

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

<b>IN RE:</b>	:	
	:	<b>CHAPTER 7</b>
<b>STANLEY GLEASON</b>	:	
<b>AKA STANLEY WARREN GLEASON</b>	:	<b>CASE NO. 5:11-bk-07007-RNO</b>
<b>AKA STANLEY W. GLEASON</b>	:	
<b>AILEEN GLEASON</b>	:	
<b>AKA AILEEN LOUISE GLEASON</b>	:	
<b>AKA AILEEN L. GLEASON</b>	:	
	:	
<b>Debtors</b>	:	
	:	
<b>AILEEN GLEASON</b>	:	
	:	
<b>Plaintiff</b>	:	<b>COMPLAINT TO DETERMINE</b>
	:	<b>DISCHARGEABILITY OF DEBT</b>
<b>vs.</b>	:	
	:	
<b>SALLIE MAE STUDENT LOANS</b>	:	<b>ADV. NO. ___ - ___ -ap _____</b>
<b>AKA SALLIE MAE, INC.</b>	:	
	:	
<b>and</b>	:	
	:	
<b>AES/PHEAA</b>	:	
<b>AKA AMERICAN EDUCATION</b>	:	
<b>SERVICES/PENNSYLVANIA HIGHER</b>	:	
<b>EDUCATION ASSISTANCE AGENCY</b>	:	
	:	
<b>Defendants</b>	:	

**COMPLAINT TO DETERMINE DISCHARGEABILITY OF DEBT**

Joint Debtor Aileen Gleason, by her attorneys, Sheils Law Associates, P.C., files this Complaint against Sallie Mae Student Loans AKA Sallie Mae, Inc. and AES/PHEAA AKA American Education Services/ Pennsylvania Education Assistance Agency to determine dischargeability of debts pursuant to 11 USC § 523(a)(8) and states:

1. This is a core proceeding under 28 USC § 157.
2. This is an adversary proceeding to determine the dischargeability of

educational debts relating to Section 523(a)(8) of the Bankruptcy Code.

3. The above matter began with a filing for relief under Chapter 7 of the Bankruptcy Code on October 14, 2011. John J. Martin, Esq. was appointed Chapter 7 Trustee.

4. Plaintiff Aileen Gleason ("Mrs. Gleason") is the joint debtor in the above bankruptcy case with Debtor Stanley Gleason ("Mr. Gleason").

5. Defendant Sallie Mae Student Loans A/K/A Sallie Mae, Inc. ("Sallie Mae") is a financial services company specializing in private student loans with a mailing address of P.O. Box 9555 Wilkes-Barre, Pennsylvania 18773.

6. Defendant AES/PHEAA A/K/A American Education Services/Pennsylvania Higher Education Assistance Agency ("AES/PHEAA") is a government formed entity.

7. AES was created to guarantee and service a variety of Federal Family Education Loan Program (FFELP) and private (alternative) student loan products for lending partners throughout the nation.

8. PHEAA is a national provider of student financial aid services established by the Commonwealth of Pennsylvania.

9. AES/PHEAA has a mailing address of P.O. Box 8157 Harrisburg, PA 17105-8157.

10. Mrs. Gleason cosigned four (4) educational loans (collectively referred to as "Loans") for her grandson, Derek Gleason, with Sallie Mae and AES/PHEAA as follows:

a. Sallie Mae in the sum of approximately \$43,233.00 for an educational

loan made or insured by said agency. Said loan was listed on Amended Schedule "F" and Amended Schedule "H" of Debtor's Schedules. *See* Amended Schedule "F" and Amended Schedule "H" of Bankruptcy Schedules.

b. AES/PHEAA in the sum of approximately \$8,750.00 for an educational loan made or insured by said agencies. Said loan was list on Amended Schedule F and Amended Schedule H of Debtor's Schedules. *See* Amended Schedule "F" and Amended Schedule "H" of Bankruptcy Schedules.

c. AES/PHEAA in the sum of approximately \$6,750.00 for an educational loan made or insured by said agencies. Said loan was list on Amended Schedule F and Amended Schedule H of Debtor's Schedules. *See* Amended Schedule "F" and Amended Schedule "H" of Bankruptcy Schedules.

d. AES/PHEAA in the sum of approximately \$26,600.00 for an educational loan made or insured by said agencies. Said loan was list on Amended Schedule F and Amended Schedule H of Debtor's Schedules. *See* Amended Schedule "F" and Amended Schedule "H" of Bankruptcy Schedules.

