



Department of Justice

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JUSTICE SUES TO ENJOIN COLLUSION IN CAPE GIRARDEAU REAL ESTATE MARKET

The Department of Justice filed an antitrust suit today charging The Multi-List Service of Cape Girardeau, Missouri, Inc. (Cape MLS), nine real estate firms and 17 individuals with conspiring to restrain competition in the supply of residential real estate services in Cape Girardeau County, the north half of Scott County, Missouri, and the adjacent area in southern Illinois. Accompanying the filing was a proposed consent decree that would settle the suit relating to Cape MLS, the nine real estate firms and 16 individuals.

James F. Rill, Assistant Attorney General in charge of the Antitrust Division, said the suit, which was filed in U.S. District Court in St. Louis, charges that the defendants and others violated Section 1 of the Sherman Act by excluding from membership in Cape MLS a real estate firm that offered discount brokerage services in the Cape Girardeau area, agreeing among themselves not to provide certain discount real estate services or engage in other potentially competitive conduct, and imposing unreasonable restrictions on membership in the Cape MLS.

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The nine other firms named as defendants all provide residential real estate services in the Cape Girardeau area.

They include:

Ashland Realty Company	Emerald Realtors, Inc. dba
Bridgeport Realtors, Inc.	Century 21 Key Realty
Owens Realty Company	Town & Country Realty
Century 21 American Real Estate	Wunderlich Realty
Capitol Hill Realty, Inc.	Heartland Realty

The individual defendants also provide residential real estate services in Cape Girardeau and are associated with the defendant or co-conspirator real estate firms. They include:

Herbert L Annis	Carol Moutell
Thelma Annis	Charles Moutell
Barbara Baker	Jeanne R. Owens
Carl Blanchard	Betty Lou Ryan
David Dohrmeyer	Roger Skinner
Fred Eggle	Barbara Travers
T. Delores Krauss	Wesley Wade
Gerald McElreath	Clinton Wunderlich
Karen Mogelnicky	

The Cape MLS is operated and controlled by the defendant and co-conspirator real estate firms, which together provide the vast majority of the residential real estate brokerage services in the Cape Girardeau area.

The Cape MLS operates a computerized listing service and a lock box service, and its members use these services to obtain pertinent information about properties that are offered for sale or have been sold and to show properties at the convenience of prospective buyers. These services are important to home sellers and buyers and are generally

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unavailable at comparable cost in the Cape Girardeau area except through the Cape MLS.

"Under these circumstances," Rill said, "the members of the Cape MLS could insulate themselves from meaningful competition by unreasonably restricting membership in the Cape MLS and agreeing to limit competition among themselves."

The consent decree filed by the parties would, if approved by the court, settle the suit as to all of the defendants except T. Delores Krauss. The litigation will continue against Krauss.

The proposed consent decree would require the consenting defendants to delete certain Cape MLS bylaws that were used to unreasonably restrict membership in the Cape MLS and limit competition among Cape MLS members. The decree would also enjoin the consenting defendants from continuing or resuming the conspiracy alleged in the suit.

Public comment on the proposed decree is invited within the statutory 60-day commentary period. Interested persons may address comments to Kent Brown, Chief, Midwest Field Office, Antitrust Division, U.S. Department of Justice, Suite 3820, Kluczynski Federal Building, 230 South Dearborn Street, Chicago, Illinois 60604 (312/353-7530).

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