

IN THE NEWS: Attorney Elizabeth J. Austin Successfully Defends University in “Tuition Clawback” Suit

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Attorney Elizabeth J. Austin, chair of Pullman & Comley's Bankruptcy, Creditor's Rights and Financial Restructuring Practice, was quoted in *The Wall Street Journal* article, "College May Keep Tuition Money Paid by Bankrupt Parents."

The article describes how Attorney Austin successfully defended Sacred Heart University in a legal battle in which bankrupt parents were seeking nearly \$65,000 paid to the university for their daughter's tuition. U.S. bankruptcy judge Melvin Hoffman ruled that the parents benefited from paying their daughter's tuition, and became the first judge in recent years to weigh in on bankruptcy trustees who sue universities to take back tuition that had been paid by parents years before. Attorney Austin said that Judge Hoffman's decision speaks to "the outrage over trustees that are pursuing universities when they have provided an education to young adults and that their parents pay for in good faith." Several federal lawmakers last year proposed to ban such lawsuits, however, it remains to be seen whether the courts will allow this type of suit to continue.