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Putting a price on Wharton's prestige

How much is a degree from the prestigious Wharton School worth? How about \$435,678 - the amount awarded last week by a federal court jury to a Massachusetts executive who says he was cheated out of one?

Studies differ on the intrinsic worth of an education at a top college or university, or the brand-name values of various degrees.

But Frank Reynolds, 45, said he had no doubt he was shortchanged in 2003 when the University of Pennsylvania dropped the Wharton tag from his degree program, called the "Executive Masters in Technology Management."

So Reynolds, now the CEO of a high-profile biotech start-up, InVivo Therapeutics Inc., filed a lawsuit accusing Penn of breach of contract. Last Tuesday, a U.S. District Court jury in Philadelphia awarded Reynolds the \$435,678 in damages - not for the value of a Wharton degree, but for not getting exactly what he expected.

Penn officials declined to discuss details of the case, but they said they planned to appeal.

"We are disappointed with the jury's verdict in this case and strongly believe that the evidence did not support the jury's finding," Phyllis Holtzman, an associate vice president, said via e-mail.

In court papers filed on the eve of trial, the Ivy League school denied that it had misrepresented anything to Reynolds or his classmates. While acknowledging that the program was "cosponsored by the Wharton School," Penn said it led to a degree only from its engineering school and a "certificate of completion" cosigned by the deans of the engineering school and of Wharton.

That wasn't enough, according to Reynolds and his attorney, Richard J. Heleniak, of Center City's Messa & Associates.

"At heart, he went into the program because he was interested in obtaining the education and a degree from Wharton, and in being able to represent that he was a graduate of Wharton," Heleniak said.

Reynolds voted with his feet. Besides declining the Penn degree until this year, Reynolds enrolled in another highly prestigious business program. In 2006, he said, he earned an M.B.A. from the Sloan School of Management at Massachusetts Institute of Technology.

Reynolds said in a telephone interview that he felt vindicated by the verdict, which he said compensated him for tuition, student-loan interest, and other costs associated with the executive-education program that he began in 2002.

At the time, Reynolds was running a small consulting company and hoping to burnish an already long list of academic accomplishments: a bachelor's in marketing from Rider University, a master's in psychology from Chestnut Hill College, an M.B.A. from St. Joseph's University, and a master's in e-business from Temple University.

Reynolds said simply attending classes at the Wharton School had quickly proved its worth. He said he was recruited on campus by Siemens AG, the German technology conglomerate, and hired as its director of global business development.

Reynolds said he believed he owed that opportunity to Wharton's reputation.

"Of course, I proved my worth once I got there," Reynolds said. "But entry was 100 percent based on my being a student at Wharton."

It is not clear what, if anything, changed for students in the program in the fall of 2003, a year after Reynolds enrolled. Heleniak said that fall program officials told students that they would only be "honorary alumni" of Wharton.

In court documents, Penn denied that any substantial change had taken place, but it acknowledged that students were told at a Nov. 1, 2003, meeting that the program was administered through the engineering school and that students "would not be considered Wharton 'alumni' in the sense that they were graduates from Wharton."

However, Penn said the students continued to have "the advantage of access to the Wharton alumni resources like the Wharton alumni network and a Wharton e-mail address."

Reynolds said he wanted to be an alumnus of a "top-tier business school." Though Penn's engineering program is also highly regarded, he said it did not meet his needs.

"A management degree from an engineering school just doesn't even make sense," he said.