

Joint Statement:

To clarify the permissible scope of payments to student-athletes by collectives under the House Settlement, Class Counsel and the defendants provide the following joint statement. The CSC has issued new guidance consistent with this statement.

The traditional purpose of many NIL collectives - raising money to induce student-athletes to attend or play at an institution - does not satisfy the valid business purpose requirement for making NIL payments to student-athletes under the House Settlement. NIL payments to student-athletes may be made by Associated Entities and Individuals, including collectives, but they must conform with the requirements set forth in the Settlement.

In evaluating such payments, the Settlement's requirements focus on substance, not labels. Nothing in the Settlement prohibits an Associated Entity or Individual, including collectives, from making NIL payments to student-athletes, as long as such NIL payments have a valid business purpose related to offering goods or services to the general public for profit and fall within the range of fair market value compensation, as defined by the Settlement.

Whether or not payments to student-athletes by collectives are permissible under the Settlement will be evaluated on a case-by-case basis—first by the College Sports Commission and then by a neutral arbitrator if the CSC determination is challenged by the student athlete. NCAA rules continue to prohibit Associated Entities from making payments for play in contrast to permitted NIL payments.