

NEWSROOM

January 27, 2025 News

Plaintiffs in Elite University Price-Fixing Case Settle with Caltech and Johns Hopkins

PHILADELPHIA – Plaintiffs in the “568 cartel” antitrust price-fixing case against 17 elite universities received [preliminary approval](#) of two additional settlements, with the California Institute of Technology and The Johns Hopkins University. This brings the total number of settlements to 12. These two settlements increase the total monetary amount of the settlements in the case to nearly \$320 million. The only remaining non-settling defendants are Cornell, Georgetown, MIT, Notre Dame, and Penn.

“With the Johns Hopkins and Caltech settlements, we have now resolved the case with 12 of the 17 Defendant members of the 568 Group for over \$300 million combined,” said Eric Cramer, Chairman of Berger Montague. “We look forward to taking the remaining five Defendants to trial to vindicate the rights of more than 200,000 students whom we allege this group of elite universities colluded to overcharge,” added Mr. Cramer.

The lawsuit alleges that the defendant universities—as members of the 568 Presidents Group, and over a 20-year period—engaged in collusion in violation of federal antitrust law. Plaintiffs

have alleged that defendants used a shared “methodology” (referred to by defendants

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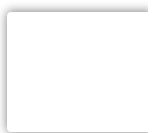
need of approximately 200,000 students in a way that reduced the dollars awarded by the universities to those students as financial aid, with the result that the students received less aid for their education. Based on that overpayment, plaintiffs claim damages of \$685 million, which under U.S. antitrust law would be automatically trebled to more than \$2 billion.

Plaintiffs filed a motion for class certification that presented evidence of defendants’ illegal collusion and resulting economic damage to the proposed class. Plaintiffs also provided substantial evidence that defendants were not entitled to antitrust immunity under the 568 Exemption, a federal statute that expired in 2022 and allowed agreements regarding financial aid principles between “2 or more institutions of higher education at which all students are admitted on a need-blind basis,” meaning “without regard to the financial circumstances of the student involved or the student’s family.”

Caltech has agreed to pay \$16,750,000 and Johns Hopkins has agreed to pay \$18,500,000, for a total of \$35,250,000. In their motion for approval, Plaintiffs explained that in comparison to prior settlements (which ranged up to \$55 million for one defendant), today’s settlements reflect that Caltech and Johns Hopkins were members of the 568 Group for a shorter period of time than any of the other defendants. In contrast, plaintiffs asserted that the five universities who have not yet settled are “among the most centrally and consistently involved” of the defendants, explaining:

“The non-settling group includes the two largest 568 Group members (Cornell and Penn); three of the four 568 Group universities with the largest endowments (MIT, Penn, and Notre Dame); and the alleged ringleader of the 568 Group (Georgetown, whose President served as the Chairman of the 568 Group from 2009 until the Group’s dissolution following commencement of this litigation).”

Read more about the case [here](#) and at www.568cartel.com.



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