

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF SOUTH DAKOTA
WESTERN DIVISION**

UNITED STATES OF AMERICA,
Plaintiff,

v

Civil Action Number 93-5115

BLACKPIPE STATE BANK,
Defendant.

CONSENT DECREE

The United States files this Consent Decree to resolve this action against Defendant Blackpipe State Bank ("Blackpipe" or "the lender"), alleging violations of the Equal Credit Opportunity Act, as amended, 15 U.S.C. §§ 1691-1691f, and Title II of the Civil Rights Act of 1968 (the Fair Housing Act), as amended by the Fair Housing Amendments Act of 1988, 42 U.S.C. §§ 3601-3619. The complaint alleges that Blackpipe has engaged in policies and practices that discriminate against American Indians who are potential and actual loan applicants.

More specifically, the United States alleges that Blackpipe has for many years engaged in lending practices that discriminate against American Indians through its explicit policy of refusing to make any loans secured by collateral that may be subject to tribal court jurisdiction. It is alleged that both the Rosebud and Pine Ridge tribal courts have collection provisions and procedures that are used by creditors to repossess collateral or otherwise obtain remedies in the event of a default on a loan that is subject to tribal court jurisdiction.

The United States further alleges that Blackpipe has required American Indians to provide collateral which was not required of white applicants; has rejected American Indian applicants for loans under circumstances when white applicants would have been accepted; has charged American Indian recipients of unsecured personal loans higher interest rates and finance charges than similarly situated white borrowers of such loans; has employed virtually no American Indian employees; has delineated its targeted lending area so that it excludes all of the Pine Ridge and Rosebud reservations; and has avoided origination of loan products with particular appeal to American Indian borrowers, such as guaranteed loans from the Bureau of Indian Affairs and the Farmers Home Administration.

Blackpipe State Bank denies all of the United States' material allegations and contends that it has complied with all the federal lending laws and regulations. In addition, Blackpipe notes that the Bank is in the process of being sold to Stockmens National Bank located in Rushville, Nebraska, and that Stockmens National Bank makes secured loans that are subject to tribal court jurisdiction, includes portions of the Pine Ridge Indian reservation in its delineated lending area, makes a majority of its loans to American Indian borrowers, and does participate in loan programs with special attraction to American Indian borrowers such as guaranteed loans from the Bureau of Indian Affairs and the Farmers Home Administration.

The parties have agreed that, in order to avoid protracted and costly litigation, this controversy should be resolved voluntarily. To this end, as more specifically described below, Blackpipe has

agreed to end the explicit policy previously contained in its Community Reinvestment Act statement of refusing to make secured loans subject to tribal court jurisdiction, to develop a plan to address any inconsistencies in its lending determinations by implementing loan policies which ensure the fair and non-discriminatory treatment of all loan applicants, to revise its delineation of its lending community under the Community Reinvestment Act, to develop and implement affirmative marketing outreach activities, and to undertake training of its employees to ensure a lending program free of discrimination. In addition, Blackpipe shall provide compensation in an amount not to exceed \$125,000.00 to persons determined to be adversely affected by Blackpipe's policies and practices. The parties have also agreed that there should be no evidentiary hearing, trial or other adjudication on the merits.

Now, therefore, on the basis of the foregoing representations of the United States and Blackpipe, it is hereby ORDERED, ADJUDGED, and DECREED as follows:

