

UNITED STATES DEPARTMENT OF EDUCATION  
WASHINGTON, D.C. 20202

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In the Matter of **Docket No. 96-135-SP**

**SHELBY STATE COMMUNITY COLLEGE,** Student Financial Assistance Proceeding  
Respondent.  
PRCN: 95404014

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Appearances: Christine Modisher, General Counsel, Tennessee Board of Regents, Nashville, Tennessee, for Respondent.

Stephen M. Kraut, Esq., Office of the General Counsel, U.S. Department of Education, Washington, D.C., for Student Financial Assistance Programs.

Before: Frank K. Krueger, Jr., Administrative Judge

**DECISION**

The Student Financial Assistance Programs (SFAP), U.S. Department of Education (ED), issued a final program review determination in this case on September 11, 1996. Respondent appealed two findings in that determination, finding 2 and finding 9.

In its brief, Respondent contends that it correctly expended the \$22,572 included in finding 2. Respondent also contends that its liability under finding 9 should be reduced by \$132,920, from \$584,413.67 to \$451,493.67. In its brief, SFAP concedes that Respondent correctly expended the \$22,572 included in finding 2 and that Respondent's liability for finding 9 should be reduced by \$132,920, thereby making Respondent's liability under finding 9 for \$451,493.67. Accordingly, I find that Respondent is not liable under finding 2, but is liable under finding 9 for \$451,493.67.

**ORDERED**, that Respondent pay ED \$451,493.67.

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Frank K. Krueger, Jr.  
Administrative Judge

Dated: June 3, 1997

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**SERVICE**

A copy of the attached initial decision was sent by certified mail, return receipt requested to the following:

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