

March 12, 2009

Cynthia B. Schultz
Direct: 202-457-6343
cschultz@pattonboggs.com

VIA ELECTRONIC FILING

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

**Re: Appeal of USAC Notification of Commitment Adjustment Letters
Consolidated Request for Review
CC Docket No. 02-6**

Service Provider:	Morrow Development Corporation
Service Provider Identity No.:	143023033
Billed Entity Name:	Morrow County School District
Billed Entity Number:	145127
FCC Registration Number:	0009952078
Form 471 App. Numbers:	361855, 366035, 413243
Funding Request Numbers:	980359, 994429, 1135124

Dear Ms. Dortch:

Morrow Development Corporation (“MDC”), acting through counsel, pursuant to Sections 54.719-54.721, of the Commission’s rules, hereby files this Consolidated Request for Review (“Appeal”), seeking review of the adverse decision of the Administrator of the Universal Service Administrative Company (“USAC”), denying MDC’s funding requests for Funding Years 2003 and 2004.¹ See Exhibit 1.

On January 15, 2009, USAC’s Schools and Libraries Division (“SLD”) issued three Notification of Commitment Adjustment Letters (“COMADs”) for the FCC Forms 471 listed above to MDC and

¹ 47 C.F.R. §§ 54.719-54.721.

FCC
Page 2

to Morrow County School District ("MCSD"). The COMADs rescinded SLD's funding commitments in full for the above referenced FRNs.

On February 11, 2009, MCSD filed a placeholder Appeal with the Federal Communications Commission. A copy of that placeholder Appeal is attached hereto. *See* Exhibit 2.

Because MDC only recently engaged our firm to represent it on this matter, and in order to preserve MDC's right of appeal, we are filing this placeholder Appeal.² We will supplement this Appeal at a future date with a full discussion of the facts, MDC's position and supporting arguments.

Sincerely,



Cynthia B. Schultz
Counsel to Morrow Development Corporation

CBS:hmc

² 47 C.F.R. § 54.720(a).

EXHIBIT 1

Notification of Commitment Adjustment Letter
Funding Year 2003: 7/01/2003 - 6/30/2004

January 15, 2009

Eileen Hendricks
Morrow Development Corp
P. O. Box 200
Boardman, OR 97818

Re: SPIN: 143023033
Form 471 Application Number: 361855
Funding Year: 2003
FCC Registration Number
Applicant Name: MORROW COUNTY SCHOOL DIST 1
Billed Entity Number: 145127
Applicant Contact Person: TAMI SNEDDON

Our routine review of Schools and Libraries Program funding commitments has revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) must now adjust the overall funding commitment. The purpose of this letter is to make the adjustments to the funding commitment required by program rules, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error (if any).

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TO APPEAL THIS DECISION:

If you wish to appeal the Commitment Adjustment Decision indicated in this letter, your appeal must be received or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Numbers you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, Billed Entity Number, and the FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter specific and brief, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal electronically, please send your appeal to appeals@sl.universalservice.org using your organization's e-mail. If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Dept. 125- Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC web site or by contacting the Client Service Bureau at 1-888-203-8100. We strongly recommend that you use the electronic appeals option.

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Schools and Libraries Division
Universal Services Administrative Company

cc: TAMI SNEDDON
MORROW COUNTY SCHOOL DIST 1

A GUIDE TO THE FUNDING COMMITMENT ADJUSTMENT REPORT

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FUNDS DISBURSED TO DATE: This represents the total funds that have been disbursed for this FRN as of the date of this letter.

FUNDS TO BE RECOVERED FROM SERVICE PROVIDER: This represents the amount of improperly disbursed funds to date for which the service provider has been determined to be primarily responsible. These improperly disbursed funds will have to be recovered from the service provider.

FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report
Form 471 Application Number: 361855**

Funding Request Number:	980359
Contract Number:	N/A
Services Ordered:	INTERNET ACCESS
Billing Account Number:	541-989-8202
Original Funding Commitment:	\$1,570,560.00
Commitment Adjustment Amount:	\$1,570,560.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$1,570,560.00
Funds to be Recovered from Service Provider:	\$1,570,560.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review it was determined that the school employee who was involved in determining the services sought by the applicant and the selection of the applicant's service providers is associated with a service provider that was selected. Nate Arbogast, the technology director of the school, is also an employee of the service provider selected to provide services for this FRN. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Neither the applicant nor the applicant's consultant should have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interests and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

JAN 20 2009

**Eileen Hendricks
Morrow Development Corp
P. O. Box 200
Boardman, OR 97818**

**Notification of Commitment Adjustment Letter
Funding Year 2003: 7/01/2003 - 6/30/2004**

January 15, 2009

**Eileen Hendricks
Morrow Development Corp
P. O. Box 200
Boardman, OR 97818**

**Re: SPIN: 143023033
Form 471 Application Number: 366035
Funding Year: 2003
FCC Registration Number
Applicant Name: MORROW COUNTY SCHOOL DIST 1
Billed Entity Number: 145127
Applicant Contact Person: TAMI SNEDDON**

Our routine review of Schools and Libraries Program funding commitments has revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) must now adjust the overall funding commitment. The purpose of this letter is to make the adjustments to the funding commitment required by program rules, and to give you an opportunity to appeal this decision. USAC has determined the service provider is responsible for all or some of the program rule violations. Therefore, the service provider is responsible to repay all or some of the funds disbursed in error (if any).

