

THE BOTTOM LINE

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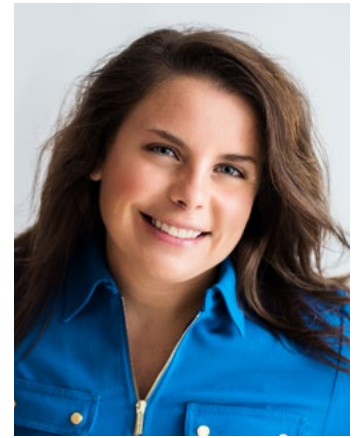
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WHY THE BLACK HILLS RETREAT MATTERS MORE THAN EVER

— **Megan Olson**, President & CEO, ICBSD



As we approach the summer months, many of us eagerly anticipate a change of pace—a time to reflect, recharge, and reconnect. For South Dakota's community bankers, there's no better place to do that than at the Black Hills Retreat.

This year, as we prepare to gather once again against the stunning backdrop of the Black Hills, the significance of coming together feels especially important. In an industry that continues to evolve at a rapid pace—with new challenges, new technologies, and new opportunities—it's essential that we, as community bankers, make time to reconnect not just with each other, but with the mission and purpose that drive our work every day.

A TRADITION OF CONNECTION

The Black Hills Retreat has long been a cornerstone event for the ICBSD, offering our members the chance to step away from the day-to-day demands of banking and spend time in conversation and collaboration with peers. It's more than just an event—it's a tradition that strengthens the bonds within our community.

Whether you're exchanging ideas during a session, catching up with old friends over dinner, or simply enjoying the breathtaking scenery, the retreat offers a rare opportunity to build relationships that support and sustain us throughout the year.

TIMELY INSIGHTS, LASTING IMPACT

This year's lineup is one of the strongest we've ever had. We are honored to welcome national leaders like Jack Hopkins, South Dakota's own ICBA Chairman, and Charles Potts, ICBA's Executive Vice President and Chief Innovation Officer, along

with a slate of outstanding speakers covering everything from balance sheet strategies to the evolving landscape of cryptocurrency.

The sessions are designed not just to inform, but to equip you with practical strategies and fresh perspectives that you can take back to your banks and communities. At a time when our industry faces both headwinds and opportunities, staying informed and connected is not optional—it's essential.

A TIME TO CELEBRATE AND RECHARGE

The Black Hills Retreat is also a time to celebrate the resilience and leadership of South Dakota's community banks. From navigating economic uncertainties to championing innovation and advocacy, our bankers continue to lead with integrity and heart.

Taking time to reflect on these successes—and to celebrate them together—recharges our collective spirit and reminds us of the important role community banks play in the lives of our customers and the health of our communities.

SEE YOU IN THE HILLS

As we count down the days to the retreat, I invite you to prioritize this time for yourself and your team. Join us to learn, to connect, to celebrate—and to return home re-energized for the important work ahead.

I look forward to seeing you there!

Register at: icbsd.com/black-hills-retreat

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ABOUT PAC

The ICBSD Political Action Committee helps provide South Dakota community banks with a strong, united voice in Pierre. Your participation in the PAC helps ensure we have a seat at the table when issues affecting community banking are being discussed in the state capitol.

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ICBA CAPITAL SUMMIT:

A First-Time Experience Worth Sharing

— **Jodi Eich**, Vice Chairwoman of ICBSD,
Chief Operating Officer, Rivers Edge Bank



Attending the ICBA Capital Summit in Washington, DC in May as a first-time attendee was a valuable experience. The passion, energy and support for community banks and bank customers in South Dakota as well as across the nation was astounding! In addition to Jack Hopkins, the ICBA national chair, and Josh Hogue, our federal delegate, the local representation at the Summit was remarkable.

Lobbying efforts were focused on areas such as tax legislation, the Access to Credit for Rural Economies (ACRE) Act, taxation of larger credit unions, repeal or reform of Section 1071 Rule, the Farm Bill, the Stablecoin framework and restricting the sale of mortgage trigger leads to name a few. Also noted was a bill to increase to the Bank Secrecy Act's currency transaction report (CTR) and suspicious activity report (SAR) thresholds to \$30,000 and \$10,000, respectfully. The CTR threshold was last changed in 1972, so an increase is long overdue!

The legislative priorities impact not only the banking industry, but in many cases our South Dakota communities and our local customers. To keep up to date on the advocacy at the national level, please visit [**icba.org/our-positions-a-z/advocacy-in-action**](https://icba.org/our-positions-a-z/advocacy-in-action).

In addition to the lobbying efforts, there was also time for networking and learning during our time in DC. During one session, bankers were asked the question, "What is the best advice you have received in your career?" Advice that one banker shared was, "Bloom where you are planted." The meaning of this advice was two-fold for me. First, as a young banker, it may be easy to be overly eager to move up the ladder rather than mastering the task at hand

and understanding the value of the process. Blooming where you are planted generally leads to opportunity for advancement and greater learning along the way. Second, the advice represented an outlook that we have so many opportunities available to us right here at home, in our communities. And if the opportunity doesn't exist, we can create them!

We all likely have experiences like the ICBA Capital Summit, received valuable advice as we started out in banking or learned meaningful lessons throughout our careers. At the ICBSD Retreat in Deadwood this summer, let's share those insights. There should be a great mix of experienced bankers and Level Up attendees to learn from one another. I hope to see you there!

"Attending the ICBA Capital Summit in Washington, DC in May as a first-time attendee was a valuable experience. The passion, energy and support for community banks and bank customers in South Dakota as well as across the nation was astounding!"

—Jodi Eich



Flourish EMPOWERING OUR NATION'S SMALL BUSINESSES

— Rebeca Romero Rainey, President & CEO, ICBA

When it comes to community banking, we are a nation unto ourselves. When I traveled to the World Savings Bank Institute Conference, attendees from other countries were shocked to hear about the number of community banks we have and how our model fuels the success of our small business economy. Globally, no other country can boast such a robust business environment, one driven by nearly 35 million small and micro-organizations, according to the U.S. Small Business Administration, and enabled by our community banking model.

Small businesses are the lifeblood of our nation, but community banks are the fuel that keeps them running. This symbiotic relationship is the primary reason we advocate for regulations that allow for flexibility in serving this community. As the nation's leading small business lenders, we know what these customers need, and we must have the ability to meet them where they are.

Just think about a small seasonal business, like a ski shop, that has a really strong few months and a hard few months and that may not want or need the same terms as a grocery store that serves a community year-round. When community banks are required to treat them both the same, it hinders our ability to really serve them in a way that speaks to their cash flow and business models.

So, when we advocate for repealing the small business data collection and reporting requirements under Section 1071 of the Dodd-Frank Act, we do it with our customers and communities in mind. We want to ensure that our hands aren't tied when it comes to truly helping a customer meet the needs of the community. We need the space to be able to

"Small businesses are the lifeblood of our nation, but community banks are the fuel that keeps them running."

—Rebeca Romero Rainey

offer creative solutions that respond directly to customer needs.

And we uniquely understand their needs, because we are small businesses ourselves, ones that are invested in the local community, doing business with other small businesses in the area and providing a network of connections to help others grow. It's why the concept of "bank locally" resonates: Community banks don't just support small businesses financially. We are also partners in helping them excel. (See icba.org/bank-locally for resources).

So, as you read this issue, I encourage you to do so with a sense of pride. It's because of your dedication, passion and ingenuity that small businesses thrive, and it is community banks that fuel our small business economy, paving the way for the American dream. That's a value worth continuing to celebrate and protect.

WHERE I'LL BE THIS MONTH

I will be meeting with our subsidiary network boards, down in Atlanta with our ninth ThinkTECH Accelerator cohort, and attending the 200th anniversary of a member bank.

GRASSROOTS ADVOCACY IN ACTION:

How ACRE Became a Win for Community Banking and South Dakota Ag



— **Josh Hogue**, Immediate Past Chairman of ICBSD & ICBA Federal Delegate, President, Reliabank Dakota

Years of persistent advocacy, grassroots engagement, and a commitment to doing what's right for our customers have led to a remarkable milestone: the inclusion of the Access to Credit for our Rural Economy (ACRE) Act in the current federal tax package that recently passed the U.S. House of Representatives.

