




Get a charter with knowledge  
**Easy. Start Now.**  
 Chicago Tribune

# Chicago Tribune

63° F  
 Latest forecast

-  [E-mail this story](#)
-  [Printable format](#)
-  [Search archives](#)

#### Most e-mailed (last 24 hours)

- [Mother makes room for MySpace](#)
- [Do it for free](#)
- [The joys of a \\$10 haircut](#)
- [How 4 people turned learning disabilities into stories of success, fortune and happiness](#)
- [Best-seller leads scholar to file lawsuit](#)

#### More from today

#### Past week

CHICAGO'S NEWEST JOBS  


#### COLLECTORS

#### CNC SETUP/LEADERS

#### QUALITY INSPECTOR (TECHNICAL)

#### CNC MACHINING PRODUCTION MANAGER

#### PHARMACISTS

#### [Search jobs](#)

#### [Post your resume](#)

#### [Post a job](#)

Please [register](#) or [log in](#) | Subscribers: [Get the Advantage](#)

Search:

chicagotribune.com

[chicagotribune.com](#) >> [Business](#)

## Wal-Mart's plan to acquire limited bank charter denounced

By **Becky Yerak**

Tribune staff reporter

Published April 11, 2006, 6:39 PM CDT

ARLINGTON, Va -- At a federal hearing that matched the nation's largest trade association against the world's biggest retailer, Wal-Mart Stores Inc. continued to face ringing denunciations Tuesday about its plans to acquire a limited bank charter, though a regulator at least floated the idea of a possible conditional approval.

The 1.3 million-member National Association of Realtors was among the groups appearing on the second day of Federal Deposit Insurance Corp. hearings that will help determine whether Wal-Mart can start a Utah-based bank to process in-house its debit, credit and check transactions.

Wal-Mart has repeatedly assured critics that it has no plans to open company-branded branches or offer traditional banking products, explaining that it prefers to strike deals with independent banks to run branches in its stores.

But opponents aren't buying it and continue to warn federal regulators that Wal-Mart shouldn't be allowed to put the proverbial nose under the tent, given its more ambitious designs on the banking industry in the past. The Bentonville, Ark.-based retailer has made several unsuccessful attempts to acquire or partner with financial-services companies.

Nearly 40 people, most of them hostile to Wal-Mart, testified over a day-and-a-half of hearings. The FDIC, which has said it has no timetable for making a decision on whether Wal-Mart will receive federal deposit insurance, will hold a third day of hearings April 25 in Overland Park, Kan.

On Monday, Jane Thompson, president of Wal-Mart Financial Services, said she expected that any FDIC approval would be granted on the condition that her company agree not to open Wal-Mart-branded bank branches.

Questioning Wal-Mart opponents who testified Tuesday, John Bovenzi, the FDIC's chief operating officer, floated the hypothetical scenario of approving Wal-Mart's application with strict limits.

"Would fears be alleviated if the request was conditioned?" he asked. "What if the FDIC imposed conditions that any substantive change would undergo full review and public hearings? I'm not sure we can impose such a condition. But, if we can, would that alleviate" critics' concerns?"

But Wal-Mart opponents remained entrenched.

The real estate group opposes Wal-Mart's bid partly on the grounds that it would create a conflict of interest.

"It would be possible for Wal-Mart to provide loans on favorable terms to the suppliers of Wal-Mart Stores," said Tom Stevens, president of the real estate group. "This would put commercial firms not affiliated with a bank at a competitive disadvantage."

He urged the FDIC to delay making a decision on Wal-Mart's application until Congress reviews the issue and decides whether to close or limit the loophole allowing so-called industrial loan corporations.

Critics also continued to raise issues tangential to Wal-Mart's application for federal deposit insurance.

"Wal-Mart regularly says one thing and does another," testified Andrew Grossman, executive director for Wal-Mart Watch, a watchdog group.

