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Penn Grad Student Wins Contract Claim Against University

Madeline Branden

A jury awarded Frank Reynolds \$435,000 at the end of a trial in a lawsuit against the University of Pennsylvania for a breach of contract.

The dispute arose over the representation of Penn's Executive Master's in Technology Management (EMTM) program, which was advertised to be led by Penn Engineering and co-sponsored by the Wharton School. Reynolds claims he was told he would be considered a Wharton student and a full alumnus upon graduation, and that he could represent himself as such.

Reynolds was pursuing a master's degree through the program as a business executive who already held multiple graduate degrees. He was drawn to the EMTM program due to the prestige of the Wharton School and because of the prospect of attaining both a Penn Engineering degree and a Wharton School business degree. He entered EMTM in 2002, paying a higher tuition than that of similar programs to match the high reputation of the Wharton School.

While at Penn, Reynolds was denied benefits reserved for Wharton students, such as the ability to reserve Wharton seminar rooms or membership in certain Wharton student clubs. This situation caused alarm within the EMTM student body, resulting in a meeting in November 2003 where Wharton, Penn Engineering and EMTM program officers withdrew their previous representations, telling Reynolds and other EMTM students that they could not be considered Wharton students, neither while in school nor as graduates. Reynolds had taken more than half of his classes for the EMTM program at Wharton.

The plaintiff argued that he had been deprived of the value of his choice to spend thousands of dollars in tuition for the EMTM program, which he only did because of the described benefit of the Wharton degree. Reynolds also cited professional embarrassment, since he had acquired a position with Siemens Corp. based on his affiliation with the Wharton School. Penn contended that the EMTM program concludes with one degree: a Master of Science in Engineering accompanied by a certificate of

completion issued by both Penn Engineering and Wharton, and that it did not falsely describe either the program or its degree. Reynolds was issued the degree as promised.

Because Reynolds thought EMTM could not offer a master's degree from a top business program after all, he spent substantial additional sums to participate in the MIT Sloan Master's Program and had to forsake his position at Siemens to do so. He also incurred moving and living expenses from his relocation to Massachusetts.

As evidence, the plaintiff provided a documented e-mail exchange from 2002 between Dr. Joel Adler, EMTM director of admissions, and Anurag Harsh, also a former EMTM student. After 10 discovery motions, Penn found three different versions of the e-mail exchange on Reynolds' laptop computer, all derived from Adler's original. The defense contested that this meant Harsh and Reynolds had tampered with the original e-mail document, asserting that there should be only one version and that Reynolds possessed and was aware of the various versions of the exchange. Harsh originally filed the suit with Reynolds, but dismissed himself from the case after Penn suggested the fraudulent nature of the documented e-mail evidence.

Despite the fact that the e-mail evidence was never submitted for the trial, plaintiff attorney Richard Heleniak says Adler agreed on the content of the e-mail. The jury of six women and two men deliberated for seven hours over two days and decided that the contract and representations of the EMTM program were deceptive, drawing on the testimony of Reynolds and Adler.

The university intends to appeal because it firmly believes "that the evidence did not support the jury's finding" and because it is "disappointed with the jury's verdict," according to a statement.

The breakdown of the settlement comes from expenses incurred by Reynolds at Penn; MIT Sloan tuition; travel, moving and living expenses from his move to Massachusetts; and forgone Siemens salary.

Reynolds v. University of Pennsylvania

\$435,000 Verdict

Date of Settlement:

Oct. 12, 2009.

Court and Case No.:

E.D. Pa. No. 06-1237

Judge:

Thomas N. O'Neill Jr.

Type of Action:

Civil action.

Plaintiff's Attorneys:

Richard J. Heleniak, Messa & Associates, Philadelphia.

Defense Counsel:

James P. Golden and Cameron J. Etezady, Hamburg & Golden, Philadelphia.

Defense Expert:

Jesse Lindmar, Miles Computer Forensics.