I. GENERAL INJUNCTIVE PROVISION

1. Blackpipe, its officials, employees, and agents, as well as any and all successors, are enjoined from engaging in any act or practice that discriminates on the basis of race, color, and/or national origin with respect to credit transactions, or in the provision of services or facilities in connection with credit transactions, and from imposing on the basis of race, color, and/or national origin different terms-or conditions for the availability of credit. Equal Credit Opportunity Act (ECOA), 15 U.S.C. § 1691(a)(1); Fair Housing Act (FHA), 42 U.S.C. §§ 3604 and 3605. More specifically, Blackpipe is hereby enjoined from:
 - a. Refusing to provide credit because an applicant is an American Indian, resides on an American Indian reservation, or provides collateral which is located on an American Indian reservation.
 - b. Discriminating against any applicant in the terms or conditions relating to the extension of credit, including in the interest rates and/or minimum finance charges charged for unsecured personal loans, because the person is an American Indian, resides on an American Indian reservation, or provides collateral which is located on an American Indian reservation.
 - c. Discouraging, either directly or indirectly, any person from applying for credit because such person is an American Indian, resides on an American Indian reservation, or provides collateral which is located on an American Indian reservation.

II. SPECIFIC INJUNCTIVE PROVISIONS

A. Community Reinvestment Act Delineated Community

2. Blackpipe will, within ninety (90) days of the execution of this Consent Decree, expand its delineated community under the Community Reinvestment Act, 12 U.S.C. § 2901 *et seq.*, to include portions of the Pine Ridge and Rosebud Indian reservations. In this revision, Blackpipe will include the towns of Wounded Knee, Porcupine, Sharps Corner, Kyle, Wanblee, and Long Valley on the Pine Ridge reservation and the territory on the Pine Ridge reservation between these towns and the Bennett County border, and on the Rosebud reservation the towns of Parmalee and Rosebud and the territory on the Rosebud reservation between these towns and the Bennett County border.

B. Policy Revision Regarding On-Reservation Lending

3. Blackpipe shall revise, its policy regarding secured loans subject to tribal court-jurisdiction contained in its Community Reinvestment Act statement. The revised Community Reinvestment Act statement is set forth in Attachment 1. The revised policy shall state that Blackpipe will make secured loans without respect to whether collateral for such loans is located on an Indian reservation and will review and reach a final decision regarding loan applications for credit subject to tribal Court jurisdiction in the same manner and pursuant to the same underwriting criteria which it uses to review applications for loans that are not subject to tribal court jurisdiction. Blackpipe shall revise any and all other written policy statements or criteria regarding Blackpipe's policy concerning secured loans subject to tribal court jurisdiction in accordance with its revision of its Community Reinvestment Act statement as set forth in this Consent Decree.

C. Marketing and Advertising

4. Blackpipe will establish a marketing and advertising program (the "marketing program"), as described in this Section, designed to attract qualified applicants for credit from all segments of its delineated community, as defined pursuant to the Community Reinvestment Act, and revised pursuant to this Consent Decree. This program will include special activities to target American Indian residents of its delineated community.
5. In order to establish such a program, Blackpipe shall, within ninety (90) days of the date of final regulatory approval of the sale of Blackpipe State Bank or June 1, 1994, whichever comes first, provide to the United States its proposed plan for such marketing and advertising ("the marketing plan"). The United States shall, within fifteen (15) days of its receipt of the marketing plan, provide in writing either its approval or, alternatively, its additions and/or modifications to the marketing plan. In the event the United States provides additions or modifications to the marketing plan, Blackpipe shall perform the elements of the marketing Plan the United States specifies, including the additions and/or modifications the United States provides, subject to the procedures and standards set forth in Section IIIH of this Consent Decree.
6. The Plan shall include, but is not limited to, the following:
 - a. Regular prominent placement of newspaper advertisements in area newspapers, including, but not limited to, the Bennett County Booster, Gordon Journal, Sheridan County Star and Indian Country Today, and radio advertisements on regional radio stations which broadcast to Blackpipe's delineated community, including, but not limited to, KSDZ in Gordon, Nebraska, and KILI in Porcupine, South Dakota. These advertisements will state, at a minimum, that Blackpipe State Bank is an equal opportunity lender. In addition, a significant percentage of these advertisements will include statements indicating that the Bank provides secured loans within all portions of its delineated area and to interested and qualified borrowers outside these areas. Also, these advertisements will state that the Bank, once it has received the requisite approvals, is an approved lender of guaranteed loans from the Farmers Home Administration and the Bureau of Indian Affairs. Blackpipe will place a total of at least fifty-two newspaper advertisements per one year period and at least eighty thirty-second radio spots per one year period.
 - b. Development of outreach activities to American Indians both in Bennett County and on the Pine Ridge and Rosebud reservations. These activities will include regular meetings and communications with appropriate and representative leaders of the Oglala Sioux and Rosebud Sioux Indian Tribes and persons on those American Indian reservations who are active in providing credit to tribal members, as agreed upon by the parties. These activities may be conducted in conjunction with other activities intended to publicize the Bank's lending policies and practices. As part of these activities, Blackpipe will deliver letters in the form set forth in Attachment 2 within thirty (30) days of the execution of this Consent

