



Farmers Bank & Capital Trust Co.

a subsidiary of Farmers Capital Bank Corporation

December 12, 2007

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th St. and Constitution Ave., NW
Washington, DC 20551

RE: Proposal on Unlawful Internet Gambling-Docket No. R-1298

Dear Ms. Johnson:

Thank you for allowing comment on the above proposal. Farmers Bank & Capital Trust Co. is an approximately six hundred million dollar bank located in Frankfort, Kentucky with five branches in Frankfort.

The regulations as proposed have some areas that cause our banks some concern as follows:

- “Unlawful Internet Gambling” is not clearly defined,
- Risk of over-blocking legal transactions,
- Places an unreasonable compliance and financial burden on our banks with virtually no actionable guidance.

Overall, we understand the intentions of the regulations, however, we do not believe that the proposal depicts a method that will work and can be administered properly. Financial Institutions are in the business of making a profit while providing needed services to its customers. We have shareholders, employees and customers who all have expectations. This regulation as proposed will create an undue burden on the financial industry as a whole. We expend lots of employee time and money towards Bank Secrecy Act efforts and this bill mandates many things that the banks/financial institutions aren't capable of through technology or employee manpower. Our ACH system is one of the most effective payments systems and this regulation will muddle that effectiveness will making banks the primary “rule” maker, regulator and decisions maker.

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We ask that you revisit the proposal and work on addressing some of these concerns before asking financial institutions to comply.

Sincerely,

Amy K. Pierce

Amy Pierce

AVP, Compliance and Loan Review

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