This progress didn't happen overnight—and it didn't happen by accident. It's the direct result of tireless work by ICBA, supported by the unified voices of community bankers across the country, including right here in South Dakota.

We've worked through multiple versions of this legislation over the years, refining and strengthening it with each draft. Now, we're finally seeing momentum—and that's something worth celebrating. ACRE is more than just another bill; it's a tool that will allow community banks to better serve their agricultural customers through real, tangible tax savings.

A COMPETITIVE ADVANTAGE FOR AG LENDING

ACRE levels the playing field. By addressing long-standing disparities between community banks and their tax-exempt counterparts, this bill allows us to remain competitive—especially in the ag lending space.

What does this mean on the ground? Simply put: lower interest rates for our farmers and ranchers. That could be the difference between launching a new operation or shutting one down, especially for beginning farmers or those transitioning the family farm from one generation to the next.

These are the folks who embody the future of South Dakota agriculture, and with ACRE, we're better equipped to support their success. We're not just talking about numbers on a balance sheet—we're talking about families, livelihoods, and the long-term viability of rural communities.

REAL ADVOCACY, REAL RESULTS

ACRE's inclusion in this tax package is more than a policy win. It's proof that when community bankers speak up, Congress listens.

Too often, it can feel like our voices get lost in Washington, D.C.—but this is a reminder that our message does matter. That our emails, our phone calls, our visits to the Hill—they make a difference. Real change is possible when we come together to advocate for what's right for our banks and our customers.

As community bankers, we're not just in the business of making loans—we're in the business of building futures. ACRE empowers us to continue doing just that, reinforcing our mission to serve, strengthen, and support the people and places that define South Dakota.

Let this moment serve as a call to action: keep engaging, keep advocating, and keep believing that your efforts—no matter how small they may seem—have the power to shape policy and improve lives.



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From the Top

MEETING THE NEEDS OF TECH-SAVVY SMALL BUSINESSES

— **Jack Hopkins**, ICBA Chairman
President and CEO, CorTrust Bank, Sioux Falls, SD



COVID accelerated the digital banking landscape, and as a result, community banks have embraced front-facing technology that's user-friendly for our small-business customers, offering a better experience. From remote deposit capture and digital banking to electronic payments, we're seeing much higher adoption of technological products because they meet the needs of today's customers. Once our small business customers realize these products increase their efficiency, saving staff time and money, they get on board.

That comes as no surprise, as the world has become digital first. Even the most reticent of our small-business customers now see the advantages of embracing digital banking technology. They've talked to their peers and heard about solutions that can simplify their experience, and we have told them that we can make things more effective and efficient for them. And that's when they decide to make the leap.

It takes more than a slick product to get small businesses and mom-and-pop shops to digitize their banking: It takes them trusting their banker. Thankfully, we are in the business of communities—of people—and we make sure that when we recommend digital products, there's a face behind them, i.e., a friendly banker to guide them.

Community banking remains centered on those personal communications. Our teams get out and talk to our small business customers,

"It takes more than a slick product to get small businesses and mom-and-pop shops to digitize their banking: It takes them trusting their banker."

—*Jack Hopkins*

build relationships with them and make recommendations not because we have a new solution, but because we know it will truly serve their business. It's about going that extra mile to ensure the product meets the customer's needs.

Our customers see that difference. Our small businesses like that we have an interest in what they do and see us as partners. They appreciate that we're taking the time to help them become more efficient and protect them from new threats.

The future of small business banking has a hefty digital component, so as we continue to advance our offerings, the future leaders of our banks need to be poised and ready for what's next.

Fortunately, ICBA programs, such as the upcoming LEAD FWD Summit (icba.org/leadfwd) taking place Sept. 8–9 in Bloomington, Minn., support us in growing our staff and cultivating them for the future of small business banking and beyond.



While the financial services landscape continues to grow and evolve, community banks remain at its heart. By embracing our forward-looking, high-tech, high-touch relationships, we will ensure not only our own success but also that of the small businesses we serve.

MY TOP THREE

Community bank small business stats:

1. One in three U.S. counties are only served by community banks.
2. We provide 60% of all U.S. small-business loans.
3. We offer 80% of the banking industry's agricultural loans.

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HIGH PLAINS DRIFTER:

Floaters Could Be the Answer to a Flat Curve

— **James Reber**, President and CEO, ICBA Securities



We are suddenly mid-decade of the 2020s, and if there's a recurring theme, it's "anomaly." First, record low yields and rates. (Remember the 10-year treasury note hitting 0.55% in July 2020?) Then, record rate hikes of 525 basis points concentrated in a torturous 16-month window, followed by the longest-ever inverted yield curve of well over two years that finally corrected last September. It's been the wild, wild west in terms of portfolio management.

Now, the Federal Reserve Board projects that the terminal rate for overnight borrowings in this easing cycle will be 3.0%. This would, if it plays out, be the highest floor in over three decades. Hence, this article's oblique title reference to "drifting" along the "high plains." Commensurate with this would be the presumption of a chronically flat yield curve, in which there is little incremental benefit to extending the durations of loans or bonds.

Stated more positively, there would be less penalty for staying "short." And the quintessential short bonds are the prime-based floaters guaranteed by the Small Business Administration (SBA) under the 7(a) program. Let's review this product—and SBA lending in general—to reacquaint ourselves with the opportunities to drift along the high plains, a la Clint Eastwood.

FIRST, THE WORST

Let's get this over with quickly: many SBA 7(a) pools have market prices with high premiums, some over 10 points. For those securities, there is certainly built-in prepayment risk, but there are ways to manage that risk. For example, real estate-backed 7(a)s have three years of prepay penalties; while those penalties aren't passed through to the bondholders, they have the effect of limiting early redemptions initially. In fact, newer pools in general will prepay more slowly.

SBA loans are not nearly as fungible as conventional single-family mortgages, so the small business will incur much higher fees to refinance its loans compared with a typical homeowner.

On to better news: the reason some pools have such high prices is that the market for guaranteed portions is quite lucrative for lenders/sellers. There's robust demand from institutional investors for full faith and credit floating-rate securities, and 7(a)s fit the bill. A network of poolers, which include ICBA Securities' endorsed broker Stifel, are standing bidders for the guaranteed portions of SBA loans, and that creates a stream of fee income immediately (via the premium prices) and later (through servicing revenue).

SHORT DURATION EQUALS STABLE PRICES

Compared with virtually any other bank-suitable securities, 7(a)s will have notably stable market prices. The pools' yields can change every 90 days, if fed funds, and therefore the prime rate, reset. These also have no rate caps, either periodic or lifetime. Thinking back to the hyperactivity by the Fed in 2022–23, SBA floaters' yields went up every bit as much as the overnight index. Hence, the stable prices.

More good news for bond portfolio managers: The prepayment activity for 7(a)s is highly uncorrelated with that for mortgage-backed securities (MBS). Part of that is due to the complexity of commercial lending I mentioned earlier, but most of the difference is based on SBA floaters' rates staying on-market. As of this writing, 7(a) yields have come down 100 basis points (1%) since last fall, with more cuts expected later this year. In this sense, the small business borrower is anticipating some further rate relief. SBA prepayments do, in fact, tend to slow down in lower rate environments.



TWO-WAY STREET

Let's look at an example of the two-sided market for 7(a) loans and pools. Recently, Stifel offered SBA 530726, a 10-year quarterly-reset pool collateralized by equipment, at a price of 108.625. Assuming a prepayment speed of 15% per year, which is close to the historical rate for equipment pools, the yield will be fed funds plus 52 basis points.

Here's where the future shape of the yield curve may help the attractiveness: For the past decade, fed funds plus 0.52% has out-yielded the 10-year treasury note by an average of 15 basis points. The advantage grows geometrically if we look at just the past three years, which, of course, include the historically long inverted yield-curve era.

On the sell side, the raw materials for the pool are 129 10-year equipment loans with an average guaranteed balance of \$338,000 and a borrower's rate of prime plus 1.85%. The loans were sold individually into the secondary market at an average gain on sale of \$28,300. The lender/seller retains the full note rate on the unguaranteed portion, plus a 1% servicing fee on the sold balance.

