



News Release

For Immediate Release
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N.G.A. Supports Senate Industrial Bank Holding Company Act

May 11, 2007 (Arlington, VA) - At a Senate press conference held today, Thomas F. Wenning, Senior Vice President and General Counsel of the National Grocers Association (N.G.A.), applauded the bipartisan introduction of the Industrial Bank Holding Company Act by Senators Sherrod Brown (D-OH), Wayne Allard (R-CO) and Tim Johnson (D-SD). "This legislation answers important public policy questions and serves to close the loophole for ILC interstate branch banking, and decide the future direction of ILCs and our nation's financial system". Passage of this legislation will enhance the regulation of parent companies of industrial banks, assure the separation of banking and commerce, prevent branch banking by commercially-owned ILCs, and give FDIC new regulatory authority.

"N.G.A. strongly agrees with Senators Brown, Allard and Johnson that we need to pass this legislation to close the ILC loophole. Federal Reserve Chairman Ben Bernanke, former Chairman Alan Greenspan, the Federal Reserve Board and the U.S. General Accountability Office have called on Congress to preserve the federal safety net that protects the integrity of our banking system and to assure a level playing field," said Wenning. N.G.A. has supported bipartisan legislation by Congress to limit the ILC loophole so commercial companies that establish ILCs do not engage in interstate branch banking and offer demand deposits without appropriate and consolidated supervision.

The Federal Reserve Board has consistently stated Congress should not grant branching authority to ILCs unless the corporate owners of these institutions are subject to the same type of consolidated supervision and activities restrictions as the corporate owners of other full-service insured banks. In September 2005 the U.S. General Accountability Office advocated that ILCs, and their holding companies, be regulated in a similar manner as other insured depository institutions and their holding companies.

N.G.A. is a member of the Sound Banking Coalition, along with the National Association of Convenience Stores, Independent Community Bankers of America, and the United Food and Commercial Workers. The coalition is a group of concerned organizations that have come together to close the industrial loan company loophole to protect consumers and businesses against the competitive problems and the threat to FDIC insurance posed by ILCs.

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N.G.A. is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. An independent retailer is a privately owned or controlled food retail company operating a variety of formats. Most independent operators are serviced by wholesale distributors, while others may be partially or fully self-distributing. Some are publicly traded but with controlling shares held by the family and others are employee owned. Independents are the true "entrepreneurs" of the grocery industry and dedicated to their customers, associates, and communities. N.G.A. members include retail and wholesale grocers, state grocers associations, as well as manufacturers and service suppliers. For more information about N.G.A. and the independent sector of the industry, see the N.G.A. website: www.NationalGrocers.org.