Plan, as amended and restated, (the "Plan") for its directors and key employees. Under Section 104 (a)(3) of the Employee Retirement Income Security Act ("ERISA"), we intend that this letter satisfy the disclosure requirements applicable to the Plan under Part 1 of Title I of ERISA (in accordance with 29 CFR §2520.104-23).

The Plan is maintained by the Bank primarily for the purpose of providing benefits to a select group of management or highly compensated employees. These benefits are paid for from the general assets of the Bank. As of January 13, 1997, nine non-employee trustees and two executive officers are eligible to defer compensation under the Plan. Relevant documents will be provided to you upon your request, as required by Section 104(a)(1) of ERISA.

The Bank is located at 75 South 1st Street, P.O. Box 180, Fulton, New York 13069-0180, and has been assigned EIN 15-0313410.

If you have any questions, please do not hesitate to contact me.

Very truly yours,


J. Mark Poerio

JMP:clh:1889

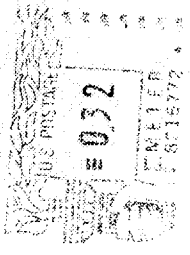
cc: Michael J. Pollock, President
Gary R. Bronstein, Esquire
France Staudenmann, Employee Benefits Specialist

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