Decree to the Tribal Governments of the Oglala Sioux and Rosebud Sioux Tribes and to the Superintendents of the Bureau of Indian Affairs of those two reservations.

- c. Other outreach activities designed to educate Blackpipe about the credit needs of the American Indian community and to inform, American Indians within the delineated community about Blackpipe's willingness to serve their credit needs.
7. All of Blackpipe's marketing and advertising for credit products will contain an equal housing opportunity logotype, statement, or slogan as described in the Fair Housing Advertising regulations of the United States Department of Housing and Urban Development, 24 C.F.R. Part 109. The lender will follow the guidance of Tables I and II of Appendix I to 24 C.F.R. Part 109 in selecting appropriate type size as well as a slogan, statement, logotype, and other standards for advertising.
8. Blackpipe's advertising that uses human models in photographs, drawings, or other graphic techniques will reasonably represent American Indian as well as white residents of the area which the lender serves. Models, if used, will portray persons in an equal social setting and indicate to the general public that the lender's products are available on a nondiscriminatory basis.

D. Non-Discriminatory Treatment of Loan Applicants

9. Blackpipe, as further described in this Section, will develop a plan, including the implementation of loan policies, to ensure the fair and objective evaluation of applicants for credit based upon appropriate loan criteria (the "loan criteria plan") and will assess completed applications from American Indian applicants based upon this plan in the same manner and under the same loan criteria that it applies to white customers. Nothing in this or any other section of this Consent Decree shall be construed to require Blackpipe to engage in unsafe or unsound lending practices.
10. In order to perform loan application reviews and determinations in such fashion, Blackpipe shall, within ninety (90) days of the date of final regulatory approval for the sale of Blackpipe State Bank or June 1, 1994, whichever comes first, provide to the United States its proposed loan criteria plan. The United States shall, within fifteen (15) days of its receipt of the loan criteria plan, provide in writing either its approval or, alternatively, its additions and/or modifications to the loan criteria plan. In the event that the United States provides additions and/or modifications to the loan criteria plan, Blackpipe shall perform, all elements of the loan criteria plan the United States specifies, including the additions and/or modifications the United States provides, subject to the procedures and standards set forth in Section IIIH of this Consent Decree. This plan shall include, but is not limited, to the following:
 - a. Appropriate loan criteria for all types of loans, including standards regarding requirements for co-signors and collateral.
 - b. Procedures to ensure that such criteria will be utilized in evaluating loan applicants.
 - c. Steps to solicit information from all loan applicants on a fair and objective basis.
 - d. Identification of a compliance officer who will monitor the lender's compliance with the Community Reinvestment Act, the Fair Housing Act, and the Equal Opportunity Act, and this Consent Decree, and specification of such officer's duties and responsibilities.
 - e. Maintenance of all records involved in credit determination and all records necessary for compliance with this Consent Decree.
 - f. Other actions to be taken to ensure that American Indian applicants are treated in the same

manner and under the same criteria as applied to white customers, including the appropriateness of having Bank officials conduct a second review of any applicant for credit who is rejected by the lender.

