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D. Promani)

Rio BANK

2005 SEP 26 AM 10:36

September 14, 2005

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

Re: Wal-Mart's Application for Deposit Insurance for its Pending Utah based ILC

Dear Mr. Carter,

After reading many articles about Wal-Mart's efforts to expand from a retail business into the banking business, I thought I should write and voice my concern about their efforts. I understand that the comment period on their application has been extended to September 23, 2005.

Let me start by saying that mixing banking and commerce is bad public policy that could jeopardize the impartial allocation of credit and create conflicts of interest. Congress reaffirmed its opposition to the mixing of banking and commerce in the Gramm-Leach-Bliley Act. Imagine a Wal-Mart Bank disfavoring small businesses that compete with Wal-Mart and favoring Wal-Mart suppliers in credit decisions, or requiring Wal-Mart suppliers to bank with Wal-Mart Bank.

Wal-Mart has a history of de-stabilizing communities. With its vast resources, it could drive out community banks like it has driven out community grocery stores, pharmacies, and hardware stores. Where would that leave our communities?

The systemic risk posed by a Wal-Mart bank would be enormous. Wal-Mart already controls 8% of the non-restaurant, non-automotive sales in the U.S. With a branch of Wal-Mart Bank in every store, it would represent a dangerous and unprecedented concentration of economic power.

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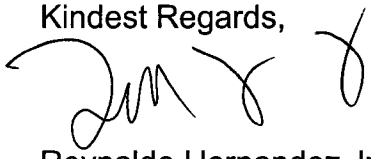
I pray that the FDIC will not allow Wal-Mart to start down the road of controlling the banking markets in communities across this nation while at the same time controlling the retail sales or those same communities. Mixing commerce and banking has been a long standing no no in this country and I believe rightly so. Approval of this application would be the beginning of the end of the banking industry as we know it today. I hope that the FDIC will stand firm on preserving the current banking industry and the separation of commerce and banking.

Kindest Regards,



Reynaldo Hernandez Jr.
President McColl Branch