



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed an antitrust suit today charging the Los Angeles Realty Board and four of its branches with fixing commission rates for property sales.

Attorney General John N. Mitchell said the civil suit was filed in the United States District Court in Los Angeles.

The suit charged the Los Angeles Board, the Board's Southwest Branch, Hollywood-Wilshire Division, Pacific Palisades Division, Westwood Division, and the Board's 3800 active members with combining to fix commission rates for the sale, rental and management of real estate and for acting as agents in obtaining financing for real estate sales in Los Angeles County, in violation of Section 1 of the Sherman Act.

The action was the fourth taken by the Justice Department against a local real estate board.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, said the Los Angeles suit included charges that the Board and its branches have circulated published commission rates which are adhered

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to by their members, and that the defendants' multiple listing services and their members have refused to accept a listing containing a rate of commission less than that recommended by defendants.

Because of these activities, the suit said, commission rates for the sale, leasing and management of real estate and for acting as agent to obtain real estate financing in Los Angeles County have been fixed at a noncompetitive level, and price competition among the members of the Board and its branches has been eliminated.

The current commission rate is six percent residential sales, and five percent on commercial sales.

The suit asked for an injunction against the defendants and their members, restraining them from agreeing upon, publishing or adhering to recommended commission rates.

Sales of real estate by active members of the Los Angeles Board exceeded \$600 million in 1969, the suit said.