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STATE BANK OF PEARL CITY
P.O. BOX 397 • PEARL CITY, ILLINOIS 61062 • 815-443-2725 • FAX 815-443-2311

September 6, 2005

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

RE: Wal-Mart LLC Application

Dear Mr. Carter,

The State Bank of Pearl City is a $ 36 million dollar, independently owned community bank serving a community with a population of 700. We are a bedroom community to a town 12 miles away where the majority of the people living in Pearl City are employed. This community does have a Wal-Mart Store.

The community of Pearl City is a lot like other small towns in rural America. Due to lack of sales volume, the community has lost it local hardware store, grocery store, video rental store, a restaurant and a Chiropractic Office. They have all closed or moved their offices to a larger population-base.

If Wal-Mart is issued a bank charter, I can see them offering banking service discounts like they offer discount on purchase of gasoline from their gas stations with Wal-Mart sale receipts. The general public is looking for the least costly services thinking that the quality compare to all providers. They purchase cheaper checks on the Internet that do not process well through the clearing system. They take the highest interest rates offered on deposit account without concerns of the local support provided by a hometown institution. I am afraid that Wal-Mart will not have the knowledgeable, qualified banking employees as evidenced of their employment practices and salary program.

My next issue is how in the world is the FDIC going to regulate a bank with so many branches. With all the components of banking and all the regulations imposed on the banking industries, how will the regulators control a Wal-Mart Bank?

The separation of Commerce and Bank has been in place for many years for the security of the general public. If Wal-Mart can not qualify for State or Federal Bank charter similar to any other applicant, why allow Wal-Mart an end run around the guidelines through the LLC charter application.

It is my firm belief that commercial firms should not be allowed access to the banking industry by owning and controlling a charter institution of their own. I, also, belief that the regulators need to look at the ability to regulate the banking entity. The people that Wal-Mart will solicit as a customer cannot afford the potential lost of wealth by a powerful corporate giant seeking control of the banking deposit structure.

For the good of the community banking industry and the security of the consumer that have entrusted their funds to the professionals, I urge that the application for a bank charter not be issued to Mal-Wart.

Thank you.

Sincerely,

Steven M. Kelley
President