11. Blackpipe's loan policies shall be based upon objective standards that have a demonstrable relationship to a determination of creditworthiness and incorporate the requirements of Regulation B issued by, the Federal Reserve Board pursuant to ECOA, 12 C.F.R., Part 202. The parties recognize that the underwriting standards set forth in the loan criteria plan may not identify all of the relevant loan qualification criteria and compensating factors that may bear upon the lender's assessment of individual loan applications, as those are too numerous to incorporate into one document. The parties also recognize that Blackpipe's loan criteria standards incorporate a degree of flexibility and individual assessment of risk based on the unique characteristics of individual credit applicants, and that this flexibility is especially important to meet the policy objectives of the Community Reinvestment Act.

E. Special Programs and other Remedial Measures

12. Blackpipe shall adopt and implement a number of special activities, as described in this Section, to serve low- and moderate-income and American Indian credit seekers. Blackpipe may add new activities or alter or modify existing ones when necessary to serve effectively the credit needs of low- and moderate-income and American Indian residents in its CRA delineated, community.
13. Blackpipe shall, within forty-five (45) days of the date of final regulatory approval for the sale of Blackpipe State Bank or June 1, 1994, whichever comes first, apply to become an approved lender of guaranteed loans from the Bureau of Indian Affairs and the Farmers Home Administration and other similar government programs for which it is not currently an approved lender. In the event that Blackpipe has not received approval as an approved lender from the Bureau of Indian Affairs, the Farmers Home Administration, and any other governmental agency to which it has applied, within one hundred (100) days of the date of its application to such agency, it shall promptly notify the United States through counsel and the parties shall determine jointly steps which Blackpipe shall take to receive approval. At all times, Blackpipe will use its best efforts to become an approved lender and shall pursue its applications expeditiously and diligently.
14. In addition, Blackpipe shall develop activities directed to potential low- and moderate-income and American Indian borrowers to teach participants about such topics as managing credit, controlling a household/budget, and applying for loans at Blackpipe and other lending institutions. The lender will use its best efforts to present informational sessions, classes, or similar educational activities as jointly agreed upon by the parties at least four times per year and shall conduct at least half of these activities on the Pine Ridge or Rosebud Indian reservations. In developing such activities, Blackpipe may work jointly with tribal officials, other financial institutions or persons who provide credit to American Indians in the delineated community, and others as agreed upon by the parties.

F. Recruitment

15. Blackpipe will recruit qualified American Indian applicants for job openings at the Bank on an ongoing basis during the Consent Decree period in a manner designed to reach potential American Indian applicants. This recruitment shall include but is not limited to, the following:
 - a. Contacting tribal representatives of the Oglala, Sioux and Rosebud Sioux tribes and the Superintendents of the Bureau of Indian Affairs on the Pine Ridge and Rosebud reservations about job openings in sufficient time to allow these officials to publicize and disseminate this information.

- b. Soliciting referrals for American Indian applicants from American Indian representatives as agreed upon by the parties in sufficient time to allow these persons to publicize and disseminate the information about job openings.
- c. Contacting previous job applicants, with minimal qualifications, including all American Indian applicants, by using its best efforts to notify all persons for whom it has an application on file of a new job opening at such time the Bank becomes aware that such job opening does or will exist. Blackpipe shall keep all employee applications for the duration of the Consent Decree.

G. Training

16. Within ninety (90) days of the execution of this Consent Decree, Blackpipe shall advise all employees of the purpose and requirements of this Consent Decree. To do so, Blackpipe shall utilize materials jointly agreed upon by the parties.
17. Within ninety (90) days of the date of final regulatory approval for the sale of Blackpipe State Bank or May 1, 1994, whichever comes first, Blackpipe shall train all persons involved in the credit solicitation and review process, on the requirements of ECOA and Regulation B, the Fair Housing Act, and this Consent Decree. Future employees involved in the credit solicitation and review process shall complete such training prior to assuming any responsibility for credit approvals. Upon completion of this training program, each of these employees shall sign a statement in the form of Attachment 3. Copies of these signed statements shall be retained for the life of this Consent Decree and shall be subject to the inspection provisions of this Consent Decree. In performing such training, Blackpipe shall utilize material jointly agreed upon by all parties.
18. Blackpipe shall provide ongoing training for all persons subject to the provisions in paragraph 17 regarding the requirements of ECOA, Regulation B, and the Fair Housing Act, which shall occur no less frequently than on an annual basis.
19. All training material, applications for credit, and adverse action notice statements developed and used by Blackpipe shall conform to the requirements and prohibitions of ECOA and Regulation B, the Fair Housing Act, and this Consent Decree.