For many community banks, both commercial lenders and bond portfolio managers benefit from the SBA's 7(a) program. With the prime index rate off its peak of 2024 but with projections to stay relatively elevated, sellers and investors have an opportunity to ride along the high plains to fee income, servicing income, attractive bond yields and price stability.

"There's robust demand from institutional investors for full faith and credit floating-rate securities, and 7(a)s fit the bill."

—James Reber

EDUCATION ON TAP VIRTUAL BOND SCHOOL

ICBA Securities and Stifel present this year's version of their virtual bond school on June 10-12. This class will cover bond and portfolio management basics. Twelve hours of CPE are offered for this complimentary event. To register, contact your Stifel representative.

Jim Reber (jreber@icbasecurities.com)
is president and CEO of ICBA Securities,
ICBA's institutional, fixed-income
broker-dealer for community banks.

ROUNDS RECEIVES SUPPORT FROM INTERIOR SECRETARY BURGUM FOR GREAT PLAINS TRIBAL LAW ENFORCEMENT TRAINING CENTER



— Senator Mike Rounds (R-S.D.)

WASHINGTON – U.S. Senator Mike Rounds (R-S.D.) asked Secretary of Interior Doug Burgum about support for a tribal law enforcement training center in the Great Plains region.

Currently, the Bureau of Indian Affairs (BIA), housed under the Department of Interior, requires most BIA tribal law enforcement officers to undergo formal training at a facility in New Mexico for up to six months at a time. Many tribal leaders have shared that distance to the facility and the long duration of training is a barrier to recruitment for new tribal law enforcement officers, contributing to the officer shortage in the Great Plains region.

Last summer, the BIA partnered with the State of South Dakota to train tribal law enforcement officers at the George S. Mickelson Criminal Justice Center in Pierre. The local training program was widely successful, with nine tribal recruits from three different tribes in South Dakota graduating from the program.

“Most Great Plains tribal law enforcement agencies are understaffed, with as few as two officers responsible for patrolling millions of acres during a single shift,” said Rounds. “Would you consider working with them in a cooperative effort to perhaps find a way to fund some additional spots in the northern Great Plains for those law enforcement officers so they wouldn’t have to travel for six months down to New Mexico?”

“We’ve had great collaboration on advanced training at Camp Grafton, North Dakota,” responded Burgum. “Adding basic training there I think would be helpful for recruiting for northern plains tribes and I’d be fully supportive of that.”

Rounds also asked Burgum about the creation of a tribal violent crime commission, as well as the creation of a formal mediation process for fence line disputes between landowners and the United States Forest Service.

“Most Great Plains tribal law enforcement agencies are understaffed, with as few as two officers responsible for patrolling millions of acres during a single shift.”

—Senator Mike Rounds



OUT AND ABOUT IN SOUTH DAKOTA

— **Senator John Thune** (R-S.D.)

I recently had the opportunity to travel all over South Dakota: to Clark and Redfield, Beresford and Dakota Dunes, and to Wall and Philip. I appreciate the chance to travel the state far and wide to get feedback on my work in Washington, and it's always nice to see some familiar faces and meet new folks along the way.

During my travels, I had valuable conversations with South Dakotans. I visited Redfield Community Memorial Hospital, where I heard from talented and dedicated health care professionals. In Wall and Philip, I sat down with local leaders to hear about their communities' needs and how I can be helpful to them. I had a chance to catch up with local leaders over the famous pies at Leo's Good Foods on Main Street in Redfield. And I had a great conversation with the sheriffs of Pennington, Meade, and Jackson counties about their important work keeping their communities safe.

South Dakota small businesses were also on my calendar. I enjoyed meeting a number of business owners at the Dakota Valley Business Roundtable in Dakota Dunes, and I had good conversations with the Clark Chamber of Commerce. I visited Tony's Collision Center, Westside Implement, and Dakota Style Foods in Clark.

As the Senate is preparing to take up legislation to extend the 2017 Trump tax cuts for families and businesses, South Dakota small businesses' input is especially valuable. Farms, ranches, and small businesses in our state benefited from lower tax rates and incentives to invest in their employees and in new technology after Republicans passed pro-growth tax reforms in 2017. With much of that policy set to expire at the end of this year, I'm working to

provide tax certainty to South Dakota businesses so they can help get our economy moving again.

These tax policies have been especially impactful for American manufacturers. I appreciated the opportunity to meet with workers at Spartan Emergency Response's facility in Brandon, where South Dakotans build emergency vehicles used across the country. I had a great time visiting Long Creek Steel north of Beresford and learning about water tank and tower production at the Maguire plant in Sioux Falls.

As I travel around the state, I also appreciate meeting young South Dakotans. Whether addressing Girls State at the University of South Dakota, cheering on runners at the state track meet in Sioux Falls, or just interacting with community members of all ages, it's always heartening to meet the next generation of leaders and hear what's on their mind.

Getting to interact with South Dakotans from every walk of life is one of my favorite parts of my job. It's a pleasure to be able to see our state and hear from its people. I hope to see you around this summer, and I hope you will come say hello.

"As the Senate is preparing to take up legislation to extend the 2017 Trump tax cuts for families and businesses, South Dakota small businesses' input is especially valuable. "

—Senator John Thune

ADVISING WITH PURPOSE:

A Conversation on Valuation, Strategy, and the Future of Community Banks



In a rapidly evolving banking industry where foresight and strategic planning are more critical than ever, Michael Klinger stands out as a trusted guide. As Vice President and BankValue Manager at United Bankers' Bank (UBB), Michael helps community banks navigate complex valuation challenges, ownership transitions, and succession planning with a forward-thinking, people-first approach.

While valuations may seem like a numbers game on the surface, for Michael, they represent something deeper: the future strength and resilience of community banks—the very heartbeat of local economies across South Dakota and beyond.

FROM NUMBERS TO RELATIONSHIPS

Michael's journey to financial advisory services began with a solid foundation in valuations, but his career truly evolved when he entered the banking world. Over the past eight years at UBB, he has immersed himself in the intricacies of community banking. "At the end of the day, it's not just about the numbers," Michael shared. "It's about the relationships you build with each banker, understanding their unique story, and helping them make decisions that impact not only their institutions but their communities."

Working with banks ranging in size from \$50 million to over \$15 billion in assets, Michael brings deep technical expertise while keeping his approach rooted in collaboration and trust. He enjoys the personal side of the work—building long-term connections with clients that extend far beyond spreadsheets.



MICHAEL KLINGER

*Vice President and BankValue Manager,
United Bankers' Bank (UBB)*

SUPPORTING BANKS IN A CHANGING LANDSCAPE

As community banks adapt to new challenges—ranging from shifting market dynamics to rising operational costs—Michael and the BankValue Advisory Services team stand ready to help. One major trend he sees? The critical need for succession planning.

"Many rural community banks have been family-run for generations," Michael explained.

“But today, there often isn’t a next generation ready to step in. Without a strong bench or a clear succession plan, some banks find themselves facing tough decisions about their future sooner than expected.”

This reality underscores why Michael’s work is so vital. By providing independent, expert valuations, he helps banks establish a clearer picture of their financial position—whether for internal planning, shareholder agreements, ESOP management, or preparing for potential merger and acquisition opportunities.

“We’re here to give community banks the knowledge they need to make informed decisions,” Michael said. “We don’t just appraise the numbers—we help them understand what those numbers mean for their strategic future.”

WHAT SETS UBB APART

BankValue Advisory Services is unique in its specialization. As the only bankers’ bank to offer this dedicated service, UBB focuses exclusively on community banks. This depth of focus—and UBB’s own structure as a bank owned by community banks—gives Michael and his team unmatched insight into the everyday realities their clients face.

“We’re not a law firm charging by the hour. We’re a resource you can call anytime for a conversation, advice, or perspective,” Michael emphasized. “Because we talk to community bankers daily, we stay connected to the challenges they’re facing—whether it’s economic shifts, regulatory pressures, or market competition.”

