



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, DECEMBER 22, 1972

AT

The Department of Justice filed a civil antitrust suit today charging the Real Estate Board of Metropolitan St. Louis, Missouri, with fixing fees charged by its members in connection with the sale, lease, or management of real estate.

Attorney General Richard G. Kleindienst said that the complaint, charging a violation of Section 1 of the Sherman Act, was filed in U. S. District Court in St. Louis.

The Real Estate Board of Metropolitan St. Louis is an association of approximately 6,000 real estate brokers and salesmen engaged in the business of selling, renting, leasing, or managing real estate in the City and County of St. Louis.

The suit charged that the St. Louis Board and its members have been engaged for many years in a combination and conspiracy to fix, stabilize, and maintain uniform commissions and fees in connection with their real estate services, and to otherwise limit competition among board members.

This action is the ninth taken by the Justice Department against local real estate boards. Previously, the Department has brought similar suits against real estate boards in Prince Georges

OVER

County, Maryland; Cleveland, Ohio; Long Island, New York; Los Angeles, California; Atlanta, Georgia; Portland, Oregon; Pittsburgh, Pennsylvania, and Memphis, Tennessee.

All of the earlier real estate actions, except those in Los Angeles, Portland and Pittsburgh, have been terminated by consent decrees prohibiting commission fixing and other restrictive real estate board practices. The suits in Los Angeles, Portland and Pittsburgh remain pending.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that the St. Louis suit included charges that the board and its members have:

- established uniform rates of commissions and fees;
- established a uniform percentage division of commissions and fees on cooperative real estate sales;
- agreed that members would accept properties for sale only as exclusive listings for a six-month period of time, and required the use of a uniform listing contract containing a six-month exclusive listing provision;
- established arbitrary and unreasonably restrictive requirements for board membership; and
- adopted other uniform rules of practice and procedure restricting competition among board members.

OVER

As a result, the suit said, commissions and fees have been fixed at a noncompetitive level and price competition among board members has been eliminated. In addition, the suit charged that the board's regulations have arbitrarily and unreasonably denied membership to licensed real estate brokers.

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

The suit also asked that the board be enjoined from establishing or enforcing any rules which arbitrarily or unreasonably exclude from board membership any real estate broker or salesman licensed by the State of Missouri.