Although rival discount chain Target Corp. owns a Utah-based industrial loan corporation, Wal-

### University of Phoenix Online

#### ASSOCIATES DEGREE

- Associate of Arts in General Studies

#### BACHELORS DEGREES

- Bachelor of Science in Business/Accounting
- Bachelor of Science in Business/Administration
- Bachelor of Science in Business/e-Business
- Bachelor of Science in Business/Management
- Bachelor of Science in Business/Marketing
- Bachelor of Science in Criminal Justice Admin.
- Bachelor of Science in Health Care Services
- Bachelor of Science in Information Technology
- Bachelor of Science in Management
- Bachelor of Science in Nursing

#### MASTERS DEGREES

- Master of Arts in Education with a Specialization in Curriculum and Technology
- Master of Arts in Education with a Specialization in Curriculum and Instruction
- Master of Arts in Education with a Specialization in E-Education
- Master of Arts in Education with a Specialization in Teacher Education for Elementary Licensure

[Click Here](#)

[How to advertise](#)

Mart shouldn't necessarily receive the same treatment, Grossman said, explaining that Target is a fraction of the size of Wal-Mart.

**But Jim Tozzi of the Center for Regulatory Effectiveness, which monitors regulators' compliance with federal laws, urged the FDIC to use the same criteria it used when Target applied.**

Lawrence White, a former Federal Home Loan Bank Board member who now teaches business at New York University, testified that Wal-Mart's application should be approved. He chalks up at least part of the controversy to rival bankers who don't like the prospect of greater competition.

*byerak@tribune.com*

Copyright © 2006, [Chicago Tribune](#)

**Site index**

**News**

- Local news
- Nation/world news
- Opinion
- Columnists
- Special reports
- Obituaries
- Health
- Education
- Weather
- Traffic
- Multimedia

**Business**

- Your money
- Stocks
- The Digital Page
- What's ahead
- Business tech
- Technology
- Wireless/ Networking
- Columnists

**Sports**

- Bears
- Bulls
- Blackhawks
- Cubs
- White Sox
- Colleges
- High school
- Golf
- Soccer
- Columnists

**Travel**

- Flight tracker
- Travel deals
- Fall colors
- Midwest getaways
- Follow the sun
- Skiing 2005-06
- Cruising 2005-06
- National Parks
- Resourceful traveler
- 10 for the road
- GeoQuiz

**Entertainment**

- Arts
- Critics' reviews
- Dining
- Food
- Horoscope
- Leisure
- Lottery
- Movies
- Music
- Theater
- Shopping
- Television

**Today's paper**

- In the community
- Registration
- Subscription
- Contact us
- Send a news tip
- What's in it for you?

**Classified**

- Find a job
- Find a car
- Find real estate
- Find an apartment
- Shopping
- Find a mortgage
- Dating
- Pets
- Place an ad
- How to advertise

[metromix.com](#) | [ChicagoSports.com](#) | [Subscriber Advantage](#) | [Site tour](#) | [Privacy Policy](#) | [Terms of Service](#)

Local Tribune sites: [Chicago Magazine](#) | [CLTV](#) | [Hoy Chicago](#) | [RedEye](#) | [Satisfaction Magazine](#) | [WGN Radio](#) | [WGN TV](#)

**Chicago Tribune**  
**SUBSCRIBERADVANTAGE**  
**FREE to subscribers!**  
**Sign up now!**

**Daywatch**

The day's top stories e-mailed to you each weekday.

**365 Day Archive**

A free archive search of a year's worth of Chicago Tribune stories.

**The Info Desk**

Exclusive access to Tribune experts for help with homework or research

**The Entertainment Expert**

Advice for making the most of a special night out.

**This month's featured offers include:**

Take a look back at the historic 1906 season that resulted in the only "**Crosstown Classic**" **World Series**! Watch the season unfold daily through stories that appeared in the pages of the Chicago Tribune 100 years ago!

SPONSORED BY:

