

Order, includes Defendants implementing a non-discrimination credit policy with respect to its automobile contract purchase program, issuing notices of their non-discrimination policy, and providing equal credit opportunity employee training.

II. BACKGROUND

3. Nationwide Nevada is a limited liability corporation that provides automobile retail sales financing through automobile dealerships located in Utah and Nevada. At the time of the allegations set forth in the Complaint, Nationwide Nevada operated as a limited partnership organized under the laws of Illinois. NAC Management, an Illinois corporation, served as the General Partner for Nationwide Nevada.
4. In its Complaint, the United States alleges that: (a) NAC Management owns and manages operating companies throughout the country, including Nationwide Nevada, that provide automobile retail sales financing; (b) Nationwide Nevada conducts its financing business through contractual relationships with individual automobile dealerships; (c) the contracts set forth the conditions under which Nationwide Nevada purchases auto loans from each dealership, and under the dealer contracts, Nationwide Nevada has the discretion to reject purchases of automobile loans from the dealer to the extent that such loans do not meet Nationwide Nevada's underwriting and documentation requirements; and (d) that from at least January 2003 to July 2005, Nationwide Nevada had a practice of declining to purchase contracts from automobile dealers when Nationwide Nevada's buyers believed that an applicant and/or co-applicant resided on an Indian reservation. The United States

alleges that this practice discriminated against applicants with respect to credit transactions on the basis of race, color or national origin in violation of the Equal Credit Opportunity Act, 15 U.S.C. § 1691(a)(1) and Regulation B, 12 C.F.R. 202.4 and 202.6.

5. NAC Management contends that it did not condone and was not aware of this practice. NAC Management further contends that when it became aware of the fact that buyers at Nationwide Nevada had declined certain applications on the basis of residency on an Indian reservation, the Nationwide Nevada buyers were disciplined and received additional training on compliance with ECOA.
6. The Defendants deny that they engaged in any discrimination and specifically deny that they violated ECOA or Regulation B.
7. There have been no factual findings or adjudication with respect to the matters alleged by the United States. The parties have agreed, as indicated by the signatures below, that this matter should be resolved without the time and expense of a trial, and have entered into this Order voluntarily to resolve the claims asserted by the United States and avoid the risks and burdens of litigation. Accordingly, the execution of this Order is not, and is not to be considered as, an admission or finding of any violation of ECOA by the Defendants. Rather, the parties have entered into this Order to resolve voluntarily the claims asserted by the United States in order to avoid protracted and costly litigation.

III. REMEDIAL ORDER

8. The provisions set forth in Sections III. and IV. of this Order, shall be implemented

within ninety (90) days of the Effective Date¹ of this Order, unless otherwise specified.

A. General Nondiscrimination Injunction

9. The Defendants, including all of their officers, employees, and successors in interest, are hereby enjoined from discriminating, on the basis of race, color or national origin against any loan applicant because he or she resides on an Indian reservation.

B. Implementation of Non-Discrimination Credit Policy

10. NAC Management shall modify its formal written "Non-Discrimination Credit Policy" ("the Credit Policy") to clearly state that consideration of residency on an Indian reservation is not a valid basis for declining to purchase automobile sales finance contracts. This policy will not require NAC Management to underwrite or buy a contract for an applicant residing on an Indian reservation if it is unable to determine, after good faith attempts to do so, that it or its agents will be permitted to enter the reservation and perform self-help repossession of the vehicle in accordance with and consistent with applicable laws. The Credit Policy shall include: (a) instructions regarding the documentation that must be included in each automobile loan file to document and justify the denial of a loan application; and (b) instructions regarding the steps officers, employees, agents and representatives at NAC Management and its operating companies involved with buying and/or underwriting automobile loans ("Buyers"), should take if

¹ The "Effective Date" is herein defined as the date that this Consent Order is approved and entered by the United States District Court for the District of Nevada.

there are specific concerns about their ability to repossess the loan collateral of an applicant who resides on an Indian reservation.

11. NAC Management shall implement the Credit Policy, including distributing that policy to all of its Buyers.
12. The Credit Policy shall be provided to the United States for review. If, within thirty (30) days after receipt of the proposed Credit Policy, the United States has no objections, then the United States shall so inform the Defendants and the Credit Policy shall be implemented. If within thirty (30) days after receipt of the proposed Credit Policy, the United States indicates in writing that it does not agree with the Credit Policy, then implementation shall be delayed and the United States and the Defendants shall seek to resolve their differences within thirty (30) days. In the event that the parties cannot agree, then either party may request the intervention of the Court.

C. Public Notices

13. Nationwide Nevada shall send to each of the active automobile dealerships with which it does business a notice of non-discrimination, including a specific statement that it does not discriminate against applicants residing on Indian reservations in their automobile financing business, in the form set forth in Appendix A.
14. All automobile financing rate sheets used or distributed by Nationwide Nevada shall state that Nationwide Nevada does not discriminate against applicants residing on Indian reservations. In addition, NAC Management shall require that all automobile financing

rate sheets used or distributed by its other operating companies state that NAC Management and/or the operating company do not discriminate against applicants residing on Indian reservations.

15. Nationwide Nevada shall provide to each of the designated organizations listed in **Appendix B**, one copy of **Appendix A** and 100 copies of the booklet, "Understanding Vehicle Financing," which was produced by the American Financial Services Association Education Foundation and the National Automobile Dealers Association, in cooperation with the Federal Trade Commission. Any expenses associated with these notices shall be borne by the Defendants.

D. Equal Credit Opportunity Training Program

16. Within sixty (60) days from the Effective Date of this Order, the Defendants shall establish an equal credit opportunity training program and require the attendance of its Buyers. During the equal credit opportunity training program, the Defendants shall provide to each Buyer: (a) a copy of this Order; and (b) training on (i) the terms of this Order, (ii) the requirements of the ECOA, (iii) the Credit Policy, and (iv) his or her responsibilities and obligations under each.
17. Within ninety (90) days from the Effective Date of this Order, NAC Management shall secure from each Buyer a signed statement indicating that he or she has received a copy of this Order and the Credit Policy, and has completed equal credit opportunity training. These statements shall be substantially in the form of **Appendix C**. During the term of

this Order, each new Buyer shall be provided with a copy of this Order and sign the statement included as **Appendix C** within thirty (30) days of beginning his or her participation in the buying and/or underwriting of automobile loans.

18. The equal credit opportunity training shall be conducted by a qualified person or organization not connected to the Defendants, that is approved in advance by the United States. Any expenses associated with this training program shall be borne by the Defendants.

IV. MONETARY COMPENSATION

19. Defendants shall establish an escrow fund totaling \$170,000.00 (“the Settlement Fund”) for the purpose of paying damages to persons who may have suffered as a result of Defendants’ alleged failure to comply with ECOA listed in **Appendix D**. The Settlement Fund constitutes a reasonable sum to compensate the applicants whom the United States alleges to have been aggrieved by the alleged discriminatory conduct described above. Defendants shall provide written verification of the deposit to the United States within seven (7) days of the Effective Date of this Order. Any interest that accrues shall become part of the Settlement Fund.
20. Payments from the Settlement Fund to the applicants and co-applicants listed in **Appendix D** shall be subject to the following conditions:

- a. No applicant or co-applicant² shall be paid any amount from the Settlement Fund until after the execution of a written release of all claims, legal or equitable, which he or she might have against the Defendants regarding claims asserted by the United States in this lawsuit, so long as such claims accrued prior to the entry of this Order. The form of the release is set forth in **Appendix E** (“Release”).
 - b. The total amount to be paid by the Defendants to the applicants and co-applicants shall not exceed \$170,000.00 plus interest.
21. Within forty-five (45) days from the Effective Date of this Order, Defendants shall mail to each applicant and co-applicant information about the respective settlement award via a regular mail a notification letter to their last known address as reflected in Defendants’ records, or based upon information provided by the U.S. Postal Service. The notification letter shall substantially be in the form as set forth in **Appendix F** (for primary applicants) or **Appendix G** (for co-applicants). Defendants shall provide to the United States a copy of each notification letter. The notification letter shall contain a Release, a copy of this Order, and a pre-addressed, stamped envelope for returning the Release. Upon the return of any such notification letter as undeliverable, Defendants shall mail a second copy of the notification letter to a new address, if one is identified by the United

² For purposes of this order, the terms “applicant” and “co-applicant” shall include, if applicable, the estate of any applicant or co-applicant.

