



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, JULY 29, 1970

The Department of Justice filed an antitrust suit today charging the Cleveland Real Estate Board with fixing commission rates for property sales.

Attorney General John N. Mitchell said the civil suit was filed in the U.S. District Court in Cleveland, Ohio.

The suit charged the Board and its approximately 560 realtor members with conspiring to fix commission rates for the sale of real estate in Cuyahoga County, in violation of Section 1 of the Sherman Act.

The action was the second taken by the Justice Department against a local real estate board. Pending is a similar suit filed on December 18, 1969, against the Prince George's County Board of Realtors, which operates in a Maryland suburb of Washington, D. C.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said the Cleveland suit includes charges that the Board has circulated published schedules of recommended commission rates, which are adhered to by its members, and the Board and its members have agreed upon and adhered to exclusive listings in order to, among other things, discourage sales that bypass the commission to Board members.

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Because of these activities, the suit said, commission rates for the sale of real estate in the county have been fixed at a noncompetitive level and price competition among real estate brokers and salesmen has been eliminated.

The suit asked for an injunction against the Board and its members, restraining them from agreeing upon and circulating and adhering to recommended commission rates in the county.

On January 1, 1970, the commission rate on residential sales was increased to 7 percent from a maximum of 6 percent.

Sales of real estate through the Cleveland Real Estate Board exceeded \$581 million in 1969, the suit said.