H. Facilitation of Differences Regarding Plans

20. For the materials that the lender shall develop that are subsequently reviewed by the United States under this Section of the Consent Decree, Blackpipe agrees to use the plans and other materials as approved and/or revised by the United States unless any modifications or revisions made by the United States constitute an excessive and unreasonable burden to Blackpipe as a remedy for the alleged violations of the Fair Housing Act and ECOA. Consistent with the time frames included in this Consent Decree, Blackpipe may submit to the United States written documentation explaining why it believes that the United States' revisions are excessively burdensome. The United States reserves the right to petition the Court to resolve any disagreements between the parties in this regard. This provision shall apply to all plans and materials referred to in this Section which are not specified in the Consent Decree at this time but which the lender will subsequently develop and provide to the United States, including the revised delineated community, the marketing plan, the loan criteria plan, and training materials referred to in Part IIG.

III. RECORD-KEEPING AND REPORTING REQUIREMENTS

21. Blackpipe shall, starting six months after the execution of this Consent Decree and thereafter

for each subsequent six month period for a total of three years, serve on counsel for the United States:

- a. Affidavits stating that all signed statements pursuant to Section IIG of this Decree have been obtained and are on file, that all activities contained in the marketing plan have been performed with a listing of such activities, that all job recruitment activities as described in Section IIF have been conducted with a description of such activities, and that all employee training required under Section IIG has been performed with a description of such training.
 - b. Reports identifying any litigation in which the lender is involved in the tribal court system, including a brief summary explaining the nature of the litigation, the contentions of the parties, and sufficient information to identify the case by name and court in which it is pending. In addition, the report shall advise the United States of any written complaints Blackpipe has received relating to the subject matter covered by this Consent Decree or the Complaint in this action. Copies of the complaints shall be provided with the report.
 - c. Reports showing the number of credit applications received by Blackpipe including:
 - i. the name, address, and race of each credit applicant, the type of loan sought, the loan amount, whether the loan applicant was accepted or rejected, and, if rejected, the reason(s) for rejection. For all loans in which collateral is involved, the reports shall indicate whether such collateral is located in whole or in part on an American Indian reservation, or, if such information is not readily available, shall include an address which is sufficiently precise to allow such information to be obtained. Reports with the information required by this subparagraph may be provided through computer print-outs or other regularly kept business records that are amended to include the information required by this sub-paragraph and shall specify the procedures followed for ascertaining the race of the credit applicant.
 - ii. the number of applications received by race and by type of loan, and the disposition of such applications specifying acceptances, rejections, withdrawals, and actions not otherwise included.
 - d. in the event that the Bank has not received final regulatory approval for its sale within six months of the execution of the Consent Decree, the first report, and only the first report, need not provide all the information listed in this paragraph but shall include: (1) a list of all the Bank's outstanding loans which identifies the name and race of the applicant, the loan amount, and whether the applicant resides on an American Indian reservation, and (2) a list of all applicants who were rejected for credit including the applicant's name, race, address, and whether the applicant resides on an American Indian reservation. These lists may be provided through computer printouts amended to include the required information.
22. During the period of this Consent Decree, Blackpipe will retain all loan application files and all documents and notices relevant to any underwriting decisions. The lender will also retain all records relating to its obligations under this Consent Decree, including its advertising, special programs, recruitment, and compliance activities.
23. To monitor fairly Blackpipe's processing and evaluation of loan applicants under this Consent Decree, the United States may, from time to time, seek and be provided access to

individual loan application files, upon reasonable notice to Blackpipe. The United States will keep all records and information relating to loan applicants confidential to protect the applicants' privacy rights. If the United States identifies any concerns with respect to Blackpipe's compliance with this Consent Decree in its treatment of loan applicants, it will promptly notify Blackpipe of its concerns and seek to resolve them.

