

IN THE DISTRICT COURT OF LANCASTER COUNTY, NEBRASKA

Case No: CI 03-2702

STATE OF NEBRASKA ex rel.  
MICHAEL J. LINDER, DIRECTOR  
DEPARTMENT OF ENVIRONMENTAL  
QUALITY,

Plaintiff,

v.

NEBRASKA RUBBER INNOVATIONS,  
INC.,

Defendant

**ORDER**

ON January 30 and 31, 2006, this matter came before this Court, the Honorable Earl J. Withhoff, Lancaster County District Court. Testimony was heard and evidence was received. Plaintiff and Defendants offered argument through post-trial briefs.

The Court, having heard the arguments of counsel, read the briefs of the parties, reviewed the evidence as well as its file herein, and being otherwise fully advised in the premises, finds that:

1. On or about June 1, 1999, Plaintiff awarded Defendant a grant in the amount of \$391,888, which required Defendant to provide matching cash for expenditures of \$391,888 to purchase grant approved property and equipment in the amount of \$783,766 (referred herinafter as the "NRI Grant").

2. The addition of \$5,989.89 in interest during the grant period brought the NRI Grant project required totals to: \$397,877.89 Plaintiff NDEQ grant funds, plus interest + \$397,877.89 required matching cash by Defendant = \$795,755.78 NRI Grant required expenditures.

3. The NRI Grant required Defendant to comply with the conditions detailed in the

Grant Conditions Acceptance form, offered and received into evidence as Exhibit 4, and also with the Department of Environmental Quality's rules and regulations, including Title 199 of the Nebraska Administrative Code.

4. According to Plaintiff's audit of Defendant's grant files, Defendant had sufficient documentation for \$531,731.49 of the required \$795,755.78 in required grant expenditures.

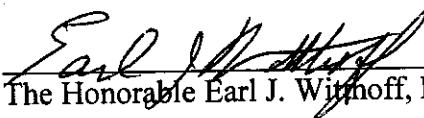
5. Defendant failed to document sufficient grant expenditures to fulfill its obligations pursuant to the NRI Grant. Specifically, Defendant did not properly document or otherwise account for grant funds in the amount of \$132,012.14 ((\$795,755.78 total expenditures required -531,731.49 documented expenditures) \* 50% reduction for matching requirement).

IT IS THEREFORE ORDERED THAT the Defendant, Nebraska Rubber Innovations, remit payment in the amount of \$132,012.14 plus interest and the costs of this action to the Plaintiff.

IT IS SO ORDERED.

*Entered March 8, 2006*

BY THE COURT,

  
The Honorable Earl J. Witthoff, District Judge