



after alleged and performed acts and made statements in furtherance thereof.

#### IV

##### DEFINITION

5. As used herein, the term "real estate closing" means a service which includes compiling the necessary papers to conclude a real estate transaction, obtaining the necessary signatures on those papers, arranging and aiding in the transfer of funds from a lender to the seller and others, and recording the transaction.

#### V

##### TRADE AND COMMERCE

6. Real estate closings usually involve transactions in which the purchaser has either obtained a new loan or assumed a loan originally obtained by the seller.

7. In Alabama, law firms and others, including real estate agencies and title companies, provide real estate closing services to purchasers and sellers of real estate for a fee. Such services facilitate the sale of real estate and are provided by a third party in substantially all residential real estate transactions.

8. In the Enterprise, Alabama area, real estate closing services for transactions involving new loans are provided by members of the defendant Bar Association and Coffee County Abstract and Title Co., Inc. ["Coffee County Abstract and Title"]. Real estate closing services for transactions involving the assumption of an existing loan are provided by members of the defendant Bar Association and some real estate agencies.

9. A substantial number of persons who utilize residential real estate closing services for the purchase of residential real estate in the Enterprise, Alabama area are persons who move into the Enterprise, Alabama area from states other than Alabama, or persons who move from the Enterprise, Alabama area to places outside of Alabama.

10. A substantial amount of the funds used in financing residential real estate transactions in the Enterprise, Alabama

area move into the State of Alabama in interstate commerce. In addition, more than 80 percent of such funds are guaranteed or insured under programs of various agencies of the United States government, headquartered in the District of Columbia.

11. During the period covered by this complaint, members of the defendant Bar Association assisted purchasers of real estate in obtaining title insurance for their property. A substantial amount of funds used to purchase such title insurance moved in interstate commerce from these purchasers in the State of Alabama to title insurance companies located outside of the State of Alabama.

12. Coffee County Abstract and Title, real estate agencies in Coffee County, and members of the defendant Bar Association purchase and use office supplies and equipment which move in a continuous and uninterrupted flow of interstate commerce from sources located outside the State of Alabama.

13. Prior to the creation of Coffee County Abstract and Title, and for the first few years that it was in business, members of the defendant Bar Association provided substantially all of the residential real estate closing services in the Enterprise, Alabama area. Such services for transactions involving new loans were generally provided for a fee of approximately one percent of the amount borrowed.

14. Coffee County Abstract and Title was formed in January, 1973. It is a corporation organized and operating under the laws of the State of Alabama with offices in Enterprise, Alabama. Coffee County Abstract and Title provides for a fee several services relating to real estate transactions. These services include title searches, the sale of title insurance, and residential real estate closings. Coffee County Abstract and Title charges .725 percent of the loan amount for residential real estate closings, including title insurance.

15. Under the laws of the State of Alabama, only attorneys admitted to the Alabama Bar may prepare legal documents

for others. Deeds, mortgages and notes are legal documents and may be prepared in Alabama only by attorneys admitted to the Alabama Bar or by parties with an interest in the transactions. To provide residential real estate closing services, Coffee County Abstract and Title and real estate agencies must obtain an attorney's services in preparing notes, deeds, and mortgages for these transactions. Without such attorneys' services, Coffee County Abstract and Title and real estate agencies would be foreclosed from providing residential real estate closing services.

16. In 1979, Coffee County Abstract and Title performed 184 residential real estate closings. From January of 1980 through July of 1980, Coffee County Abstract and Title performed 60 residential real estate closings. In 1979, Coffee County Abstract and Title performed approximately 50% of all residential real estate closings in the Enterprise, Alabama area.

17. Members of the defendant Bar Association provide closing services for real estate transactions involving the assumption of an existing loan for approximately one-half percent of the sale price or \$200, whichever is greater. Certain real estate agencies provide, or have provided, closing services for such transactions for approximately \$200.

18. The aforesaid activities of, and services provided by, the members of the defendant Bar Association, Coffee County Abstract and Title and real estate agencies in Coffee County are within the flow of interstate commerce or have a substantial effect on interstate commerce.

## VI

### VIOLATIONS ALLEGED

19. Beginning at least as early as March, 1980, and continuing to the present, the defendant Bar Association and its co-conspirators have engaged in a combination and conspiracy in unreasonable restraint of the aforesaid trade and commerce in residential real estate closings in violation of Section 1

of the Sherman Act, 15 U.S.C. § 1. This unlawful combination and conspiracy is continuing and will continue unless the relief herèinafter prayed for is granted.