States Postal Service. Defendants shall notify the United States within ninety (90) days after the initial mailing date the names of the applicants and co-applicants for which a Release has been received. The United States may take whatever steps it deems appropriate to locate an applicant or co-applicant, and Defendants shall cooperate in those efforts.

22. Within thirty (30) days after an applicant or co-applicant executes and returns the Release set forth in **Appendix E**, Defendants shall issue payment drawn on the Settlement Fund to the applicant or co-applicant in the amount provided for in **Appendix D**. Defendants shall provide the United States with a copy of the payment mailed to each applicant or co-applicant.
23. In the event that an identified applicant does not return the Release specified in Paragraph 20 to Defendants or the United States within one (1) year from the Effective Date of this Order, any escrow funds remaining shall be returned to the Defendants. At least fourteen (14) days prior to the return of any remaining money in the escrow fund to Defendants, Defendants shall provide written notice to the United States of: (1) the total amount of money paid to applicants and co-applicants from the escrow fund; (2) the total number of applicants and co-applicants who were compensated and a list thereof; and (3) the amount of the remaining money in the escrow fund which is to be returned to Defendants.

V. ADMINISTRATION

A. Record-Keeping and Reporting Requirements

24. The Defendants shall retain copies of all notices of non-discrimination referred to in Section III.C.
25. Nationwide Nevada shall retain all automobile application and loan files, including all documents required by the Credit Policy, for all applications received and loans made during the duration of this Order. Nationwide Nevada shall also retain all of the rate sheets referenced in paragraph 14 of this Order.
26. The Defendants shall retain all records relating to the equal credit opportunity employee training program.
27. Upon reasonable written notice to the Defendants, the United States shall be provided access to any and all records related to compliance with this Order, including but not limited to individual automobile loan application files, signed statements of the Buyers pursuant to Paragraph 17, and all records relating to the Defendants' equal credit opportunity employee training.
28. The Defendants shall advise the United States in writing within thirty (30) days of receipt of any new formal or informal discrimination complaint against them, their employees or agents. The Defendants shall also promptly provide the United States all non-privileged information it may request concerning any such complaint. Within thirty (30) days of the resolution of any such complaint, the Defendants shall advise the United States of such resolution.
29. The Defendants shall serve annual reports on the United States for the term of this Order.

- a. The Defendants shall submit an initial annual report containing the signed statements of receipt of this Order and attendance at equal credit opportunity training, for all Buyers. Thereafter, the Defendants shall include in each report, the signed statements of any newly-hired Buyers verifying that they have received this Order and attended equal credit opportunity training.
- b. Each annual report shall include an electronic database for Nationwide Nevada's automobile loan program during the previous year. The electronic database shall indicate whether each application for an automobile loan from Nationwide Nevada was accepted or denied and include for each denial, the applicant's name, address, telephone number, application date, and the basis for denial, including the notices of adverse action for each denial.
- c. Each annual report shall provide a complete account of the Defendants' efforts to comply with the requirements of this Order in the previous year; an objective assessment as to the extent to which each requirement was met; and an explanation as to why any particular requirement was not met.
- d. The Defendants shall serve the annual reports by overnight carrier upon the Chief of the Housing and Civil Enforcement Section³ twelve months after the Effective Date of this Order and continuing for the remainder of the Term of this Order.

³ The annual reports shall be sent to Chief, Housing and Civil Enforcement Section Civil Rights Division – NWB 7062, United States Department of Justice, 1800 G Street,

B. Successor in Interest

30. This Order shall be binding on the Defendants, including all of their officers, employees, agents, representatives, assignees, and successors in interest, and all those in active concert or participation with any of them. In the event they seek to transfer or assign all or part of their interest in NAC Management or Nationwide Nevada, and the successor or assign intends on carrying on the same or similar use, as a condition of sale, the Defendants shall obtain the written accession of the successor or assign to any obligations remaining under this agreement for the remaining term of this agreement.

