

Practice Update

# NCAA Settlement Moves Forward but Faces Obstacles Over Fairness and Roster Limits Before It's Finalized

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In October 2024, the proposed \$2.8 billion NCAA House Settlement (the Settlement) for the breakthrough *House v. NCAA* litigation received preliminary approval from Judge Claudia Wilken for the Northern District of California. Today, however, the matter remains unresolved. April 7, 2025, marked the long-anticipated final approval hearing for the proposed Settlement, which aims to resolve student-athletes' prohibition on NIL compensation, establish a new revenue-sharing model, replace traditional athletic scholarship limitations with roster restrictions, and regulate student-athlete NIL deals. Of the 390,000 class members, 73 student-athletes objected to the Settlement, 343 opted out of the Settlement, and 73,000 pursued claims to recover, which marks one of the largest responses ever in a class action matter. Notably, Wilken made clear that she would not issue a ruling from the bench. Instead, Wilken heard numerous objections to the proposed Settlement and identified issues that must be re-reviewed and resolved before its final approval.

## Issues To Be Addressed

Several objectors, including current and former student-athletes, raised various concerns regarding the Settlement's implementation, including:

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1. The fairness of imposing roster limits;
2. The Settlement's impact on smaller athletic programs;
3. Title IX compliance in the distribution of payments, considering female student-athletes constitute 34% of the class but will only receive 10% of settlement funds under the proposed terms;
4. The consideration of athletic performance related to a student-athlete's earning potential;
5. Whether class representatives adequately represent the entire class, which includes future student-athletes, who are not parties to the current matter but are nevertheless bound by the Settlement's terms; and
6. Whether the absence of a mechanism for future student-athletes to raise objections to the Settlement raises due process challenges.

Wilken took a particular interest in resolving issues concerning sufficient representation for current and future athletes; enforcement of NIL rules; the imposition of new roster limits; and antitrust issues regarding the proposed 22% revenue-sharing cap. On the other hand, the NCAA expressed reluctance to revise the Settlement, stating that extensive time, analysis, and consideration went into drafting the proposed Settlement Agreement.

### Moving Forward: What Is Next?

Although the Settlement currently faces ongoing challenges, it is nonetheless a significant step toward reshaping the collegiate athletic landscape and creating a more standardized mechanism for student-athletes to earn NIL compensation. As a next step, Wilken requested the parties consult to address the aforementioned issues and will hear proposed resolutions in one week before reconsidering the Settlement's final approval. Akerman will continue monitoring the Settlement's status and will keep you updated on its final resolution.

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