This consultative, accessible approach makes BankValue Advisory Services a valuable partner, especially for community banks that value relationship-driven service over transactional interactions.

LOOKING TO THE FUTURE

When asked what advice he would give to community bankers preparing for the future, Michael didn’t hesitate: “Start succession planning early.”

“Having a well-thought-out, documented succession plan is critical—whether your leadership team is nearing retirement or just starting out,” he said. “Life happens. Preparing today ensures your bank, your employees, and your community are set up for long-term success.”

It’s a message that resonates deeply with South Dakota’s community bankers, many of whom value tradition but also recognize the importance of forward planning.

Outside of work, Michael and his wife are settling into their new home in Eagan, Minnesota, where they enjoy staying active with golfing, biking, and exploring local breweries and music scenes. His commitment to “keeping it local” in his personal life mirrors his passion for strengthening local banks professionally.



“Many rural community banks have been family-run for generations.”

—Michael Klinger

A LOOK AT THE

2025 BLACK HILLS RETREAT

JULY 17-19, 2025

CADILLAC JACK'S GAMING RESORT
DEADWOOD, SD



TENTATIVE SCHEDULE

THURSDAY, JULY 17

10:30 AM

Chairman's Choice Golf Event, Spearfish Canyon Golf Club, Register by emailing Brit at brit@fnbphilip.com, suggested PAC donation of \$100 per golfer

6:00 PM

Welcome Social, Cadillac Jack's Gaming Resort

FRIDAY, JULY 18

7:00 - 9:00 AM

Breakfast

8:00 AM

Welcome, Jodi Eich, ICBSD Chairwoman

8:15 AM - 9:15 AM

Is it Time to Call an Audible?

with Lynn Paulson, Bell Bank

9:15 AM - 10:00 AM

The Landscape of Crypto in South Dakota

with Mike Dummer, SD Division of Banking

10:00 AM - 10:10 AM

Stretch and Refresh

10:10 AM - 11:10 AM

Scams and More Scams: How You Can Help Yourself and Others

with Jody Gillaspie, SD Attorney General's Office

11:15 AM - 11:45 AM

The Change Advantage with Matthew Heemstra, Managing Partner, Cain Ellsworth & Company

11:45 AM - 12:15 PM

ICBA Update with Jack Hopkins, ICBA Chairman

12:15 PM

Lunch

1:00 PM - 6:30 PM

Free Time in Deadwood

6:30 PM

Social, PAC Silent Auction Opens, Kids' Dinner is Served

7:15 PM

Dinner is Served

7:45 PM

PAC Silent Auction Closes

8:00 PM

The String Showdown

SATURDAY, JULY 19

7:00 AM - 9:00 AM

Breakfast

8:00 AM - 9:00 AM

Fintech Engagement and Why it's Important for Community Banks with Charles Potts, ICBA

9:00 AM - 9:45 AM

Balance Sheet Strategies in the Current Environment with Dan Stimpson, Stifel

9:45 AM - 10:00 AM

Stretch & Refresh

10:00 AM - 10:30 AM

Eric Sundberg, United Bankers' Bank

10:30 AM - 11:15 AM

Cyber Statistics and Security Measurements with Curt Smallbrock, Community Bankers Financial Services

11:15 AM - 12:00 PM

ICBSD Annual Meeting, Level Up Graduation

12:00 PM

Lunch is Served

12:00 PM - 12:45 PM

Basically Incredible with Matt Booth, Keynote Speaker

4:30 PM

Meet at the 1880's Train Depot in Hill City (222 Railroad Ave. Hill City, SD 57745), don't forget to wear your retreat t-shirts!

5:00 PM

All Aboard the 1880's Train Departs

6:15 PM

Arrive Back in Hill City

6:30 PM

Outdoor dinner presented by 605 BBQ at the depot in the shelter area

Register at icbsd.com/black-hills-retreat

MEET THE SPEAKERS



LYNN PAULSON
Senior Vice
President, Bell Bank

PRESENTATION

IS IT TIME TO CALL AN AUDIBLE?

With the current levels of risk and uncertainty in the agricultural economy, you may wonder what it all means to farm or ranch operations, as well as to your bank. As in football, do you stick with the original play that you called in the huddle even when faced with unexpected challenges? Or, do you call an audible at the line of scrimmage when you see conditions have changed?

In this presentation, we'll look at how you can read the defense to make effective changes to operations on the fly; what can be done to avoid turnovers or costly penalties and keep moving the chains down the field; and how to tune out noise and distractions to stay focused on the endzone.

We'll also look behind the curtain to examine the different challenges and opportunities we're seeing in farm and ranch operations today. We'll discuss what you can do to pivot as needed, because in this unpredictable environment, the ability to make strategic adjustments can be key to minimizing risk and keeping operations viable.

PRESENTER BIOGRAPHY

Lynn Paulson is senior vice president and director of agribusiness development for Bell Bank. He often speaks to financial, commodity and other farm groups on agricultural lending and finance, the global economy and the ag economy. He has audiences fully engaged as he discusses timely issues like the difficulties farmers, lenders and others face in the aftermath of super-cycle prosperity.

Financing farm operations and businesses for more than 35 years and having owned and operated a family farm in Benson County, N.D., have given Paulson a unique perspective on the agricultural sector's challenges and opportunities. Additionally, he works with and assists a number of correspondent banking partners and agricultural operations and businesses across several Midwestern states.

Dr. David Kohl, an author and nationally known speaker on the economics of farming and agribusiness, endorses Lynn as an agricultural speaker.

"Lynn Paulson is an experienced banking practitioner who can relate to a wide range of audiences, including agricultural lenders, producers and agribusiness owners, in a practical manner," Kohl says. "Lynn is an articulate speaker who is very appropriate for the challenging and changing times."

Paulson's experience in banking and financial operations includes starting a new bank and later merging four banks and three holding companies into one company that grew to \$600 million before he joined Bell Bank. He also writes a quarterly publication on agricultural issues called AgViews.



MIKE DUMMER
Deputy Director -
Banking, SD Division
of Banking

PRESENTATION

THE LANDSCAPE OF CRYPTO IN SOUTH DAKOTA

As digital assets continue to evolve and capture national attention, understanding the regulatory and financial implications for South Dakota's banking sector is more important than ever. In this timely session, Deputy Director of Banking Mike Dummer will offer a high-level overview of the current and emerging crypto landscape in South Dakota. He'll explore how digital currencies, blockchain technology, and federal developments intersect with the regulatory framework and risk management practices of our state's financial institutions. This presentation will provide community bankers with valuable insights into what crypto means for their institutions and how to prepare for what's ahead.

PRESENTER BIOGRAPHY

Mike was raised on a farm near Lesterville, SD and graduated from Scotland (SD) high school. He attended college at South Dakota State University, graduating in 2003 with a BS in Mass Communications. After working for a large national bank, he started as an Examiner with the Division of Banking in 2006. He served as Training Director from 2010 until September 2018 when he was named Deputy Director – Banking. He is a 2015 graduate from the Graduate School of Banking at Colorado and completed the Governor's Leadership Development Program in 2019. Mike resides in Lennox, SD with his wife Lindsay and three children.



JODY GILLASPIE
Director, Division
of Consumer
Protection, SD
Attorney General's
Office

PRESENTATION

SCAMS AND MORE SCAMS: HOW YOU CAN HELP YOURSELF AND OTHERS

From phishing emails to financial fraud, scams are becoming more sophisticated and more targeted—especially in rural and aging communities. In this essential session, Jody Gillaspie from the South Dakota Attorney General's Office will highlight the most prevalent scams impacting South Dakotans today. She'll share real-world examples, red flags to watch for, and actionable tips on how community bankers can both protect themselves and become trusted resources for their customers. Learn how to stay informed, stay alert, and safeguard your community from financial exploitation.

PRESENTER BIOGRAPHY

Jody Gillaspie began her duties as Director for the Office of Attorney General, Division of Consumer Protection in 2012. Prior to that she was an Investigator with the Division and has been with the Attorney General's office for over 20 years.

The division's role is to pursue deceptive trade practices that affect SD consumers and businesses on a daily basis. Jody emphasizes that the key to protecting South Dakotans is by educating the public to recognize scams and potential deceptive trade practices before they occur.



