

UNITED STATES DEPARTMENT OF EDUCATION
OFFICES OF HEARINGS AND APPEALS

IN THE MATTER OF

FEDERICO NORTH FRESNO BEAUTY COLLEGE

Respondent

Docket No. 92-104-ST

Student Financial Assistance Proceeding

DECISION

A revised procedural schedule was established for this formal termination matter by my order dated February 1, 1993.

Under that schedule, the Student Financial Assistance Program (SFAP) of the United States Department of Education filed written evidence and argument on March 26, 1993 establishing that Federico North Fresno Beauty College is not financially responsible because it has a deficit net worth and because its liabilities exceed its assets by a wide margin. As a result, SFAP establishes that Federico can not participate in Federal student aid programs without, a "letter of credit" safeguarding Federal funds. Such a letter is not held by Federico according to the evidence of SFAP.

A reply by Federico to the evidence and argument of SFAP was due April 26, 1993. No reply was filed and Federico is in default.

For cause shown, Federico is terminated from further eligibility to participate in student financial assistance programs under Title IV of the Higher Education Act of 1965, as amended. *

Dated this 4th day of May, 1993.

Paul S. Cross
Administrative Law Judge
Office of Higher Education Appeals
U.S. Department of Education
400 Maryland Avenue, S.W.
Washington, D.C. 20202-3644

* The charges of the United States Department of Education against Federico are contained in a formal notice dated August 14, 1992. They are referenced and made a part hereof.