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Please note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Please note the Funding Commitment Adjustment Explanation in the attached Report. It explains why the funding commitment is being reduced. Please ensure that any invoices that you or the applicant submit to USAC are consistent with program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds the Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the service provider is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: TAMI SNEDDON
MORROW COUNTY SCHOOL DIST 1

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FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report
Form 471 Application Number: 366035**

Funding Request Number:	994429
Contract Number:	N/A
Services Ordered:	INTERNAL CONNECTIONS
Billing Account Number:	541-989-8202
Original Funding Commitment:	\$6,277.50
Commitment Adjustment Amount:	\$6,277.50
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$6,277.50
Funds to be Recovered from Service Provider:	\$6,277.50

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review it was determined that the school employee who was involved in determining the services sought by the applicant and the selection of the applicant's service providers is associated with a service provider that was selected. Nate Arbogast, the technology director of the school, is also an employee of the service provider selected to provide services for this FRN. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Neither the applicant nor the applicant's consultant should have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interests and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

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JAN 20 2009

Eileen Hendricks
Morrow Development Corp
P. O. Box 200
Boardman, OR 97818

Notification of Commitment Adjustment Letter
Funding Year 2004: 7/01/2004 - 6/30/2005

January 15, 2009

Eileen Hendricks
Morrow Development Corp
P. O. Box 200
Boardman, OR 97818

Re: SPIN: 143023033
Form 471 Application Number: 413243
Funding Year: 2004
FCC Registration Number
Applicant Name: MORROW COUNTY SCHOOL DIST 1
Billed Entity Number: 145127
Applicant Contact Person: Tami Sneddon

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Schools and Libraries Division
Universal Services Administrative Company

cc: Tami Sneddon
MORROW COUNTY SCHOOL DIST 1

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Funding Commitment Adjustment Report
Form 471 Application Number: 413243

Funding Request Number:	1135124
Contract Number:	MTM
Services Ordered:	TELCOMM SERVICES
Billing Account Number:	541-989-8202
Original Funding Commitment:	\$758,160.00
Commitment Adjustment Amount:	\$758,160.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$758,160.00
Funds to be Recovered from Service Provider:	\$758,160.00

Funding Commitment Adjustment Explanation:

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JAN 20 2009

**Eileen Hendricks
Morrow Development Corp
P. O. Box 200
Boardman, OR 97818**

EXHIBIT 2

DUPLICATE COPY ORIGINAL

WINSTON & STRAWN LLP

214 NORTH TRYON STREET
CHARLOTTE, NORTH CAROLINA 28202-1078

35 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60601-8703

43 RUE DU RHONE
1204 GENEVA, SWITZERLAND

99 GRESHAM STREET
LONDON EC2V 7NG

333 SOUTH GRAND AVENUE
LOS ANGELES, CALIFORNIA 90071-1543

1700 K STREET, N.W.
WASHINGTON, D.C. 20006-3817

(202) 282-5000

FACSIMILE (202) 282-5100

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NEWARK, NEW JERSEY 07102-5401

25, AVENUE MARCEAU
CS 31621
75773 PARIS CEDEX 16

101 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111-5802

February 11, 2009

WILLIAM M. SULLIVAN, JR.

(202) 282-5744

wsullivan@winston.com

VIA COURIER

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
c/o Natek
236 Massachusetts Avenue, N.E., Suite 110
Washington, D.C. 20002

FILED/ACCEPTED

FEB 11 2009

Federal Communications Commission
Office of the Secretary

Re: Appeal of USAC Commitment Adjustment Decisions

CC Docket No. 02-6

Request for Review

Request for Waiver

Applicant Name: Morrow County School Dist 1
Billed Entity Name: Morrow County School Dist 1
Billed Entity Number: 145127
FCC Registration Number: 0012534509
471 Application Numbers: 361855, 366035, and 413243
Funding Request Numbers: 980359, 994429, 1135124

Dear Secretary Dortch:

This firm represents the Morrow County School District (Oregon). On behalf of our client, we hereby appeal to the Federal Communications Commission ("FCC") the January 15, 2009 Commitment Adjustment Decisions of the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC"). We also reserve our client's rights to request a waiver of relevant policy, rules and/or deadlines.

