Bank of Illinois

Home Office: 102 West College Avenue Normal, IL 61761 309-452-1186
Cub Foods Branch: 403 North Veterans Parkway Bloomington, IL 61704 309-664-5542

September 6, 2005

2005 SEP 12 AM 10: 33

FDIC
San Francisco Regional Office
Director Johns F. Carter
25 Jessie Street at Ecker Square
Suite 2300
San Francisco, CA. 94105

Dear Mr. Carter

My letter is in response to Wal-Mart ILC application filed with your office. I strongly oppose allowing Wal-Mart to enter the banking business. I believe mixing banking and commercial business is bad public policy. The risk to the FDIC insurance fund with the guarantee of deposits and the related systemic risk of Wal-Mart corporate should not be allowed. I know it will be said that it will be a separate entity and if Wal-Mart gets into financial problems it will not effect the FDIC fund but I do not believe those that give that argument. That is the same argument that is given today with large banks. It is said that no bank is too big to fail, but I do not believe that is true. The regulators cannot let a bank like Citi Corp. fail. It would have a disastrous effect on our economy. If Wal-Mart would get into financial trouble the Government and the FDIC would have to bail them out. What would have happened in Enron owned a bank?

Wal-Mart would be disastrous for small business financing. Our experience with Wal-Mart helping small business supply products to them has caused many of them to go bankrupt. They have also forced many small businesses out of business because of their business practices. Wal-Mart is friend to small business.

I am and have always been opposed to mixed banking and commerce because of the many potential problems.

Sincerely yours,

Larry D. Maschhoff
President