11. Federal Courts have applied 11 USC § 523(a)(8) to a debtor's educational debts on a loan-by-loan basis where a debtor has multiple student loans, with the result of partial discharge of education loans where some of the debtor's student loans may be found dischargeable while other may be found non-dischargeable. *See* Educ. Credit Mgmt. Corp. v. Kelly (In re Kelly), 312 B.R. 200 (B.A.P. 1st Cir. 2004); Grigas v. Sallie Mae Servicing Corp. (In re Grigas), 2000 BNH 31 (Bankr. D.N.H. 2000).

12. The "Brunner test" is the settled law in the Third Circuit in which a debtor seeking to discharge his or her student loans must prove that:

(1) based on current income and expenses, the debtor cannot maintain a "minimal" standard of living for himself or herself and his or her dependents if forced to repay the loans;

(2) additional circumstances exist indicating that this state of affairs is likely to persist for a significant portion of the repayment period for the student loans; and

(3) the debtor has made a good faith effort to repay the loans.

In re Faish, 72 F.3d 298, 305-06 (3d Cir. 1995)(quoting Brunner v. New York Higher Educ. Servs. Corp., 831 F.2d 395, 396 (2d Cir. 1987) *see also* Roundtree-Crawley v. Educ. Credit Mgmt. Corp. (In re Crawley), 2011 Bankr. LEXIS 4059 (Bankr. E.D. Pa. Oct. 24, 2011).

13. Mrs. Gleason cannot maintain, based on her current income and expenses, a minimal standard of living for herself and her dependents if she is forced to repay the Loans.

14. Mrs. Gleason is currently seventy-nine (79) years old.

15. Mrs. Gleason suffers from physical ailments including recovering from open heart surgery and back ailments.

16. Mrs. Gleason's physical ailments along with the costs of her medications have rendered her unable to maintain a minimal standard if she is forced to pay the Loans.

17. Mrs. Gleason's husband, Mr. Gleason, is currently eighty-one (81) years old.

18. Mr. Gleason had a leg amputated and utilizes a wheel chair.

19. Mr. Gleason has various physical ailments which have required twelve (12) surgical operations as of the date of this bankruptcy filing.

20. Mr. Gleason's physical ailments along with the costs of his medications restrict any possible contribution he could make to Mrs. Gleason if she is forced to repay the Loans.

21. Mrs. Gleason's current income is approximately \$900.20 derived from monthly Social Security benefits of \$665.10 and 1/2 of a monthly reverse mortgage payment on her real property of approximately \$470.20. *See* Schedule "I" of Bankruptcy Schedules.

22. Mr. Gleason's current income is approximately \$1,515.70 derived from monthly Social Security benefits of \$1,279.60 and 1/2 of a monthly reverse mortgage payment on his real property of approximately \$470.20. *See* Schedule "I" of Bankruptcy Schedules.

23. Mr. and Mrs. Gleason's current expenditures average \$2,332.00 a month. *See* Schedule "J" of Bankruptcy Schedules.

24. Mrs. Gleason received no educational benefit from the Loans which would increase her ability to repay the loans.

25. Based upon Mrs. Gleason's age and medical conditions, Mrs. Gleason's financial state of affairs is likely to persist for a significant portion of the repayment period of the Loans.

26. Based upon Mr. Gleason's age and medical conditions, Mr. Gleason's financial state of affairs is likely to persist for a significant portion of the repayment period of the Loans restricting any possible contribution he could make to Mrs. Gleason if she is forced to repay the Loans.

27. Mrs. Gleason has made a good faith effort to repay the Loans.

28. Mrs. Gleason has not willfully or negligently caused her inability to repay the Loans.

29. Factors beyond Mrs. Gleason's reasonable control including her age and medical conditions along with the age of and medical conditions of Mr. Gleason have rendered Mrs. Gleason unable to repay the Loans.

30. No amount of personal or financial sacrifice would enable Mrs. Gleason to repay the Loans without subjecting her to severe medical hardships and a life below a minimal standard of living.

31. Mrs. Gleason requests that each and every one of the Loans should be deemed dischargeable by this Court pursuant to 11 USC § 523(a)(8).

WHEREFORE, Plaintiff, Aileen Gleason, respectfully requests this Court to enter an Order discharging each and every one of her student loan debts which are the subject of this proceeding which this Court finds dischargeable and for such other and further relief as may be required.

SHEILS LAW ASSOCIATES, P.C

Dated: January 9, 2012

/s/Robert P. Sheils, III  
Robert P. Sheils, III, Esquire  
Attorney for the Joint  
Debtor/Plaintiff Aileen Gleason  
Supreme Court ID: 91108  
108 North Abington Road  
Clarks Summit, PA 18411  
570-587-2600  
570-585-0313 – Facsimile  
rsheilsIII@sheilslaw.com