C. Duration of Decree

31. The Term of this Order shall be two years and ninety (90) days, beginning on the Effective Date.

D. Retention of Jurisdiction, Modifications, and Remedies for Non-Performance

32. Upon approval of this Consent Order by the Court, the Complaint filed by the United States shall be **DISMISSED WITHOUT PREJUDICE**. The Court shall retain jurisdiction for the duration of this Order to enforce its terms, after which time the dismissal shall be **WITH PREJUDICE**. The United States may move the Court to extend the duration of the Order in the interests of justice. Each party shall bear its own costs.

N.W., Washington, D.C. 20006, Attn: DJ# 188-46-5.

33. This Order may be modified upon approval of the Court, by mutual written agreement of the parties.
34. In the event that any disputes arise concerning the interpretation of or compliance with the terms of this Order, the parties shall endeavor in good faith to resolve any such dispute between themselves before bringing it to this Court for resolution. The United States agrees that if it reasonably believes that the Defendants have violated any provision of this Agreement, it will provide the Defendants with written notice thereof and give them thirty (30) days to resolve the alleged violation before presenting the matter to this Court. If the Defendants fail to perform in a timely manner any act required by this Order, or these entities act in violation of any provision hereof, the United States may move this Court to impose any remedy authorized by law or equity including, but not limited to, an order requiring performance of certain acts or non-performance of certain acts and an award of any damages, costs and/or attorney's fees to the United States.
35. The Defendants' compliance with the terms of this Order shall fully and finally resolve all claims of the United States relating to these entities' alleged violation of ECOA, as described in Paragraph 4 of this Order, including all claims for equitable relief and monetary damages and penalties.

IT IS SO ORDERED:

This _____ day of _____, 2008.

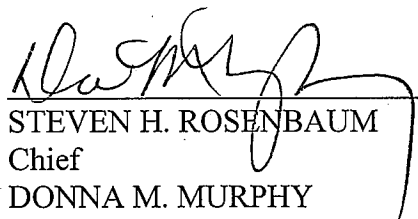
UNITED STATES DISTRICT COURT

Agreed to by the parties as indicated by the signatures of counsel below:

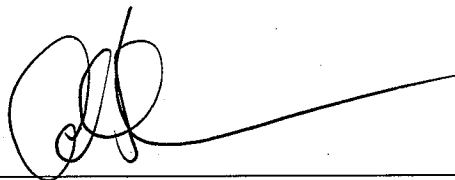
FOR THE UNITED STATES:

FOR DEFENDANTS NATIONWIDE
NEVADA, LLC f/k/a NATIONWIDE NEVADA
L.P. and NAC MANAGEMENT CORP.;

GRACE CHUNG BECKER
Acting Assistant Attorney General
Civil Rights Division



STEVEN H. ROSENBAUM
Chief
DONNA M. MURPHY
Deputy Chief
JENNIFER C. CASS
Trial Attorney
Housing and Civil Enforcement Section
Civil Rights Division
U.S. Department of Justice
950 Pennsylvania Ave., N.W.
Washington, D.C. 20530
202-514-4713
202-514-1116 (fax)
donna.murphy@usdoj.gov
202-514-1116 (fax)



ANDREW L. SANDLER
JOSEPH L. BARLOON
PATRICK H. HAGGERTY
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005-2111
(202) 371-7000
(202) 393-5760 (fax)
asandler@skadden.com

APPENDIX A

We Do Business in Accordance with Federal Fair Lending Laws

UNDER THE EQUAL CREDIT OPPORTUNITY ACT, IT IS ILLEGAL TO DISCRIMINATE IN ANY CREDIT TRANSACTION:

- **On the basis of race, color, national origin, religion, sex, marital status, or age;**
- **Because income is from public assistance; or**
- **Because a right has been exercised under the Federal Consumer Credit Protection Laws.**

We do not discriminate against applicants residing on Indian reservations.

