

**PLAINTIFFS ANNOUNCE \$13.5M SETTLEMENT WITH THE UNIVERSITY OF CHICAGO REGARDING ALLEGATIONS THAT IT ENGAGED IN PRICE-FIXING WITH SIXTEEN OTHER ELITE UNIVERSITIES IN AWARDING FINANCIAL AID**

CHICAGO – August 14, 2023 – In papers filed today in federal court, the Plaintiffs announced that the University of Chicago has agreed to pay \$13.5 million to settle an antitrust class action brought by a proposed class of current and former students who received financial aid at seventeen elite universities.

The Plaintiffs asked the Court to preliminarily approve the settlement, which would allow notice to go out to members of the proposed class about the settlement. In the case, which resolved against the University of Chicago only, and continues against sixteen non-settling universities, the Plaintiffs assert that the University of Chicago conspired with sixteen other elite universities, including 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, University of Notre Dame, Rice University, University of Pennsylvania, Vanderbilt University, and Yale University, as part of what was called the 568 Presidents Group. This Group, the Plaintiffs allege, met regularly to share information relating to these schools' financial aid practices and to converge on a common methodology for computing need-based aid in violation of the federal antitrust laws. As a result of this alleged conspiracy, the students allege that competition was suppressed, the amount of financial aid awarded was artificially reduced, and the net price that these students paid to attend was artificially inflated.

The case is *Henry, et al. v. Brown University, et al.*, in the U.S. District Court for the Northern District of Illinois before United States District Court Judge Matthew F. Kennelly.

The settlement with University of Chicago follows more than a year and a half of hard-fought litigation in federal court. Plaintiffs filed the case on January 9, 2022, and all of the defendant universities promptly filed motions to have it thrown out of court. The Plaintiffs opposed defendant universities' motion, and the U.S. Department of Justice and the New York Attorney General filed briefs in support of the students. On August 15, 2022, Judge Kennelly denied the universities' motion in all respects. Since that time, the parties have been engaging in extensive discovery, with the defendant universities having turned over more than a million documents to the Plaintiffs. Plaintiffs have also begun taking depositions of the universities' financial aid and other officers and employees.

As part of the proposed settlement, in addition to the monetary payment, the University of Chicago has agreed to provide certain information to the Plaintiffs, including documents and a witness interview, that Plaintiffs expect will assist them in prosecuting their claims against the sixteen universities that have not settled.

Plaintiffs' counsel believe that the settlement with the University of Chicago will benefit all of the students in the proposed class action. All members of the proposed student class, no matter which of the seventeen Defendant Universities they attended, will be entitled to the proceeds of the settlement according to a plan of allocation they have proposed. Moreover, Plaintiffs' counsel anticipate that the information that the University of Chicago has agreed to provide as part of the settlement will assist all of the members of the class.

One of Plaintiffs' lead counsel, Ted Normand, a partner at Freedman Normand Friedland, stated: "Plaintiffs are pleased with this settlement. The \$13.5 million is a significant sum—it will help to compensate Plaintiffs for their injuries, to deter the misconduct that Plaintiffs have alleged, and to enable further compensation from the remaining defendants for the alleged injury to their alumni and current students."

Another of the Plaintiffs' lead lawyers, Robert D. Gilbert, a partner at Gilbert Litigators & Counselors, added: "The Defendants' colossal endowments have grown to surpass \$230 billion. Surely the Defendants can and should give larger scholarships to their incoming middle class and working class students, and compete for their attendance. Reducing student debt and providing substantially more funds for scholarships will be good for our country. It is the right thing to do."

Eric Cramer, another lead attorney for the Plaintiff class noted that: "This case will serve as an important reminder that the antitrust laws are a critical source of protection against exploitation by cartels and monopolies for all citizens, including students. Because universities play such an important role in our society, it is all the more important that they avoid collusion in the provision of financial aid and in the setting of their prices."

### **Next Steps**

If Judge Kennelly grants Plaintiffs' motion and preliminarily approves the settlement, notice will be provided to all of the members of the Class regarding the details of the settlement. Further, the court will likely set a date for a final approval hearing at which time the court will decide whether to approve the settlement.

Plaintiffs' counsel will continue to vigorously litigate their claims against the remaining sixteen Defendant Universities.

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### **About Plaintiffs' Legal Team**

**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.

**Freedman Normand Friedland** 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.

**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 in U.S. history—nearly \$6 billion.