



# Department of Justice

FOR IMMEDIATE RELEASE  
FRIDAY, APRIL 1, 1977

AT  
202-739-2014

A federal grand jury today indicted six real estate brokerage firms and the presidents of three of them on charges of conspiring to raise commission rates on sales of residential real estate in Montgomery County, Maryland.

Attorney General Griffin B. Bell said the felony indictment and a companion civil suit -- both charging violations of Section 1 of the Sherman Act -- were filed in U.S. District Court in Baltimore.

Named as defendants in the indictment were:

- Jack Foley Realty, Inc., Bethesda, Maryland, and its president, John P. Foley, Jr.
- Bogley, Inc., Chevy Chase, Maryland, and its president, Robert W. Lebling
- Colquitt-Carruthers, Inc., Bethesda, Maryland, and its president, John T. Carruthers, Jr.
- Robert L. Gruen, Inc., Silver Spring, Maryland
- Schick & Pepe Realty, Inc., Wheaton, Maryland
- Shannon & Luchs Company, Washington, D.C.

Donald I. Baker, Assistant Attorney General in charge of the Antitrust Division, said the indictment charges that beginning about September, 1974, the defendants entered into an agreement to raise commission rates on listings of residential real estate in Montgomery County to seven percent.

(OVER)

The civil suit names only the six companies as defendants. It asks that the firms be enjoined from continuing the alleged price-fixing scheme and from engaging in any practice having a similar purpose or effect.

It also asks that they be enjoined from discussing their commission rate policies with competitors, except where necessary to carry out specific transactions.

The maximum penalty upon conviction under the indictment is a \$1 million fine for a corporation, and a \$100,000 fine and three years in prison for an individual.

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