As reflected in the three (3) attached USAC documents entitled *Notification of Commitment Adjustment Letter*, dated January 15, 2009, USAC rescinded in full its funding commitments to our client for the Funding Request Numbers ("FRNs") cited in those letters. See

No. of Copies rec'd 0+1
List ABCDE

WINSTON & STRAWN LLP

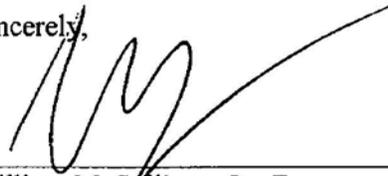
Secretary Dortch
February 11, 2009
Page 2

Ex. A (SLD's Decision re Application No. 361855); Ex. B (SLD's Decision re Application No. 366035); Ex. C (SLD's Decision re Application No. 413243).

As we were only recently engaged to represent our client on this new matter, we will supplement this appeal with a full discussion of the Morrow County School District's positions and supporting arguments as soon as possible.

Thank you for your attention to this matter. Should you have any questions, please contact Sarah M. Hall, Esq. at (202) 282-5862, or by email at smhall@winston.com.

Sincerely,



William M. Sullivan, Jr., Esq.
WINSTON & STRAWN LLP
1700 K Street, N.W.
Washington, D.C. 20006
Tel. (202) 282-5000
Fax (202) 282-5100
email: wsullivan@winston.com

Enclosures

EXHIBIT A



Schools & Libraries Division

Notification of Commitment Adjustment Letter
Funding Year 2003: 7/01/2003 - 6/30/2004

January 15, 2009

TAMI SNEDDON
MORROW COUNTY SCHOOL DIST 1
270 W MAIN ST
LEXINGTON, OR 97839

Re: Form 471 Application Number: 361855
Funding Year: 2003
Applicant's Form Identifier: MCSD0304ISP
Billed Entity Number: 145127
FCC Registration Number: 0012534509
SPIN Name: Morrow Development Corp
Service Provider Contact Person: Eileen Hendricks

Our routine review of Schools and Libraries Program funding commitments has revealed certain applications where funds were committed in violation of program rules.

In order to be sure that no funds are used in violation of program rules, the Universal Service Administrative Company (USAC) must now adjust your overall funding commitment. The purpose of this letter is to make the adjustments to your funding commitment required by program rules, and to give you an opportunity to appeal this decision. USAC has determined the applicant is responsible for all or some of the program rule violations. Therefore, the applicant is responsible to repay all or some of the funds disbursed in error (if any).

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TO APPEAL THIS DECISION:

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1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify the date of the Notification of Commitment Adjustment Letter and the Funding Request Numbers you are appealing. Your letter of appeal must include the Billed Entity Name, the Form 471 Application Number, Billed Entity Number, and FCC Registration Number (FCC RN) from the top of your letter.
3. When explaining your appeal, copy the language or text from the Notification of Commitment Adjustment Letter that is the subject of your appeal to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter specific and brief, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
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The SLD is also sending this information to your service provider(s) for informational purposes. If USAC has determined the service provider is also responsible for any rule violation on these Funding Request Numbers, a separate letter will be sent to the service provider detailing the necessary service provider action.

Please note that if the Funds Disbursed to Date amount is less than the Adjusted Funding Commitment amount, USAC will continue to process properly filed invoices up to the Adjusted Funding Commitment amount. Please note the Funding Commitment Adjustment Explanation in the attached Report. It explains why the funding commitment is being reduced. Please ensure that any invoices that you or your service provider submit to USAC are consistent with program rules as indicated in the Funding Commitment Adjustment Explanation. If the Funds Disbursed to Date amount exceeds your Adjusted Funding Commitment amount, USAC will have to recover some or all of the disbursed funds. The Report explains the exact amount (if any) the applicant is responsible for repaying.

Schools and Libraries Division
Universal Services Administrative Company

cc: Eileen Hendricks
Morrow Development Corp

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SERVICES ORDERED: The type of service ordered from the service provider, as shown on Form 471.

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ORIGINAL FUNDING COMMITMENT: This represents the original amount of funding that SLD had reserved to reimburse you for the approved discounts for this service for this funding year.

COMMITMENT ADJUSTMENT AMOUNT: This represents the amount of funding that SLD has rescinded because of program rule violations.

ADJUSTED FUNDING COMMITMENT: This represents the adjusted total amount of funding that SLD has reserved to reimburse for the approved discounts for this service for this funding year. If this amount exceeds the Funds Disbursed to Date, the SLD will continue to process properly filed invoices up to the new commitment amount.

