Department of Justice

The Department of Justice filed a civil antitrust suit today charging the Memphis Board of Realtors with fixing fees charged by its members in connection with the sale, lease or managment of real estate.

Attorney General Richard G. Kleindienst said that the complaint and a proposed consent judgment, which will become final upon approval by the Court in 30 days, were filed in U.S. District Court in Memphis.

The Memphis Board of Realtors is an association of real estate brokers engaged in the selling, leasing and management of real estate in Shelby County, Tennessee.

The suit alleged that the Memphis Board of Realtors and its member brokers and salesmen have been engaged in a combination and conspiracy in violation of Section 1 of the Sherman Act by agreeing to uniform rates of commissions and fees which were published and circulated to the Board's members.

The complaint further alleged that the Board and its members agreed to the use of standard contracts incorporating agreed fees and rates of commission.

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Acting Assistant Attorney General Walker B. Comegys, in charge of the Antitrust Division, said that the judgment prohibits the fixing or maintaining of rates or fees to be charged by the Board's members in connection with the sale, lease or managment of real estate.

He said it also prohibits the fixing, maintaining, suggesting or enforcing percentage division of commission or other fees between selling and listing brokers.

The judgment also directs the Board to insert in all by-laws, rules, regulations, contracts and other forms which previously contained a set or recommended commission rate, a provision that commission rates for the sale, lease or management of property shall be negotiable between the broker and his client.

Comments to the Department of Justice and the Court regarding the proposed judgment are invited from the members of the public during the 30-day waiting period prior to the judgment becoming final.