IF YOU BELIEVE YOU HAVE BEEN DISCRIMINATED AGAINST, YOU SHOULD SEND A COMPLAINT TO:

**Federal Trade Commission
600 Pennsylvania Ave., N.W.
Washington, D.C. 20580
Telephone: 1-877-382-4357
Web site: www.ftc.gov**

**or U.S. Department of Justice
Civil Rights Division – NWB 7th FL
950 Pennsylvania Ave., N.W. – G St.
Washington, D.C. 20530
Telephone: 1-800-896-7743
Web site: <http://www.usdoj.gov/crt/housing>**

APPENDIX B

**LIST OF DESIGNATED ORGANIZATIONS TO RECEIVE
WRITTEN NOTIFICATION**

Yerington Reservation
Tribal Government Offices

Fallon Paiute-Shoshone Reservation
Tribal Government Offices

Pyramid Lake Reservation
Tribal Government Offices

Uintah Reservation
Tribal Government Offices

Ouray Reservation
Tribal Government Offices

DNA People's Legal Services
P.O. Box 310458
Mexican Hat, UT 84531

Utah Anti-Discrimination Division
160 East 300 South, 3rd Floor
Salt Lake City, UT 84111-2305

Nevada Fair Housing Center
3380 W. Sahara Avenue, Suite 150
Las Vegas, Nevada 89102
ATTN: Gail Burks

Clark County Legal Services
800 South Eighth Street
Las Vegas, Nevada 89101
ATTN: Barbara Buckley

APPENDIX C

**ACKNOWLEDGMENT OF RECEIPT OF CONSENT ORDER AND
NON-DISCRIMINATION CREDIT POLICY AND COMPLETION OF TRAINING**

On _____, I received a copy of and read the Consent Order entered by the federal district court in United States v. Nationwide Nevada, L.L.C., et al., Civil Action No. ____ (D. Nev.) and a copy of NAC Management Corp.'s Non-Discrimination Credit Policy. I have completed Equal Credit Opportunity training and have had all of my questions concerning the Consent Order, NAC Management Corp.'s Non-Discrimination Policy and the Equal Credit Opportunity Act, 15 U.S.C. §§ 1691-1691f, answered to my satisfaction.

(Signature)

(Print name)

(Position)

(Date)

APPENDIX D**AGGRIEVED PERSONS TO RECEIVE PAYMENT UNDER CONSENT ORDER**

No.	Last Name	First Name	Amount
1.	Austin	Rodney	\$4,000
2.	Black	Lorenzo	\$10,000
3.	Booth	Stacey	\$10,000
4.	Brockbank-Ward	Jennifer	\$4,000
5.	Campbell	Neal	\$2,000
	Campbell	Cante	\$2,000
6.	Conway	Jackie	\$4,000
7.	Cortez	Marlene	\$10,000
8.	Crutcher	Lone	\$10,000
9.	Emm	Johanna	\$4,000
10.	Fulton	Dennis	\$2,000
	Homer	MaryLou	\$2,000
11.	Goseyun, Jr.	Stephen	\$4,000
12.	Harrison	Glenn	\$10,000
13.	Hicks	Beverly	\$2,000
	Hicks	Brenda	\$2,000
14.	Hulford	Gary	\$10,000
15.	Jensen	Fred	\$4,000
16.	Kelly	Camille	\$2,000
	Stanley, Sr.	Clay	\$2,000
17.	Lee, Jr.	Paul	\$10,000
18.	Lynda	Charlie	\$10,000
19.	Pitts	Carrie K	\$10,000
20.	Queahpama	Dierdre	\$2,000
	Queahpama	Rafael	\$2,000
21.	Rojas	Geraldine Vestal	\$2,000
	Rojas	Hector	\$2,000
22.	Tom	Shane	\$5,000
	Yepa	Christella	\$5,000
23.	Tsosie	Lorraine	\$4,000
24.	Wellington	Tera	\$4,000
25.	White	Maclovia	\$10,000
26.	Willie, Jr.	Elvin	\$2,000
	Willie	Everett	\$2,000

