**Association Sued on Antitrust Grounds for Allegedly Tying Membership to Certification**

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A class consisting of certified court reporters sued the National Court Reporters Association (NCRA) January 3, 2025, in a federal district court in New Jersey alleging that the NCRA is violating Section 1 of the Sherman Act by requiring stenographers who hold the NCRA Certified Court Reporter (CCR) certification to be members of the NCRA to maintain their certification. A significant element of this case is the fact that holding the NCRA CCR is a means of satisfying mandatory licensing requirements in several American jurisdictions.

The Sherman Act is the foundational federal statute in American antitrust law. To simplify, it forbids certain anticompetitive tying arrangements that require parties to purchase (or maintain) one product or service (in this case, membership in the NCRA) in order to purchase (or maintain) another product or service (in this case, certification by the NCRA). In the parlance of antitrust law, the complaint in this case (*Palazzi v. National Court Reporters Association*) asserts that the NCRA CCR certification is the “tying product,” and membership in the NCRA is the “tied” product. The following averments of the complaint describe the alleged tying arrangement and its anticompetitive effects:

3. Separately, and in addition to those certification-related requirements,

NCRA, as a trade association, exploits the position it has, arising from state and

court CCR certification requirements, by forcing Stenographers to also become

paying members of NCRA and maintain that paid membership (regardless that they

are certified and current on all CEU obligations) or lose their certification.

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12. Despite already being certified and meeting the requirements to be recognized as CCRs, including completing CEUs – and having already paid the fees associated with such certification and CEUs – NCRA requires Plaintiffs and its other certified CCR members separately to maintain their NCRA memberships in good standing, i.e., also pay annual membership fees to NCRA or lose their NCRA certifications.

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17. NCRA has been able to charge a much higher membership fee than its competitors in the Stenographic Membership Market by using its unlawful tying arrangement to minimize any threats from potential competitors.

According to the complaint, 39 states of the United States “either require or have courts that require Stenographers to be licensed or certified to work as stenographers.” The complaint points out that “…37 states…accept NCRA certification as a way to satisfy that states’ or state courts’ requirement or as a way to waive out of completing that states’ licensing exam.” Furthermore, the complaint makes the following key points:

40. In fact, twelve of the 39 states requiring certification will only accept NCRA certification, to the exclusion of any other privately issued certifications. NCRA capitalizes on these exclusions to retain its dominance over the Stenographic Certification Market and extract annual membership dues from members.

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38. No other certification besides NCRA’s offers Stenographers the ability to expand their work across as many state lines. This is particularly important in today’s digital age, where a Stenographer has the ability to virtually work across state lines.

The class of plaintiffs is seeking treble (triple) damages (as well as other legal relief) against the National Court Reporters Association,

The complaint is attached.

(Questions may be directed to the author at dbalasa@aama-ntl.org)