



# DAVIS TRUST COMPANY

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August 3, 2006



LETTER OF COMMENT NO. 106B

Director  
Financial Accounting Standards Board  
Emerging Issues Task Force

RE: EITF0604 – Comment Regarding Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split-Dollar Life Insurance Arrangements

To Whom It May Concern:

This proposed rule change is simply ridiculous and will cause undo hardship on Davis Trust Company. If our little community bank is required to accrue for these benefits, then we'll just have to eliminate them. It makes no sense that we would have to "double-book" an expense for the *same* benefit – once for the mortality charges and once for the pre-retirement accrual – both of which represent the same present value of the expected death benefit.

Because this matter will have such a profound negative impact on all banks that have split-dollar arrangements in place, we believe this issue should be brought out in the open for review by our congressional representatives. If all sides of this issue are carefully reviewed we firmly believe "View B", which represents current accounting practice, will be retained.

Sincerely,

  
James L. Schoonover  
Senior Vice President

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