JACK HOPKINS
Chairman, ICBA

PRESENTATION

AN UPDATE FROM ICBA

Get the latest from Washington straight from South Dakota's own Jack Hopkins, Chairman of the Independent Community Bankers of America (ICBA). In this insider update, Jack will share key federal legislative and regulatory developments shaping the future of community banking. From advocacy wins to industry challenges, this session will connect the dots between national efforts and local impact—offering valuable perspective for South Dakota bankers navigating a shifting financial and policy environment. Don't miss this opportunity to hear from a national leader who understands our state's unique banking landscape.

PRESENTER BIOGRAPHY

Jack E. Hopkins is chairman of the Independent Community Bankers of America (ICBA), the only national organization that exclusively represents community banks. He also serves as president and CEO of CorTrust Bank in Sioux Falls, S.D.

Hopkins holds many leadership roles at ICBA. He is chairman of the ICBA Executive Committee and board of directors, a member of ICBA's Federal Delegate Board and its Policy Development and Nominating committees. He also serves as Executive Committee liaison for the Legislative Issues Subcommittee. Active at the local level, Hopkins served as president and chairman for the Independent Community Bankers of South Dakota from 1999 to 2001.

A third-generation community banker, Hopkins learned the business from the ground up and has devoted his professional career to improving the financial lives of the customers CorTrust Bank serves. He brings that same passion and dedication to his role as ICBA chairman, continuing his work over the last 25 years advocating on behalf of community banking. Hopkins has a Bachelor of Science in Accounting from the University of South Dakota.



CHARLES POTTS
Executive Vice
President and
Chief Innovation
Officer, ICBA

PRESENTATION

FINTECH ENGAGEMENT AND WHY IT'S IMPORTANT FOR COMMUNITY BANKS

In today's rapidly evolving financial landscape, innovation isn't optional—it's essential. Join Charles Potts of the ICBA for an insightful look at why fintech engagement matters now more than ever for community banks. This session will explore how community-focused institutions can leverage fintech partnerships to stay competitive, enhance customer experience, and drive operational efficiency—all while staying true to their relationship-based roots. Learn how ICBA is supporting banks of all sizes in navigating innovation, and discover practical steps to evaluate, adopt, and implement the right fintech solutions for your institution.

PRESENTER BIOGRAPHY

Charles E. Potts is executive vice president and chief innovation officer for the Independent Community Bankers of America® (ICBA).

In this role Potts drives ICBA's innovation initiatives, and financial technology strategies, working with ICBA leadership to develop impactful, value-added solutions that help community banks seize new market opportunities to meet customers' evolving financial services' needs.

Potts' extensive experience in banking and financial service firms provided the background Potts needed to start, co-found or lead various fintech start-ups including digital banking, mobile engagement, financial management and payments providers. Many had successful exits via IPO's or acquisition via strategic acquirers.

A frequent speaker at national trade shows and conferences, Potts previously served as executive managing director at First Performance Global, where he led international business and corporate development activities for its card-control and fraud alert platform. Before that he served as CEO for NetClarity, a start-up in the University of Florida's Business Incubation Hub. Prior to ICBA, he worked at the Advanced Technology Development Center (ATDC), leading the fintech practice where he mentored startups as part of the Georgia Tech-based incubator.

Charles attended the Georgia Institute of Technology, did his graduate studies at Georgia State University in Atlanta and attended the Graduate School of Banking at LSU. Potts, an avid masters runner, cyclist and soccer fan, lives with his wife in Atlanta, GA. They have a daughter who recently graduated from the University of North Carolina at Chapel Hill where she was a nationally ranked pole vaulter on the Track and Field team.



DAN STIMPSON
Managing Director,
Strategic Analytics,
Stifel

PRESENTATION

BALANCE SHEET STRATEGIES IN THE CURRENT ENVIRONMENT

With rising interest rates, liquidity concerns, and economic uncertainty continuing to challenge community banks, having a sound balance sheet strategy is more critical than ever. In this session, Dan Stimson of Stifel will provide timely insights and actionable strategies to help community banks optimize their balance sheets in today's environment. From managing interest rate risk to strengthening asset-liability management, Dan will share tools and tactics designed to support stability, profitability, and long-term growth. This session is a must-attend for bankers looking to make informed, strategic financial decisions in a changing marketplace.

PRESENTER BIOGRAPHY

Dan is a Managing Director in the Strategy and Analytics department at Stifel. In this capacity, Dan works with portfolio managers to assist them in optimizing their investment portfolio return and risk position, while incorporating institutions' liquidity needs, risk controls and capital constraints. Prior to joining Stifel in 2022, Dan worked as a strategist at Vining Sparks for more than 10 years. He began his career with KPMG, where he provided accounting and audit services to a variety of industries, including banking, broker-dealers, real estate, and commodities. Dan later served as corporate controller at a community bank. He earned his undergraduate and graduate degrees in accounting from the University of Mississippi. In addition, Dan is a certified public accountant and is a member of the American Institute and Tennessee Society of Certified Public Accountants.



MATT HEEMSTRA
Managing Partner,
Cain Ellsworth &
Company, LLP

PRESENTATION

THE CHANGE ADVANTAGE

In today's world, we're faced with an overwhelming amount of change. It can be exhausting and incredibly stressful. This session will provide ideas and insights that will help you and your bank make the changes necessary for you to not only survive, but thrive.

PRESENTER BIOGRAPHY

Matt's journey is one of continuous learning and growth, from his early days at the University of Nebraska to his influential role as Director of Growth & Profit Solutions at Cain Ellsworth. His book, *The Change Advantage*, and his insightful blog are testaments to his expertise and passion for driving positive change. Matt is a seasoned professional known for his strategic acumen and innovative solutions.

Matt is the driving force behind executing our firm's vision and strategy. As managing partner, he is vital in nurturing our talent, shaping our policies, and steering growth and profitability. His strategic leadership ensures that we remain independent and focused on delivering exceptional value to our clients while fostering an environment of continuous improvement and innovation.

Matt is a seasoned professional known for his strategic insight and innovative solutions. He is respected for his integrity and forthrightness and has courage in revealing the hard truths — the essential, objective realities that others may shy away from. His commitment to transparency is one of the many reasons our clients trust and appreciate his guidance. His ability to guide through change instills confidence in our clients, knowing they are in capable hands.

Beyond his professional achievements, Matt cherishes quality time with his loved ones. Matt enjoys the beauty and simplicity of the outdoors, with a particular fondness for America's National Parks. Whether gardening, fishing, or simply enjoying a good book, Matt's hobbies reflect his love for continuous learning, his appreciation for the world, and his commitment to a balanced, simple life.



ERIC SUNDBERG
Vice President,
Investments

PRESENTER BIOGRAPHY

Eric Sundberg is a Vice President of Investments. He received his Bachelor of Arts degree in Business Administration from the University of Wisconsin. Eric joined the United Banker's Bank Securities department in 1997 and is licensed as a Municipal Securities Principal and Municipal Securities Representative.

KEYNOTE SPEAKER



MATT BOOTH
Attitude Expert

PRESENTATION

BASICALLY INCREDIBLE WITH MATT BOOTH

Matt is an Attitude Expert who has shared his message of positive attitude change throughout the United States and internationally. He is known for his humor, quick wit, and ability to connect with people. Matt believes that if we want to make a real difference in the world, we first need to change our attitudes.

Matt earned his Certified Speaking Professional (CSP) designation, which puts him in the top 17 percent of the National Speakers Association worldwide. Groups and professionals can be assured that Matt has a track record of professionalism, commitment, and success. His keynote speeches are powerful, insightful, and engaging—inspiring audiences to take massive action and achieve their goals.

Matt grew up on a farm in the heartland of America. He lives in Dubuque, Iowa with his lovely wife Joie and their sons Carter and Graham. He received his undergraduate at the University of Wisconsin and then graduated with his Master's Degree in Communication from the University of Dubuque.

Matt is an entrepreneur and business coach who helps others achieve their goals. When he's not helping others grow their businesses, Matt enjoys spending time outdoors fishing or kayaking on the creek that runs by his house.

