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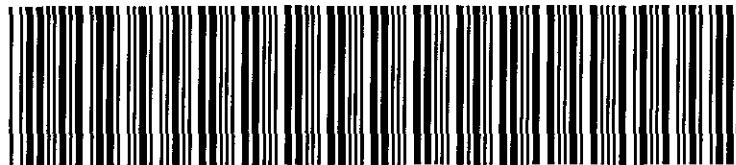
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UNITED STATES DEPARTMENT OF EDUCATION

IN THE MATTER OF)

MOUNT ST. CLARE COLLEGE,)

Respondent)

DOCKET NO. 00-32-SF

OPE ID: 00188100

SETTLEMENT AGREEMENT

- 10/17/2000

Mount St. Clare College ("Mount St. Clare" or "MSC") and the United States Department of Education ("Department") enter into this Settlement Agreement ("Agreement") for the purpose of resolving issues presented in the Fine Action issued by the Office of Student Financial Assistance Programs ("OSFAP") on April 28, 2000. Mount St. Clare's appeal of the April 28, 2000 Fine Action is currently pending in the proceeding captioned In the Matter of Mount St. Clare College, Docket No. 00-32-SF. The parties agree to settle this proceeding, without proceeding to hearing, under the following terms and conditions.

I.

A. Mount St. Clare agrees to pay the Department the sum of \$15,000 to resolve disputed claims made by the Department, which have been challenged by Mount St. Clare, without any admission on the part of Mount St. Clare.

B. Mount St. Clare shall pay the Department \$15,000 upon execution of this Agreement, by check made payable to the "U.S. Department of Education."

C. Upon receipt of Mount St. Clare's check for \$15,000 and Mount St. Clare's executed copy of this Agreement, the Department agrees to submit a joint motion under which the parties jointly move to dismiss with prejudice the proceeding entitled In the Matter of Mount St. Clare College, Docket No. 00-32-SF.

D. The Department and Mount St. Clare agree that this Agreement resolves the dispute between the Department and Mount St. Clare respecting the particular facts and allegations set forth in the April 28, 2000 Final Action (including the Final Program Review Determination dated March 24, 2000), which has been challenged by Mount St. Clare.

E. This Agreement and all negotiations relating to it and any proceedings taken hereunder, including the Final Program Review Determination dated March 24, 2000 ("FPRD"), shall not in any context be construed, interpreted or determined by any Court as or deemed to be evidence of an admission or concession by either of the parties of any alleged liability or wrongdoing whatsoever by them or on the part of other persons. This Agreement is entered into in order to resolve a disputed claim and constitutes no admission on the part of Mount St. Clare.

F. Mount St. Clare assures that it will comply with the statutory and regulatory provisions (and amendments to those provisions) at issue in the April 28, 2000 Fine Action.

II.

A. Each party agrees to pay its own costs with regard to Mount St. Clare's appeal of the April 28, 2000 Fine Action.

B. Mount St. Clare and the Department each warrant that the undersigned representative is authorized to sign this Agreement on its behalf.

C. This Agreement is binding on Mount St. Clare as an institution. If Mount St. Clare is sold or transferred to any new owner or controlling interest, as defined in 34 C.F.R. § 600.31, such new owner or operator must explicitly agree to comply with all terms of this Agreement prior to completion of the transaction.

D. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between counsel for the parties, and the parties themselves, with respect to the matters provided for herein. Any amendment to this Agreement shall be in writing and shall be signed by the parties to this Agreement or their successors.

E. This Agreement does not waive, compromise, restrict or settle any past, present, or future violation by Mount St. Clare of the criminal laws committed against the United States or any action initiated against Mount St. Clare for civil fraud committed against the United States.

F. This Agreement does not affect any other civil or criminal investigation of Mount St. Clare, its owners, agents, or employees by the Department, the Department's Office of the Inspector General, or any other Federal, state or guaranty agency, or any action resulting from such investigation, subject to paragraph I (C) of this Agreement.

G. No entity, including any other institution, lender, guaranty agency, or present or prior student is intended to be, shall be, or shall be deemed to be, a third-party beneficiary of this Agreement for any purpose whatsoever.

H. Each of the parties participated and cooperated in the drafting and preparation of this Agreement. Accordingly, the parties agree that neither this Agreement nor its terms should be construed against either of the parties by reason of its lack of participation in the drafting or preparation of the Agreement.

I. This Agreement shall be governed and interpreted in accordance with Federal statutory and common law to the extent that it exists. Any matters not addressed by Federal law shall be governed by the substantive laws of the District of Columbia, without regard to choice of law rules or provisions.

J. To facilitate execution, this Agreement may be executed in counterparts, and such counterparts when so executed shall constitute a single agreement, as if one document has been signed by the parties hereto.

Date: October 16, 2000

By: Malcolm T. Myers
Malcolm T. Myers
Interim President
Mount St. Clare College

Date: October 17, 2000

By: Mary E. Gust
Mary E. Gust, Acting Director
Administrative Actions and
Appeals Division
Office of Student Financial
Assistance Programs
United States Department
Of Education