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## **CLASS ACTION SUIT ALLEGES THAT 16 ELITE, PRIVATE UNIVERSITIES HAVE ILLEGALLY CONSPIRED TO REDUCE FINANCIAL AID FOR ALMOST TWO DECADES**

*Price fixing has overcharged, harmed more than 170,000 students from working and middle-class families*

CHICAGO – January 10, 2022 – A group of national law firms with extensive antitrust experience today filed an antitrust class action lawsuit against 16 of the country’s most elite, private universities, alleging that they have unlawfully conspired to reduce the amount of financial aid they provide to admitted students, effectively fixing the net price of attendance.

The [Complaint](#) alleges that, through their membership in a formal cartel, these 16 universities

- (1) Have agreed to fix the net price of attendance;
- (2) Have invoked an exemption from the antitrust laws to which they are not entitled; and
- (3) Have effectively impeded discovery of this misconduct and of the resulting injury to the proposed class.

The Complaint was filed in the United States District Court for the Northern District of Illinois, where the unlawful cartel has met.

“We have conducted a multi-year investigation of these practices, which we allege are unlawful, and we plan to vindicate the rights of more than 170,000 financial aid students and their families whom we believe have been overcharged by these elite universities,” said Robert D. Gilbert, who has represented major corporate clients for more than three decades.

The Complaint alleges that the universities’ conduct falls outside a limited antitrust exemption allowing only those universities using need-blind admissions policies to “to use common principles of analysis for determining the need of such students for financial aid.” The exemption, in Section 568 of the Higher Education Act, defines “need-blind” to mean “without regard to the financial circumstances of the student involved or the student's family.”

The Complaint alleges that, contrary to the exemption, at least nine of the Defendants have been systematically favoring wealthy applicants in making admissions decisions and that the others were part of same cartel. The Complaint further alleges that the Defendants used a “Consensus Methodology” for determining financial aid that amounts to an unlawful price-fixing conspiracy, which has suppressed the amounts of financial aid the universities awarded to their students over nearly two decades.

“We look forward to fighting for the rights of thousands of students and their families, who we allege have been improperly deprived of the fruits of competition in the provision of financial aid,” said Eric Cramer, one of the nation’s leading antitrust class action attorneys.

(more)

The lawsuit seeks to put a halt to these allegedly unlawful activities and to recover damages to make the class members whole. As the Complaint alleges, these universities “are gatekeepers to the American Dream” and provide a “a critical pathway to upward mobility that admission to their institutions represents.” The

Complaint alleges that in putting the burden of the overcharges “in particular on low- and middle-income families struggling to afford the cost of a university education and to achieve success for their children,” Defendants have unlawfully narrowed that pathway.

“Varsity Blues took on the side door of admissions. This case takes on the back door—alleging that, while conspiring together on a method for awarding financial aid, which raises net tuition prices, defendants also favor wealthy applicants in making admissions decisions. The law does not allow them to do both,” said Eric Rosen, the former federal and state prosecutor who led the Varsity Blues prosecution team and who is now a partner at Roche Freedman, one of the law firms filing this action.

### **Named Defendants**

The Defendants are Brown University, California Institute of Technology, University of Chicago, Columbia University, Cornell University, Dartmouth College, Duke University, Emory University, Georgetown University, Massachusetts Institute of Technology, Northwestern University, Notre Dame, University of Pennsylvania, Rice University, Vanderbilt University, and Yale University.

For more information on the litigation, go to [568Cartel.com](http://568Cartel.com).

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### **About Plaintiffs’ Legal Team**

**Roche Freedman** lawyers have litigated antitrust, securities, and market manipulation claims for both plaintiffs and defendants for more than a decade. Over the past two years, the firm has been appointed as lead or co-lead counsel in over fifteen class actions.

**Gilbert Litigators & Counselors** is a national litigation boutique. The Firm focuses on domestic and international litigation and arbitration, and the resolution of large, complex commercial disputes when the amounts in controversy range from tens of millions to several billions of dollars, with a particular emphasis on fraud and business tort cases, antitrust litigation and litigation involving significant public policy issues.

**Berger Montague** is one of the nation’s most experienced and successful complex litigation firms, having pioneered the antitrust class action. The firm has recovered more than \$40 billion in verdicts and settlements for class members over 50 years and achieved one of the largest antitrust class action settlements—nearly \$6 billion—in U.S. history.

**FeganScott**, a national litigation firm based in Chicago, has successfully led nationwide class actions, has been recognized by courts in the Northern District of Illinois for its experience, and has been appointed by Illinois federal and state courts to Special Master teams overseeing class actions.