Our Mission is to **Help You Succeed**

Partner with us for:

- Loan participation purchases and sales*
- Bank stock financing
- Bank executive and employee financing

*We do not reparticipate loans.



Todd Holzwarth
SVP/Correspondent Banking
Business Development Officer
Based out of Sioux Falls, S.D.
Covers: South Dakota, North
Dakota, northwest Iowa, and
southwest Minnesota
605.321.9197

Bell  Bank

Family and Employee Owned

BEHIND EVERY TRANSACTION IS A TEAM:

Karen Powell Ensures Business Debit and ATM Reliability for Community Banks

For many community bankers across South Dakota and the surrounding region, the seamless experience of a business debit card swipe or a reliable ATM transaction is something they—and their customers—count on without a second thought. But behind those moments of convenience is a network of dedicated professionals ensuring everything works as it should. One of those professionals is Karen Powell, Customer Service Specialist at The Advantage Network.

With more than 30 years of experience, Karen is not just a support specialist—she is a problem solver, connector, and educator who plays a pivotal role in supporting community banks' business debit card and ATM programs. "My job touches many parts of the process," Karen explained. "I assist with everything from ATM purchases, setup, and troubleshooting errors to helping financial institutions balance their ATM or general ledger accounts. And if a cardholder's transaction isn't working and the financial institution can't figure it out—that's when they call me."

COLLABORATION AT THE CORE

Keeping these critical services running smoothly requires more than technical know-how—it's about teamwork. Karen emphasized that collaboration is at the heart of everything The Advantage Network does, both internally and with its financial partners. "We're a small but mighty team," she said. "We rely on each other's expertise and our connections with vendors and industry partners to solve problems quickly. What I may not know, I guarantee someone on my team does."

Karen's relationships extend far beyond the walls of The Advantage Network. From working closely with FIS, the network's processor, to coordinating

with vendors and field technicians, Karen acts as a bridge between community banks, their customers, and the complex world of payment technology. "Our longevity as a team is a huge asset—some of us have been here 15, 20, even 35 years. That experience means we know the right questions to ask and the right people to call."

NAVIGATING CHANGE, ENSURING SECURITY

The payments landscape has changed dramatically over the past three decades—and Karen has seen it all. "It used to be an ATM card, then debit cards, then chip cards, and now contactless and mobile wallets," she noted. "Security and compliance requirements have evolved just as fast."

Karen and the team stay ahead of these changes through ongoing education and collaboration. From participating in webinars and payment card industry (PCI) compliance training to tracking the latest fraud trends, they remain vigilant and proactive. Karen also draws on her experience from The Advantage Network's former fraud division, where she worked closely with law enforcement and fraud specialists. "It's about staying informed and being proactive, not reactive," she said.

Common concerns from bankers include fraud prevention, ATM compliance, and questions about new technologies like contactless cards. Karen also helps bankers navigate critical ATM upgrades, such as ensuring PCI compliance or protecting against threats like jackpotting—where criminals install malware to steal cash from machines.

EDUCATION: THE BEST DEFENSE

If there's one piece of advice Karen wants community banks to take to heart, it's the importance of education. "Educate your cardholders,"

she said firmly. “Whether it’s about fraud or just how to use their ATM cards—education is key. The more information you provide, the better their experience will be.”

Karen also provides guidance to banks that may only purchase an ATM every 10 to 12 years and lack internal expertise. She handles everything from recommending the right machine to working directly with vendors and technicians on the bank’s behalf.

THE HUMAN ADVANTAGE

In an era dominated by automation and digital tools, Karen believes personal customer service still matters—and so do the community banks she supports. “We hear from our financial institutions all the time: they love that they can call us and talk to a live person,” Karen said. “They don’t have to open a ticket and wait days for a response. In fact, they’ll often call us before other vendors because they know they’ll get a real person.”

That dedication to personal service is something Karen takes pride in—and it’s part of why she loves her work. “I enjoy empowering others,” she said. “Whether it’s walking a banker through an ATM process or helping them with reporting, I want them to feel confident and understand the full experience.”

PATIENCE, TEAMWORK, AND TRUSTING THE PROCESS

Karen acknowledges that the world of debit cards and ATMs is complex, with constant learning curves and new challenges. But she encourages patience and open-mindedness. “Everything is a process,” she said. “We might all be learning together at the start, but in six months, we’ll have it figured out. And in the process, we’ll improve security, technology, and customer experience.”

When she’s not at work, Karen enjoys the outdoors, working in her yard, and spending time with her family. A lifelong South Dakotan, Karen grew up on a farm, graduated from Clear Lake High School and Lake Area Technical College in Watertown, and has called Sioux Falls home for 35 years. Her two sons share her passion for farming, hunting, and the outdoors.



SUPPORTING THOSE WHO SERVE OTHERS:

Mike Kobbervig's Role in Community Banking

For Mike Kobbervig, helping people plan for retirement isn't just a profession—it's a passion rooted in purpose, personal connection, and a good dose of Midwestern practicality. As the Senior Vice President and Retirement Plan Services Division Manager at Bell Bank, Mike brings nearly three decades of experience, an innovative approach to financial education, and a heart for supporting community banks and their people.

FROM THE FLOOD TO THE FOOTPRINT

Mike's journey into the world of finance started with a flood—literally. As a senior at the University of North Dakota in 1997, the infamous Red River flood forced a sudden end to his college experience. "They canceled finals and said, 'Your grade is what it is.' I had to think, is that good for me? I think it is," he laughed. That serendipitous moment set the stage for a career he never anticipated.

After a chance encounter with a friend at a local bank, Mike found himself working behind the scenes in retirement plan operations. Though he once considered being a financial advisor, he quickly realized that educating and empowering groups of people about their financial futures suited him better. "It was the best decision I ever made," he said. "It laid the foundation for everything I've done since."

Today, Mike's role at Bell Bank centers around growing the retirement plan division's footprint across North Dakota, South Dakota, and Minnesota. While he leads the division, his heart remains in the field—meeting with businesses, presenting to plan participants, and helping people connect the dots between today's choices and tomorrow's security.

RETIREMENT PLANNING MADE PERSONAL

One of the most defining aspects of Mike's work is the way he and his team approach financial



MIKE KOBBERVIG

*SVP / Retirement Plan Services Division Manager,
Bell Bank*

education. "We believe in wrapping complex retirement concepts around something relatable," he explained. From using marshmallows to teach about delayed gratification, to giving away tape measures to talk about how retirement plans "measure up," Mike uses everyday metaphors to bring abstract ideas down to earth.

Their current campaign, The Retirement Toolbox, encourages participants to think of their financial decisions like DIY home projects—sometimes you can do it yourself, sometimes it's best to call in a pro. This innovative, people-first approach helps demystify retirement planning and empowers individuals to take confident action.

And that confidence is key. "Most people don't understand how to translate their retirement balance into a sustainable income stream. Helping them understand that—and seeing the light bulb go on—is the most fulfilling part of what I do," Mike said.



A PARTNER COMMUNITY BANKS CAN COUNT ON

For independent community banks in South Dakota, Bell Bank's retirement services offer more than a benefit—they offer a bridge to deeper client relationships. Through Bell's correspondent banking network, Mike is frequently pulled into conversations with employers looking for accessible, high-quality retirement solutions.

"Community banks often think, 'We don't offer that, so we can't add value.' But that's not true," Mike explained. "They can absolutely bring in trusted partners like Bell to enhance relationships, build credibility, and retain client trust."

What makes Bell Bank a strong fit for community banks? According to Mike, it's the depth of service and style of communication. "We're not a national provider, but we have over \$2.5 billion in assets under administration. We're big enough to matter but small enough to care—and our team knows how to tailor communication whether we're talking to seasoned investors or folks just starting out."

Mike is also passionate about helping employers benchmark their plans regularly. "You'd be surprised how many retirement plans were set up years ago and never reviewed. Pricing, investment performance, share classes—it all needs a fresh look every few years to make sure participants are getting the best value."