FUNDS DISBURSED TO DATE: This represents the total funds that have been paid to the identified service provider for this FRN as of the date of this letter.

FUNDS TO BE RECOVERED FROM APPLICANT: This represents the amount of improperly disbursed funds to date as a result of rule violation(s) for which the applicant has been determined to be responsible. These improperly disbursed funds will have to be recovered from the applicant.

FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report for
Form 471 Application Number: 361855**

Funding Request Number:	980359
Services Ordered:	INTERNET ACCESS
SPIN:	143023033
Service Provider Name:	Morrow Development Corp
Contract Number:	N/A
Billing Account Number:	541-989-8202
Site Identifier:	145127
Original Funding Commitment:	\$1,570,560.00
Commitment Adjustment Amount:	\$1,570,560.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$1,570,560.00
Funds to be Recovered from Applicant:	\$1,570,560.00

Funding Commitment Adjustment Explanation:

After a thorough investigation, it has been determined that this funding commitment must be rescinded in full. During the course of a review it was determined that the school employee who was involved in determining the services sought by the applicant and the selection of the applicant's service providers is associated with a service provider that was selected. Nate Arbogast, the technology director of the school, is also an employee of the service provider selected to provide services for this FRN. FCC rules require applicants to submit a Form 470 to initiate the competitive bidding process, and to conduct a fair and open process. Neither the applicant nor the applicant's consultant should have a relationship with a service provider prior to the competitive bidding that would unfairly influence the outcome of a competition or would furnish the service provider with "inside" information or allow it to unfairly compete in any way. Since the applicant has engaged in an improper relationship with a selected service provider, which represents the conflict of interests and compromises the competitive bidding process, the commitment has been rescinded in full and USAC will seek recovery of any disbursed funds from the applicant and service provider.

**PLEASE SEND A COPY OF THIS PAGE WITH YOUR
CHECK TO ENSURE TIMELY PROCESSING**

4/17/78

EDIE ALLSTOTT
MORROW COUNTY SCHOOL DIST 1
2001 SW NYE AVE.
PENDLETON, OR 97801

EXHIBIT B



Schools & Libraries Division

Notification of Commitment Adjustment Letter
Funding Year 2003: 7/01/2003 - 6/30/2004

January 15, 2009

TAMI SNEDDON
MORROW COUNTY SCHOOL DIST 1
270 W MAIN ST
LEXINGTON, OR 97839

Re: Form 471 Application Number: 366035
Funding Year: 2003
Applicant's Form Identifier: MCSD0304ICN2
Billed Entity Number: 145127
FCC Registration Number: 0012534509
SPIN Name: Morrow Development Corp
Service Provider Contact Person: Eileen Hendricks

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Schools and Libraries Division
Universal Services Administrative Company

cc: Eileen Hendricks
Morrow Development Corp

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FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report for
Form 471 Application Number: 366035**

Funding Request Number:	994429
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143023033
Service Provider Name:	Morrow Development Corp
Contract Number:	N/A
Billing Account Number:	541-989-8202
Site Identifier:	145127
Original Funding Commitment:	\$6,277.50
Commitment Adjustment Amount:	\$6,277.50
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$6,277.50
Funds to be Recovered from Applicant:	\$6,277.50

Funding Commitment Adjustment Explanation:

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EDIE ALLSTOTT
MORROW COUNTY SCHOOL DIST 1
2001 SW NYE AVE.
PENDLETON, OR 97801

EXHIBIT C



Schools & Libraries Division

Notification of Commitment Adjustment Letter

Funding Year 2004: 7/01/2004 - 6/30/2005

January 15, 2009

**Tami Sneddon
MORROW COUNTY SCHOOL DIST 1
270 W MAIN ST
LEXINGTON, OR 97839**

**Re: Form 471 Application Number: 413243
Funding Year: 2004
Applicant's Form Identifier: MCSD0405TEL
Billed Entity Number: 145127
FCC Registration Number: 0012534509
SPIN Name: Morrow Development Corp
Service Provider Contact Person: Eileen Hendricks**

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FUNDING COMMITMENT ADJUSTMENT EXPLANATION: This entry provides an explanation of the reason the adjustment was made.

**Funding Commitment Adjustment Report for
Form 471 Application Number: 413243**

Funding Request Number:	1135124
Services Ordered:	TELCOMM SERVICES
SPIN:	143023033
Service Provider Name:	Morrow Development Corp
Contract Number:	MTM
Billing Account Number:	541-989-8202
Site Identifier:	145127
Original Funding Commitment:	\$758,160.00
Commitment Adjustment Amount:	\$758,160.00
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	\$758,160.00
Funds to be Recovered from Applicant:	\$758,160.00

Funding Commitment Adjustment Explanation:

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