September 20, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 95105

Re: Comments Regarding FDIC Application #20051977; Wal-Mart Application For Insurance and Industrial Bank Charter

Dear Mr. Carter,

I am writing to oppose the application of Wal-Mart Stores, Inc., for Federal deposit insurance coverage for an ILC charter in Utah. I am a community banker and believe strongly that allowing Wal-Mart to own a bank charter and potentially open branches in its network of stores would do irreparable harm to my community and my institution in Greenville, and pose a severe systemic risk to our nation's economy.

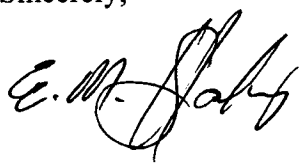
I am aware that Wal-Mart has stated that it intends to operate a limited ILC charter in Utah. However, I firmly believe that if approved, it won't be long that Wal-Mart will be amending its business plan to allow it to offer a full array of banking services. This must not be allowed to happen.

Wal-Mart has a long history of destabilizing communities by undercutting prices of local merchants and driving them out of business. They do not open stores in communities to be civic partners with these merchants. A Wal-Mart superstore opened its doors in our community this past April and we have already experienced some small business owner's closing their doors and I fear that others will follow within the next 12 months. One of them is a local grocer that started right here in Greenville and is currently being operated by third generation family members. It is extremely hard for the small business to compete with large companies such a Wal-Mart

The largest company in the world could do the same thing to community banks. The FDIC would be ill-advised to set this nation on a course that could result in the demise of the community banking industry as we know it today.

Congress has reaffirmed our nation's long standing policy against the mixing of banking and commerce, and with good reason. Mixing banking and commerce would create serious conflicts of interest and distort credit decisions. The impartial allocation of credit is at the center of our financial system and must be preserved. Would a Wal-Mart bank offer credit at reasonable terms to its competitors? Would Wal-Mart require its suppliers to bank at the Wal-Mart bank?

Even more importantly, the largest company in the world owning a bank would produce a dangerous concentration of economic power and resources that would pose severe systemic risks to our economy. Think what would have happened if Enron owned a bank? Or Worldcom? It could have exposed the FDIC fund to enormous liability and pulled down our entire financial system. Our nation cannot afford to take that risk to save Wal-Mart a couple of pennies on each credit and debit card transaction.

For the sake of the community bank in our nation and the customers and communities we serve, please do not allow Wal-Mart to get into the banking business. Make a statement for fair competition and consumer choice by denying Wal-Mart's application for deposit insurance.

Sincerely,