

NCAA Compensation Cartel Allegations Take Center Court - National Collegiate Athletics Association

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On March 17, 2014, a class action lawsuit was filed against the National Collegiate Athletics Association (NCAA), alleging that capping compensation to college athletes violates **Sherman Act Section 1**.

The lawsuit was filed on behalf of all Division I college football and men's basketball players, and named five major conferences within the NCAA as co-defendants: the Atlantic Coast (ACC), Big Ten, Big 12, Pacific-12, and Southeastern (SEC). The suit alleges that "Defendants have entered into what amounts to cartel agreements with the avowed purpose and effect of placing a ceiling on the compensation that may be paid to these athletes for their services." Currently under NCAA rules, colleges may only compensate student athletes with a "full grant-in-aid" (the amount of tuition, room and board, and textbooks).

The complaint goes on to state that the NCAA "rules constitute horizontal agreements" among the defendants who drafted and agreed upon the rules, yet "compete with each other for the services of top-tier college football and men's basketball players." In addition to monetary damages, the plaintiffs are seeking injunctive relief that would allow colleges to freely negotiate with and compensate student athletes. The case is filed in the U.S. District Court of New Jersey.

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National Law Review, Volume IV, Number 77

Source URL: <https://natlawreview.com/article/ncaa-compensation-cartel-allegations-take-center-court-national-collegiate-athletics>