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August 17, 2005

Mr. John F. Carter
Regional Director
Federal Deposit Insurance Corporation
25 South Jessie Street at Eker Square
Suite 2300
San Francisco CA 94105-2758

Dear Mr. Carter:

We, the undersigned organizations, strongly urge the Federal Deposit Insurance Corporation (FDIC) to reject the application of Wal-Mart Stores, Inc. (Wal-Mart) for a Utah Industrial Loan Corporation (ILC) charter called "Wal-Mart Bank." In example, after example, Wal-Mart has failed to remain accountable to customers, employees, communities, shareholders, and regulators. Wal-Mart has an established pattern of irresponsible, and in many cases, unethical and illegal, practices. All of this raises serious concerns about its ILC application.

With respect to the banking industry, Wal-Mart has claimed that "Wal-Mart Bank" would serve a narrow purpose: to process credit card, debit card, and electronic check transactions from its retail locations. However, its past attempts to enter banking, point to Wal-Mart having a covert interest in expanding its financial offerings. In our opinion, "Wal-Mart Bank" would serve as the vehicle for rapid development of an unnatural monopoly in as many as 22 other states.

Wal-Mart's application has already been turned down as an unwanted mix of commerce and banking. Moreover, "Wal-Mart Bank" would not, as an ILC, be subject to the stricter regulations of bank-holding companies. Finally, Wal-Mart's record of noncompliance with standards and regulations raises serious questions about the company's ability to oversee a bank and follow the tenets of the Community Reinvestment Act.

Here are just a few instances of previous rejections of Wal-Mart's repeated banking attempts:

- In 1999, the Office of Thrift Supervision denied Wal-Mart's attempt to acquire Federal Bank Centre, a small federal savings and loan company in Oklahoma, because it would violate banking and retail regulations.

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- In 2001, Wal-Mart tried to establish a partnership with TD Banks USA, but the Office of Thrift Supervision rejected the proposal, saying it would illegally combine commerce and banking.
- In 2002, Wal-Mart attempted to buy Franklin Bank, a small ILC in California. Not only was this attempt denied, but the California Legislature ultimately passed a law preventing such purchases.

Policymakers have consistently rejected such requests, we believe, for sound and grounded reasons. Again, we ask you to follow precedent and reject the proposed purchase.

Sincerely,

9to5, National Association of Working Women
Alliance for Retired Americans (ARA)
Americans for Democratic Action (ADA)
American Postal Workers Union (APWU)
Coalition of Black Trade Unionists (CBTU)
Food and Allied Service Trades (FAST)
International Brotherhood of Electrical Workers (IBEW)
International Brotherhood of Teamster (IBT)
Laborers' International Union of North America (LIUNA)
International Association of Machinists and Aerospace Workers (IAM)
National Workrights Institute (NWI)
Rainbow/PUSH Coalition (RPC)
Retail, Wholesale & Department Stores Union (RWDSU)
Service Employees International Union (SEIU)
United Food and Commercial Workers International Union (UFCW)
Union of Needletrades, Industrial and Textile Employees - Hotel Employees and
Restaurant Employees (UNITE HERE!)
USAction