



Department of Justice

FOR IMMEDIATE RELEASE
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AT

The Department of Justice filed a civil antitrust suit today charging The Real Estate Board of New York, Inc., and the Tenant-Owned Apartment Association, Inc., both of New York City, with fixing commission rates in connection with the sale, resale and management of cooperative apartments in New York County.

Attorney General Elliot L. Richardson said that the complaint, charging a violation of Section 1 of the Sherman Act, was filed in U.S. District Court in Manhattan.

This is the tenth civil suit dealing with real estate fee-fixing brought by the Department of Justice since December 18, 1969. The others all dealt with sale of real estate. Of those, seven have been settled by consent decree, one consent decree is awaiting final approval by the court, and one is pending trial.

The Real Estate Board is an association comprised primarily of individuals and corporations engaged in the business of selling, leasing and managing of real property in New York County.

The Tenant-Owned Apartment Association is comprised in part of some 15 business enterprises -- called management-brokers in the complaint -- actively engaged in the sale or resale of cooperative apartments and the management of cooperative buildings in New York County.

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The management brokers participated in the sale or resale of 1,206 cooperative units with a total asking price of about \$67 million during a 16-month period from January 1, 1966 to April 20, 1967.

They also manage 349 cooperative buildings in New York County with a combined assessed valuation of about one billion dollars. The buildings contain about 20,000 cooperative apartments, and estimated annual gross collections of the management brokers are \$120 million.

During the month of May, 1971, management-brokers participated in the sale of stock in cooperative corporations valued at about \$6.6 million, in connection with the transfer of 73 cooperative apartments.

In addition to the management brokers, there are firms who belong only to the board who also manage and deal in cooperative properties.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said the complaint charged that the two defendants had conspired with their members to fix commissions and fees charged for services provided in connection with the sale or resale of cooperative apartments and the management of cooperative buildings in New York County.

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The complaint charged that the conspiracy has fixed commissions and fees at noncompetitive levels and eliminated price competition between the defendant's members. As a result of the conspiracy, the complaint said that persons using these services have been denied the right to purchase them at competitively determined prices.

The complaint asked that activities of the defendants be adjudged in violation of Section 1 of the Sherman Act, and that the defendants and their members be enjoined from agreeing upon, publishing or adhering to recommended real estate commission rates and fees and from continuing or maintaining the alleged conspiracy.