A LIFE BUILT ON RELATIONSHIPS

Outside of work, Mike is just as intentional and relationship-driven as he is in the office. A self-proclaimed "sports junkie," he's poured his energy into coaching youth teams, training young athletes, and even building a half-court gym and a grass tennis court in his backyard—complete with a golf simulator and putting green.

"The space operates as Master Sports Academy, where my kids and I coach various local youth programs," said Mike.

He went on to explain, "Our town doesn't have a community center, so the gym is used by a lot of people. We created a separate public entrance, and members can access it by entering their code and reserving a time."

His passion for coaching and teaching mirrors his professional ethos. "Life is all about relationships," Mike said. "That's true whether I'm coaching kids, working with retirement plan participants, or partnering with community bankers. I want to create value and help people win—on and off the court."

ENFORCEMENT ACTIONS HIGHLIGHT DANGER OF PROFITS OVER BSA COMPLIANCE

— **Dixie K. Hieb**, Partner, Davenport Evans Law Firm

In recent years there have been a number of high-dollar penalties imposed by regulators in connection with the Bank Secrecy Act and anti-money laundering enforcement actions. While the related consent orders generally lay out a list of required actions, as opposed to a list of the specific shortcomings, the regulators sometimes offer background details in cases of particularly egregious actions. Such was the case with the recent cease and desist orders and related penalties against TD Bank, N.A. and TD Bank USA, N.A. ("TD Bank"). In October 2024, TD Bank was subject to enforcement actions involving the Department of Justice, FinCEN, the OCC, and the Federal Reserve, and was ordered to pay \$3.1 billion in penalties.

When looking for lessons to be learned from the TD Bank enforcement actions, a financial institution should keep in mind the required components of a compliant BSA/AML program: adoption of policies, procedures, and controls; designation of a BSA/AML compliance officer; ongoing, job-specific employee training; independent testing; and customer due diligence. As the DOJ and various regulators noted, TD Bank placed an emphasis on profitability to such an extent that the components of an effective BSA/AML compliance program were almost completely overlooked.

The orders and press releases issued in connection with the TD Bank enforcement actions describe activities that could come straight from crime fiction. The DOJ's press release cited TD's failure to monitor trillions of dollars of transactions – including those involving ACH transactions, checks, high-risk countries, and peer-to-peer

transactions – which allowed hundreds of millions of dollars from money laundering networks to flow through the bank, including for international drug traffickers. Per the DOJ press release, TD Bank was aware of these risks and failed to take steps to protect against them, including for two networks prosecuted for money laundering – one that dumped piles of cash on TD Bank's counters and another that allegedly withdrew amounts from ATMs 40 to 50 times higher than the daily limit for personal accounts. FinCEN's press release regarding its enforcement action noted that TD Bank's chronic failures in BSA/AML enforcement provided fertile ground for illicit activity, from fentanyl and narcotics trafficking, to terrorist financing and human trafficking.

Specifically cited AML violations in the various orders included:

- When branch staff made suspicious activity referrals based on a customer group's large volume of cash deposits, management's response was to set the customer up with armored car service so branch staff would not receive the cash.
- No risk profile was created for any customer despite high-risk activity.
- The monitoring system omitted 1.6 million customers from the automated risk rating.
- A SAR was filed for the first time on a terrorist organization four years after the activity began.
- High-risk reviews were conducted only every two years.



The regulators and the DOJ decried the criminal activity underlying the enforcement actions. The FinCEN release quoted a Treasury official who stated: “The vast majority of financial institutions have partnered with FinCEN to protect the integrity of the U.S. financial system. TD Bank did the opposite.” FinCEN’s Director stated that for over a decade, TD Bank allowed its AML program to languish, making TD Bank a target for illicit actors—including its own employees. The DOJ press release quoted various DOJ officials, noting that TD Bank, by making its services convenient for criminals, became one, and in doing so earned the distinction of being the largest bank to plead guilty to BSA program failures and the first U.S. bank to plead guilty to conspiracy to commit money laundering.

How did TD Bank reach that point? In part because, in apparent flat-out disregard for BSA/AML compliance, TD Bank enforced a budget mandate, referred to internally as a “flat cost paradigm,” requiring that the budget not increase despite increases in profits and changes in its BSA/AML risk profile. Management also consistently emphasized the “customer experience” over required customer due diligence.

Certainly, the overall size of TD Bank and its aggressive growth model factored into its failure to establish even a basic BSA/AML compliance program, but the TD Bank enforcement actions offer important takeaways for smaller financial institutions. No matter the size of the bank, the following should be lessons learned from the TD Bank enforcement actions for your bank’s BSA/AML program:

- Incorporate BSA/AML risk analysis into the development of any new product or service.
- Ensure that an accurate BSA/AML risk rating is completed for any new customer.
- Establish frequent updates of the bank’s overall BSA/AML risk assessment.
- Establish frequent reviews of the BSA/AML program.
- Confirm that reported suspicious activity is being investigated and SARs are being filed when appropriate.
- Emphasize the importance of job-specific employee BSA/AML training; and
- Use the results of independent testing to improve your BSA/AML compliance program.

Take steps now to ensure your bank’s BSA/AML program meets regulatory expectations — no bank should be the the subject of a “lesson learned the hard way” BSA/AML enforcement action.

“Take steps now to ensure your bank’s BSA/AML program meets regulatory expectations — no bank should be the the subject of a “lesson learned the hard way” BSA/AML enforcement action.”

—Dixie K. Hieb



INDEPENDENT COMMUNITY BANKERS
OF SOUTH DAKOTA

APPLY TODAY!

\$1,000 Scholarship for Students of Community Bankers

The ICBSD is offering ten, \$1,000 scholarships for high school seniors or post-secondary students for the 2025 -2026 academic year attending a SD college or technical college.

**APPLICATIONS WILL BE ACCEPTED
AUGUST 1, 2025 - OCTOBER 1, 2025**

Open to high school seniors or college students who are the children or grandchildren of an ICBSD member bank employees or has been employed/interned at an ICBSD member bank.

Apply today at:

[ICBSD.com/scholarship](https://icbsd.com/scholarship)

2025 WEBINAR SCHEDULE

All webinars will be held at 10:00 a.m. Central.



7/1/2025

Are You Liable? Forgeries, Remotely Created/ Deposited Items, Fraudulent ACH, Unauthorized Electronic Withdrawals & More
Shelli Clarkston, Spencer Fane LLP

7/7/2025 | Monday

Handling Court-Ordered Accounts: Estates, Guardianships, Conservatorships & Bankruptcies
Deborah L. Crawford, Gettechnical Inc.

7/8/2025

Managing the Repossession Process, Including Notice & Sale, *David A. Reed, Reed & Jolly, PLLC*

7/9/2025

A to Z on Endorsements
Deborah L. Crawford, Gettechnical Inc.

7/10/2025

AI/ChatGPT, Email, Social, E-Collaboration, Web & Mobile Policies, *Nancy Flynn, The ePolicy Institute*

7/14/2025 | Monday

Advanced CTR Completion: Beyond Basic Transactions, *Dawn Kincaid, Brode Consulting Services, Inc.*

7/15/2025 | Call Report Series:

Loan Reporting Part 1: Loan Coding Basics, *Harrison Powers, CLA*

7/16/2025

Dormant Accounts & the Unclaimed Funds Process: Best Practices for Overcoming Challenges, *Dawn Kincaid, Brode Consulting Services, Inc.*

7/17/2025

Visa Debit Card Chargebacks: Rules, Rights & Challenges, *Diana Kern, SHAZAM, Inc.*

7/23/2025

Beneficial Ownership: An Action Plan for Your Business Customers
Deborah L. Crawford, Gettechnical Inc.

7/24/2025

Troubled Loan Modifications: Evaluation, Tracking & Reporting, *Stephen J.M. Schiltz, CLA*

7/29/2025

Powers of Attorney: Reviewing, Accepting, Scams & Red Flags, *Shelli Clarkston, Spencer Fane LLP*

7/30/2025

Deposit Reg Series: Regulation DD – Truth in Savings Act, *Deborah L. Crawford, Gettechnical Inc.*

7/31/2025

Check Warranties & Indemnities: Understanding UCC 3 & 4, *Michele Barlow, Macha/PAR*

8/5/2025

Determining When to File a SAR
David A. Reed, Reed & Jolly, PLLC

8/6/2025 | 60 Minutes

BSA Training for Board & Senior Management
Mary-Lou Heighes, Compliance Plus, Inc.