24. All reports and copies of documents which Blackpipe is required to provide to the United States will be submitted within 30 days after the close of the semi-annual time period. Blackpipe shall provide copies of all notices, correspondence, reports, or documents to the following address:

Chief, Housing and Civil Enforcement Section
Civil Rights Division
U.S. Department of Justice
P.O. Box 65996
Washington, DC 20035

IV. RELIEF FOR VICTIMS

25. As of the date of the execution of this order, Blackpipe shall place \$125,000.00 in a Blackpipe Consent Decree Fund to be administered by the United States and distributed to persons whom the United States will identify as being allegedly aggrieved persons under the Fair Housing Act and Equal Opportunity Act. Blackpipe shall provide written verification of the reservation or escrow of this amount of money to counsel for the United States within five (5) days of the execution of this Consent Decree. Any interest that may accrue on the funds deposited into the Consent Decree Fund shall be the property of the United States.
26. Within thirty (30) days of the execution of this order, and twice again during each of the next two months, Blackpipe shall publish a Notice to Potential Victims of Lending Discrimination ("Notice") in at least one newspaper circulated primarily in the American Indian Community such as Indian Country Today and at least one newspaper of general circulation in the delineated community such as the Bennett County Booster. The parties shall mutually agree as to the newspapers in which, these Notices shall be placed. In addition, Blackpipe shall provide a copy of this notice to representatives of the Oglala Sioux and Rosebud Sioux Tribes and to the Superintendents of the Pine Ridge and Rosebud reservations as agreed upon by the parties. Blackpipe shall notify counsel for the United States in writing within seven (7) days of each Notice's publication and delivery to said American Indian representatives and shall also provide copies of the Notices as published.
27. Each Notice shall set forth a brief summary of the legal and evidentiary contentions of the United States and a general statement of the relief provided under this Consent Order. Each Notice shall also contain a statement that Blackpipe and the United States seek information from any persons who claim to have been subjected to discrimination by Blackpipe because they are American Indians in connection with applying for or obtaining credit from the lender. Each Notice shall invite such persons to contact counsel for the United States concerning their complaints within sixty (60) days of the publication of the Notice. Upon receipt of a response to such advertisements, the United States will promptly send a Proof of Claim form in which such person shall detail the circumstances surrounding the alleged discrimination against him or her and the damages that he or she claims to have suffered. The lender shall provide a draft of the text of the Notice and the Proof of Claim Form to counsel for the United States within fifteen (15) days of the execution of this Consent Decree. The United States may then, within ten (10) days, make such additions and/or modifications as it deems appropriate to the Notice and the Proof of Claim Form. The

