# U.S. Court of Appeals Rules Against Fearless Fund's Grants for Black Women-Owned Businesses



A panel of the U.S. Court of Appeals for the 11th Circuit ruled on Monday that the Fearless Fund, an Atlanta-based venture capital firm, should be temporarily blocked from issuing grants exclusively for Black women-owned businesses. The majority opinion held that the fund's Fearless Strivers Grant Contest is likely to violate a federal statute prohibiting racial discrimination in contracts. This ruling follows a lawsuit filed last August by the American Alliance for Equal Rights (AAER), led by anti-affirmative action advocate Edward Blum, known for recent Supreme Court cases against Harvard and the University of North Carolina regarding race-conscious college admissions.

The appellate panel's 2-1 decision overruled a lower court ruling, stating that awarding $20,000 grants based on race was substantially likely to be illegal under civil rights laws. Judges Kevin Newsom and Robert Luck, both appointed by President Donald Trump, formed the majority, while Judge Robin Rosenbaum, appointed by President Barack Obama, dissented.

The Fearless Fund argued the grant program was protected under the First Amendment and that it aimed to address racial disparities in venture funding. However, the majority deemed these arguments insufficient. The ruling marks a significant development in ongoing national debates over race-conscious programs in the private sector.