



Department of Justice

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The Department of Justice filed a civil antitrust suit today charging a Virginia Beach, Virginia multiple listing real estate service with unlawfully fixing commission fees on real estate transactions.

Attorney General Richard G. Kleindienst said that the suit against Metro MLS, Inc. of Virginia was filed in U.S. District Court in Norfolk, Virginia.

The complaint is the 10th filed by the Justice Department against local real estate organizations challenging fixed real estate commissions. The suit charged Metro MLS is engaged in a combination and conspiracy to restrain trade in the real estate brokerage business in the Tidewater Area in violation of Section 1 of the Sherman Act.

The approximately 50 member-shareholders of Metro MLS were named as co-conspirators. Each member broker provides Metro MLS with a description of properties in the area for which he has obtained exclusive listings. Metro MLS distributes these descriptions and listings to each shareholder.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said that the complaint included charges that Metro MLS and its shareholders have:

-- established uniform rates of commission;

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-- agreed not to accept net listings, or listings at a commission less than the agreed minimum;

-- increased the uniform rates of commission to be charged;

-- established a uniform percentage division of commissions and fees on cooperative real estate sales;

-- agreed not to advertise non-exclusive listings;

-- agreed that Metro MLS shareholders could not belong to any other multiple listing service;

-- agreed to charge unreasonably high fees and charges for membership in Metro MLS; and

-- established arbitrary and unreasonably restrictive requirements for membership in Metro MLS.

As a result, the complaint said, Metro MLS increased and maintained commission rates at an artificial and noncompetitive level, eliminated competition among real estate brokers and salesmen, and restricted competition from other multiple listing services.

The suit asked that Metro MLS and its shareholders be enjoined from continuing the violations alleged in the complaint.

It also asked that Metro MLS, Inc. be required to establish fees and dues that approximate the cost of its operation.