- Notice and Proof of Claim Form as supplemented and/or modified by the United States shall be the version which is published and/or sent to interested persons.
28. Within thirty (30) days of the date of entry of this Order, Blackpipe shall send a copy of the Notice to each applicant for credit whom it has rejected within the past three (3) years, together with a Proof of Claim form.
 29. In addition, to address allegations that Blackpipe has engaged in discriminatory practices with regard to interest rates and/or minimum finance charges charged to American Indians who received, increased, extended, or renewed unsecured personal loans (Class 9), Blackpipe shall provide to the United States within thirty (30) days of the execution of the Consent Decree:
 - a. a list of all American Indians who currently have such loans including the full name of the borrower, the amount and term of the loan, and the interest rate and finance charge for the loan; and
 - b. a list of all non-American Indians who currently have such loans including the full name of the borrower, the amount and term of the loan, the interest rate and finance charge for the loan, and any other information necessary to enable the United States to compare the interest rates and minimum finance charges made to white and American Indian recipients of unsecured personal loans.
 30. Blackpipe shall permit representatives of the United States to review any of the lender's records which the United States believes to be useful in identifying persons who may be entitled to relief under this order, including all information related to unsecured personal loans made, increased, extended, or renewed since September 20, 1991. Upon reasonable notice, representatives of the United States shall be permitted to make this inspection on any business day as early as the day after entry of this Order and as late as the one hundredth day following its entry. The United States will send a copy of the Notice, together with a Proof of claim form, to appropriate persons it believes may be entitled to relief under this Order as a result of this records inspection.
 31. At the end of 120 days from the date that the last Notice is sent or advertised as set forth in this Section, the United States shall determine which persons are allegedly aggrieved persons and shall determine an appropriate amount of damages to be awarded to each such person, provided that:
 - a. No person shall be paid any amount pursuant to this Paragraph until after execution of a written release in the form set forth in Attachment 3 of all claims, legal or equitable, which he or she might have against Blackpipe relating to the claims asserted in this lawsuit; and
 - b. The total amount to be paid by defendants pursuant to this Paragraph shall not exceed \$125,000.00 plus the interest that has accrued in the escrow fund.
 32. In addition, for those American Indians whom the United States determines to have been charged excessive interest rates and/or finance charges, the United States shall provide a list of those loan recipients to the Bank. The list shall specify the interest rate and/or loan finance charges which the Bank shall charge to the loan recipients listed. The interest rates and/or finance charges specified by the United States shall be based on the interest rates and/or finance charges extended to non-American Indians who received comparable loans. Within thirty (30) days of receipt of this list, the Bank shall reduce the interest rates and/or

finance charges on the loans to those recipients listed to the level specified by the United States and shall maintain that rate for so long as the loan is outstanding.

33. In the event that no other allegedly aggrieved persons are located or identified after the actions specified in this Section have been completed, and a total amount of less than \$125,000.00 (plus accrued interest) is paid to such persons, any amount remaining of no more than \$50,000 shall be paid to the United States as a civil penalty. Any amount remaining after all sums have been paid to allegedly aggrieved persons and to the United States in the form of a civil penalty shall revert to Blackpipe's use.

V. SUCCESSOR IN INTEREST

34. Except for the provision of Section IV, the terms of this Consent Decree will bind any successor in interest to Blackpipe. If, at any time in the duration of this order, the current owners and/or officers of Blackpipe relinquish ownership or management of the Bank, the lender shall immediately so notify counsel for the United States and, upon request, shall provide copies of pertinent records or documents.

VI. MODIFICATION

35. This Consent Decree may be modified by written agreement of the parties.

VII.

RETENTION OF JURISDICTION

36. For the three-year period in which this Consent Decree is in effect, this Court will retain jurisdiction for purposes of enforcing this Consent Decree. The parties to the Decree will endeavor in good faith to resolve informally any differences regarding interpretation and compliance with this Consent Decree prior to bringing such matters to the Court for resolution. At any time after three years from the date of the Court's entry of this Consent Decree, Blackpipe may move for dismissal of the case. Dismissal shall be granted unless, no later than 30 days after receipt of Blackpipe's motion, the United States objects with particularity to the dismissal. If such objection is made, the Court shall hold a hearing on the dismissal motion, and the United States shall have the burden of demonstrating why this Consent Decree should not be terminated. If the United States fails to meet its burden, this Consent Decree shall terminate forthwith and the case shall be dismissed with prejudice.

VII.

COSTS

37. Each party to this litigation will bear its own costs.

It is so ORDERED, ADJUDGED, and DECREED THIS DAY OF _____, 1993 .

UNITED STATES DISTRICT JUDGE

The undersigned apply for consent to the entry of this order:

For the United States:

JANET RENO
ATTORNEY GENERAL

JAMES P. TURNER

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