APPENDIX E

RELEASE OF ALL CLAIMS

In consideration of and contingent upon the payment of the sum of dollars (\$) _____, pursuant to the Consent Order entered in United States v. Nationwide Nevada, L.L.C., et al., Civil Action No. _____, in the United States District Court for the District of Nevada, I hereby release and forever discharge Nationwide Nevada, LLC f/k/a Nationwide Nevada L.P. and NAC Management Corp., including all of their officers, employees, agents, partners, parents, subsidiaries, representatives, assignees, and successors in interest, from any and all liability for any claims, legal or equitable, I may have against them arising out of the issues alleged in this action as of the date of the entry of the Consent Order. I fully acknowledge and agree that this release shall be binding on my heirs, representatives, executors, successors, administrators, and assigns.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that I am the person named below and am authorized to execute this release. I hereby further acknowledge that I have read and understand this release and have executed it voluntarily and with full knowledge of its legal consequences.

(Signature)

(Print name)

(Address)

(Address)

(Date)

APPENDIX F

Nationwide Nevada, LLC

{Date}

{Applicant}
{Street Address}
{City, State Zip Code}

Re: Nationwide Nevada, LLC and NAC Management Corp. Settlement
Payment

Dear {applicant}:

As you may know, Nationwide Nevada, LLC and NAC Management Corp. (collectively "Nationwide") recently entered into a Consent Order ("Agreement") with the United States Department of Justice to resolve a lawsuit brought by the United States against Nationwide. A copy of the Agreement is enclosed with this letter. Please read this Agreement.

According to our records, you applied for an automobile loan during the time period described in the attached Agreement. Consistent with the terms described in the Agreement, you are entitled to monetary compensation in the amount of {written} dollars (\$ {amount}). As the Agreement explains, the United States Department of Justice believes that this payment is a fair settlement of matters described in the Agreement. In addition, a United States District Court judge has approved this Agreement to resolve the lawsuit.

If you choose to accept this award, you must sign the attached Release in which you agree to accept the monetary award in exchange for your agreement not to bring any legal action against Nationwide relating to the allegations described in the Agreement. To receive this monetary award, please sign the enclosed Release and return it within sixty (60) days of the date of this letter. Please return the **signed** Release using the enclosed pre-addressed, stamped envelope, to:

{Address}

If you do not return the enclosed Release form within sixty (60) days of the date of this letter, you may be ineligible for the monetary award.

Nationwide will mail a check to you in the full amount noted above within thirty (30) days after you have returned your signed Release.

If you have any questions, you may call Nationwide Nevada at {phone number} or the United States Department of Justice, Civil Rights Division, Housing Section at **1-800-896-7743**.

Sincerely,

Nationwide Nevada, LLC

APPENDIX G

Nationwide Nevada, LLC

{Date}

{Co-Applicant}
{Street Address}
{City, State Zip Code}

Re: Nationwide Nevada, LLC and NAC Management Corp. Settlement
Payment

Dear {co-applicant}

As you may know, Nationwide Nevada, LLC and NAC Management Corp (collectively "Nationwide") recently entered into a Consent Order ("Agreement") with the United States to resolve a lawsuit brought by the United States against Nationwide. A copy of the Agreement is enclosed with this letter. Please read this Agreement.

According to our records, you were a co-applicant on an application for an automobile loan during the time period described in the attached Agreement. Consistent with the terms described in the Agreement, you are entitled to monetary compensation in the amount of {written} dollars (\$ {amount}). As the Agreement explains, the United States Department of Justice believes that this payment is a fair settlement of matters described in the Agreement. In addition, a United States District Court judge has approved this Agreement to resolve the lawsuit.

If you choose to accept this award, you must sign the attached Release in which you agree to accept the monetary award in exchange for your agreement not to bring any legal action against Nationwide relating to the allegations described in the Agreement. To receive this monetary award, please sign the enclosed Release and return it within sixty (60) days of the date of this letter. Please return the signed Release using the enclosed pre-addressed, stamped envelope, to:

{Address}

If you do not return the enclosed Release form within sixty (60) days of the date of this letter, you may be ineligible for the monetary award.

Nationwide will mail a check to you in the full amount noted above within thirty (30) days after you have returned your signed Release.

If you have any questions, you may call Nationwide Nevada at {phone number} or the United States Department of Justice, Civil Rights Division, Housing Section at **1-800-896-7743**.

Sincerely,

Nationwide Nevada, LLC