20. The aforesaid combination and conspiracy has consisted of a continuing agreement among the defendant Bar Association and its co-conspirators to: restrain and prevent Coffee County Abstract and Title from competing with the defendant Bar Association's members in the provision of real estate closing services in transactions involving new loans; to exclude and eliminate Coffee County Abstract and Title as a competitor for such services; to restrain and prevent real estate agencies from competing with the defendant Bar Association's members in the provision of real estate closing services in transactions involving the assumption of existing loans; and to exclude and eliminate real estate agencies as competitors for such services.

21. In furtherance of the aforesaid combination and conspiracy, the defendant Bar Association and its co-conspirators have done those things which they have combined and conspired to do, including among others:

- (a) concertedly refusing to deal with Coffee County Abstract and Title and real estate agencies;
- (b) adopting and publishing a resolution which sought to prohibit Coffee County Abstract and Title and real estate agencies from providing residential real estate closing services, and which stated that offering such services was the unauthorized practice of law with no legal basis for said resolution;
- (c) disparaging Coffee County Abstract and Title to real estate brokers who explain to purchasers of residential real estate that Coffee County Abstract and Title is available for real estate closings; and
- (d) discouraging attorneys located outside of Coffee County, Alabama, from providing necessary legal services to Coffee County Abstract and Title.

## VII

### EFFECTS

22. The aforesaid combination and conspiracy has had, and continues to have, the following effects, among others:

- (a) Coffee County Abstract and Title and real estate agencies have been denied the opportunity to compete freely for the provision of residential real estate closing services in the Enterprise, Alabama area;
- (b) the business relationships of Coffee County Abstract and Title and real estate agencies have been injured;
- (c) competition generally in the provision of residential real estate closing services has been unreasonably and arbitrarily suppressed;
- (d) the public has been denied the benefits of free and open competition in the provision of residential real estate closing services.

### PRAYER

Wherefore, plaintiff prays:

1. That the alleged combination and conspiracy between the defendant Bar Association and its co-conspirators be adjudged and declared to be unlawful in violation of Section 1 of the Sherman Act;

2. That the defendant Bar Association, including its officers, members, agents, successors and assigns, and all persons acting or claiming to act in its behalf, be perpetually enjoined and restrained from continuing or renewing the combination and conspiracy alleged herein and from entering into any similar agreement or concert of action;

3. That the defendant Bar Association and its co-conspirators be enjoined from continuing to concertedly refuse to deal with Coffee County Abstract and Title and real estate agencies;

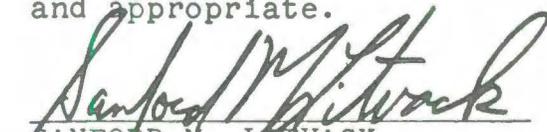
4. That the defendant Bar Association and its co-conspirators be enjoined from adopting, promulgating, publishing or seeking adherence to any resolution, statement of principle, rule, standard or any collective statement that has the purpose or effect of impairing or preventing Coffee County Abstract and Title or real estate agencies from offering residential real estate closing services;

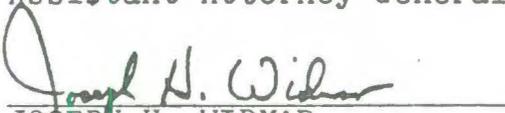
5. That the defendant Bar Association and its co-conspirators be enjoined from disparaging Coffee County Abstract and Title;

6. That the defendant Bar Association and its co-conspirators be enjoined from taking any action or making any statement with the purpose or effect of discouraging or preventing attorneys from providing any or all legal services to Coffee County Abstract and Title or real estate agencies;

7. That the defendant Bar Association be ordered to disseminate a copy of any order incorporating any of the aforementioned relief to its members, to all real estate agencies in the Enterprise, Alabama area, and to all lending institutions in the Enterprise, Alabama area, and to publish any such order in all newspapers of general circulation in the Enterprise, Alabama area; and

8. That the Court grant any other relief it deems necessary and appropriate.

  
SANFORD M. LITVACK  
Assistant Attorney General

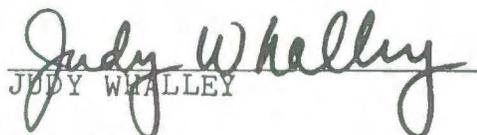
  
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