OC05-391

Hatzenbuhler
811 13th Ave NW
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September 15, 2005

Honorable Donald E. Powell
Chairman
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

FDIC
SEP 29 2005
OFFICE OF THE CHAIRMAN

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

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

Dear Chairman Powell and Mr. Carter:

As a member of the Board of Directors at Starion Financial, I am writing to comment on the Wal-Mart Stores, Inc. application for a Utah industrial bank or industrial loan company charter (ILC) and federal deposit insurance. Starion Financial opposes the application and urges the FDIC to deny the application. Starion further requests the FDIC to conduct a public hearing on the application and the serious public policy issues it raises.

Wal-Mart's application presents serious issues inherent in the mixing of banking and commerce and in the ILC loophole and warrants a public hearing to allow adequate public comment. The issues – conflicts of interest, economic concentration, lack of impartial credit decisions, inadequate holding company supervision, and inappropriate extension of the federal safety net – are amplified by Wal-Mart's size and market clout. The threat of community disinvestment is particularly acute in this case because of Wal-Mart's track record and destructive impact in hundreds of communities across the United States. Our nation's long-standing principle of separation of banking and commerce, reaffirmed in the Gramm-Leach-Bliley Act, is the underpinning for our stable and highly successful economic and financial system, and should not be allowed to be skirted by the world's largest commercial company.

Sincerely,

Randy Hatzenbuhler
Board Member