

August 10, 2005

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

Re: Wal-Mart Stores, Inc. FDIC Application # 20051977

Dear Mr. Carter:

The undersigned members of the Sound Banking Coalition – the Independent Community Bankers of America, the National Association of Convenience Stores, the National Grocers Association and the United Food and Commercial Workers International Union – are concerned that the Interagency Charter and Federal Deposit Insurance Application #20051977 (“the Application”) filed by Wal-Mart Stores, Inc. (“Wal-Mart”) withholds voluminous information from the public rendering the public comment process on the Application ineffective.

It appears that Wal-Mart has attempted to evade public disclosure of basic responsive information that does not warrant confidential treatment by burying this information in its confidential filings, making it impossible for the public to adequately assess the merits of the Application.

Critical information that has not been publicly disclosed in the Application includes:

1. The names of the organizers, proposed directors, and senior executive officers of the proposed bank and their background, experience, duties, responsibilities, committee memberships, or offices currently held or to be held with Wal-Mart and its affiliates, as requested in 2(a)-(c) of the Application;
2. The proposed form of compensation for the directors and senior executive officers of the bank, as requested in 2(e) and (i). In particular, disclosure of any and all Wal-Mart stock option plans and compensation incentives tied to Wal-Mart’s performance is critical to understanding the potential conflicts of interest that may arise as these individuals perform their duties for the proposed bank;
3. Information regarding initial capitalization of the bank, including Wal-Mart’s discussion of the proposed capital structure relative to internal and external risks, planned operational and financial assumptions, or a justification to support the proposed capital, as requested in 3(a)-(c);

4. Discussion of the economic environment and the purported need for the bank and information on the bank's community involvement activities, as requested in 4(b), and a copy of the letter in which Wal-Mart requested a special purpose designation in order to avoid requirements under the Community Reinvestment Act as referenced in 4(b);
5. Financial projections to support Wal-Mart's statements regarding branches, as requested in 5(h);
6. Descriptions of information systems, as requested in 6(a)-(f), and information regarding the referenced plan to outsource these functions including whether these functions will be outsourced overseas;
7. Information regarding the outsourcing of the general ledger and accounting systems including whether these functions will be outsourced overseas, as requested in 7(a); and
8. Information covering management policies on loans, investments, liquidity, funds management, interest rate risk, and other relevant policies, as requested in 7(e).

Rather than including this information in the publicly available Application, Wal-Mart has hidden the majority of this information as well as its business plan and other documents behind a claim of confidentiality. Without the information buried in these documents, the public is deprived of much of its right to comment on the Application. Essential elements – such as the risks associated with the proposed bank, potential conflicts of interest, interlocking management relationships, and the adequacy of capitalization – are shielded from public view. In fact, there is no justification for the proposed bank's business plan to be confidential. One of the primary reasons for such confidentiality is protecting certain information from competitors, but the proposed bank will not have any competitors. The Application itself maintains:¹

“As currently planned, the Bank's only customer will be Wal-Mart. Therefore, the Bank will not displace any sponsorship relationships in the local marketplace. Likewise, there will be no impact in the national marketplace, except with respect to the existing sponsorship arrangements currently in place between Wal-Mart and its third-party sponsors.”

It is simply not credible that, even knowing the business plan, any other bank could compete for Wal-Mart's transaction-processing business. Accordingly, the primary justification for keeping information in the business plan confidential does not exist. The business plan and all of the information responsive to the questions in the Application should be made available. Any information in these documents that is truly proprietary and deserving of confidential treatment can simply be redacted.

¹ In response to question 4(a)(2).

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Until the information that Wal-Mart has attempted to conceal is made public, there is no opportunity for informed, meaningful public comment. Therefore, we respectfully request that the FDIC: 1) make available all of the withheld information to us and to the general public, and 2) extend the comment period to provide the public 30 days to comment on the Application following the release of this additional information.

The requested information and any correspondence or questions regarding this request should be directed to the Coalition's attorney, Douglas S. Kantor, at:

Collier Shannon Scott PLLC
3050 K Street, NW
Suite 400
Washington, DC 20007
(202) 342-8400 (phone)
(202) 342-8451 (fax)

Thank you for your consideration of this request.

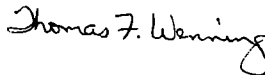
Sincerely,



Vice President, Congressional Relations
Independent Community
Bankers of America



Legislative and Political Affairs Director
United Food and Commercial
Workers International Union



Senior Vice President
and General Counsel
National Grocers Association



Senior Vice President,
Government Relations
National Association of Convenience Stores