8/7/2025

Effectively Managing Wire Transfer Fraud
Dawn Kincaid, Brode Consulting Services, Inc.

8/12/2025

Credit Analysis & Lending Series: Cash Flow Analysis: Debt Service Coverage, Global Cash Flow & More
Robert L. Viering, RiverPoint USA LLC

8/13/2025

SARs: Line-by-Line & Writing a Good Narrative, *Deborah L. Crawford, Gettechnical Inc.*

8/14/2025

Escrow Excellence: From Loan Estimate to Annual Analysis, *Molly Stull, Brode Consulting Services, Inc.*

8/19/2025

Record Retention Policy & Timeframes
Shelli Clarkston, Spencer Fane LLP

8/20/2025 | 60 Minutes

Opening Deposit Accounts Online: Risks, E-SIGN, Compliance, *Susan Costonis, Compliance Consulting & Training for Financial Institutions*

8/21/2025

Community Reinvestment Act: Preparing for Upcoming Changes, *Dawn Kincaid, Brode Consulting Services, Inc.*

8/26/2025

Harness the Power of AI in Your Marketing Strategy, *Eric Cook, WSI & The LinkedBanker*

8/27/2025

Deposit Reg Series: Regulation CC
Deborah L. Crawford, Gettechnical Inc.

9/3/2025

FDCPA: What's Expected as a Debt Collector? *Molly Stull, Brode Consulting Services, Inc.*

9/4/2025

Dealing with Difficult Customers: 5 Foolproof Techniques, *David A. Reed, Reed & Jolly, PLLC*

9/10/2025

Advertising Compliance: Web, Text, Print, TV & Radio, *Shelli Clarkston, Spencer Fane LLP*

9/11/2025

Job-Specific BSA Training for Operations Staff, *Dawn Kincaid, Brode Consulting Services, Inc.*

9/16/2025

Credit Analysis & Lending Series: Deeper Cash Flow Analysis, Balance Sheet & External Factors
Robert L. Viering, RiverPointUSA LLC

9/17/2025

The CFPB on Overdrafts, Junk Fees & Other Depository Issues
Deborah L. Crawford, Gettechnical Inc.

9/18/2025 | IRA Series:

Traditional & Roth IRAs Part A: Eligibility, Contributions, Rollovers & Transfers
Loni Porta, Convergent Retirement Plan Solutions, LLC

9/22/2025 | Monday

ACH Reclamations & Garnishments
Shelly Sipple, EPCOR

9/23/2025

20 Common Mistakes in Consumer Collections
Shelli Clarkston, Spencer Fane LLP

9/24/2025

Deposit Reg Series: Regulation E
Deborah L. Crawford, Gettechnical Inc.

9/25/2025

TRID Basics for Lenders & Processors
Dawn Kincaid, Brode Consulting Services, Inc.

9/30/2025

Mortgage Lending Compliance Overview
Mary-Lou Heighes, Compliance Plus, Inc.

COMMUNITY BANKERS

In Action

We applaud these community bankers in action for your efforts volunteering within your communities. You go above and beyond, investing your time and resources to make a tangible difference in your neighborhoods. From organizing local events to supporting charitable causes, your commitment to fostering growth and well-being is constant. The impact of your dedication is evident in the vibrant, thriving communities you help nurture!

CorTrust Bank Donates \$25,000 Towards Sesdac Sensory Garden Project

CorTrust Bank has pledged \$25,000 towards the Sesdac Sensory Garden project. Sesdac, Inc. is a nonprofit, community-based organization in Vermillion, SD. They empower individuals with intellectual and developmental disabilities through person-centered services.

Sesdac recently launched the Sesdac Sensory Garden project – a fully accessible, multi-sensory outdoor space designed to stimulate the senses, foster connection, and promote wellness for people of all abilities.

The decision to support this project was an easy one for CorTrust Bank. “Sesdac is an amazing organization that provides endless opportunities for individuals that call Vermillion home. Bringing this garden to life is another example of their commitment to making our community a wonderful place to live,” said Taylor Kathol, VP/ Branch Manager of the CorTrust Bank in Vermillion.

Ionela Georgescu, Executive Director at Sesdac, Inc., went on to say, “CorTrust Bank’s significant contribution will greatly enhance our goal to cultivate a vibrant and inclusive environment. We are so grateful for CorTrust’s generous donation!”

About CorTrust Bank:

Since 1930, CorTrust Bank has been serving the needs of individuals and businesses throughout 16 South Dakota communities, and 15 Minnesota communities, with 37 branch locations. What started as a small operation serving the needs of local farming families in Artesian, SD, has today grown into a fourth-generation family-owned community bank with \$1.53 billion in assets, and \$167 million in equity and reserves. CorTrust Bank – raise your expectations.



Richland State Bank: Tiffany Lewis Named to ICBA's 40 Under 40: 2025's Community Bank Leaders List

Tiffany Lewis, Vice President and Compliance/BSA Officer at Richland State Bank in Bruce, South Dakota—and a valued member of the ICBSD Board of Directors—was named to ICBA's 40 Under 40: Community Bank Leaders list!

Tiffany's leadership shines not only at Richland State Bank but also throughout South Dakota's community banking network. Her commitment to her customers, her community, and the future of independent community banks truly reflects the heart of community banking.

As a director on the ICBSD Board, Tiffany plays a key role in advancing our mission and supporting community banks across the state. We're thrilled to see her hard work and passion recognized on a national stage.

Congratulations, Tiffany!



The First National Bank in Sioux Falls: Joe Miller Named to ICBA's 40 Under 40

Joe Miller, executive vice president and chief credit officer at The First National Bank in Sioux Falls was named to ICBA's 40 Under 40 Community Bank Leader List!

As an active member of his local Risk Management Association chapter, Joe Miller knows how risk informs his lending decisions. As is the community banker way, he balances this knowledge with the bank's customers' needs, including the creation of a farming-focused education program.

Congratulations, Joe!



2025 ICBA Educational Events



JULY

- 29-30 Vendor Management Seminar (Livestream)
31 Agricultural Credit Analysis Seminar (Livestream)
31 - Aug 1 Enhancing Organizational Value Conference
(In-person, Edina, MN)

AUGUST

- 5 Identifying and Addressing Distressed Loans
Seminar (Livestream)
5-7 BSA/AML Institute (In-person, Dallas, TX)
12-14 Credit Analyst Institute (Livestream)
12-14 Bank Security Institute (In-person, Bloomington, MN)
19 Commercial Real Estate Lending Seminar
(Livestream)
20 Analyzing Your Bank's Financial Statement
Seminar (Livestream)
21-22 CRA to Z: How to Build a Best-in-class CRA
Program (In-person, Bloomington, MN)
26-27 CFO Forum (Livestream)

SEPTEMBER

- 9-11 Fraud Seminar (Livestream)
11 Bank Director Forum 3 (Livestream)
9-11 & 16-18 Audit Institute (Livestream)
14-19 Compliance Institute (In-person, Bloomington, MN)
22-25 Annual Current Issues Certification Conference
(In-person, Bloomington, MN)
Sept 29-Oct 1 Enterprise Risk Management Institute
(In-person, Bloomington, MN)

OCTOBER

- 2-3 Auditing IT General Controls Seminar (Livestream)
6-9 NEW Marketing Institute (In-person, Dallas, TX)
16 Community Bank Treasury Management Seminar
(Livestream)
20-23 Annual Current Issues Certification Conference
(Livestream)

NOVEMBER

- 3-6 IT Institute (In-person, Atlanta, GA)
4-6 BSA/AML Institute (Livestream)

DECEMBER

- 4 Bank Director Forum 4 (Livestream)

Dates and locations are subject to change.

THANK YOU

to our 2025 Preferred Partners for your endless support
of community banking in South Dakota.





INDEPENDENT COMMUNITY BANKERS
OF SOUTH DAKOTA

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