

**COURT AWARDS \$38 MILLION TO STUDENTS
FOR UNIVERSITY OF CALIFORNIA FEE OVERCHARGES**

In a ruling made public today, the San Francisco Superior Court held that the University of California must pay more than \$38 million to students for breaching contracts when it raised fees after professional degree students enrolled beginning in 2003.

“The court has confirmed today, once again, that students have rights that are enforceable under the law,” said Danielle Leonard of the San Francisco firm Altshuler Berzon LLP, counsel for the plaintiffs in *Luquetta v. Regents*. She explained: “When these students entered the University beginning in 2003, the University of California had expressly committed to keep the amount it would charge professional degree students constant for their entire enrollment. It should not have required five years of litigation for the University of California to comply with the promise it made to these students when they entered their programs.” Lead plaintiff Andrea Luquetta, a graduate of the UCLA School of Law, said: “This is a great victory for all my classmates who paid more in fees, and took on much higher debt, than what we originally thought we would have to pay to attend the University of California.”

The ruling by Judge John E. Munter of the San Francisco Superior Court, which affects approximately 2,900 students, most of whom have graduated, holds that the University broke its promise to students who applied to and accepted the University’s offer of admission to professional school prior to August 25, 2003, and first enrolled in professional schools in the 2003-04 academic year or thereafter. The court recognized that at the time these students accepted admission, University policy stated that professional degree fees would remain constant for the duration of their enrollment. The court found that this policy created a binding contract that the University broke. Despite the policy, the University raised the fee for medical, dental, law, pharmacy, business, and other professional students repeatedly over the years, imposing increases of up to \$6,400 in a single year. By the end of their programs, some students were paying over \$8,000 more in annual fees than what they expected when they started.

The court emphasized that ordinary principles of contract law apply to universities in dealing with their students, relying on a precedential opinion from the Court of Appeal in a previous lawsuit brought by professional degree students against the University of California, *Kashmiri v. Regents*. In 2007, the Court of Appeal decided that students who enrolled prior to December 2002 were entitled to a refund of the excess professional degree fees they were required to pay in violation of the University’s commitment to keep the fees constant. In the decision today, the court held that students who entered in 2003-04, the year after the *Kashmiri* students, were entitled to rely on the same policy, which the University continued to publish to these students as they were deciding which schools to attend.

The University claims that these fee increases were an attempt to make up for a budget shortfall. Counsel for Plaintiffs Andrew Freeman, of the Baltimore law firm of Brown, Goldstein & Levy LLP, explained that : “This decision reaffirms that the University cannot balance its budget on the backs of its students, after having promised them not to raise fees. Universities should keep their promises.”

The court’s decision is attached.