(D. Romani)

The Farmers Bank

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March 30, 2006

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, and pose a severe systemic risk to our nation's economy.

I am very concerned about the future of our nation's small businesses should Wal-Mart receive a bank charter. Small businesses are the economic engines of America's communities. Small businesses depend on their community banks for unbiased credit decisions in order to sustain and grow their operations. The impartial allocation of credit is a key principle behind the separation of banking and commerce. Would a Wal-Mart bank loan money to a competing business? Will a bank owned by a commercial enterprise make unbiased lending decisions when considering a loan to a business that is also one of its competitors?

Wal-Mart has a long history of destabilizing communities by undercutting prices of local merchants and driving them out of business. That is not a theory, it is a fact. For example, when Wal-Mart entered Iowa, 50% of clothing stores, 30% of hardware stores, 42% of variety stores, 26% of department stores, and 25% of building materials stores closed. While some could argue that some of this loss of local businesses was a side-effect of healthy competition, that does not fit when applied to banking. If a local community loses its hardware store to a distant retailer that can be a problem. But a community that loses its local bank is doomed. Without a local bank, small towns lose the capital needed to rebuild a local business base and compete with the Wal-Marts of the world – even if they could have competed effectively and efficiently.

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

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serious conflicts of interest and distort credit decisions. The impartial allocation of credit is the linchpin of our financial system and must be preserved.

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.

For the sake of the community banks of 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,

Joe C. Doan
Director