

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	Civil Action No. 72-C-793 (3)
v.)	
)	Equitable Relief Sought
REAL ESTATE BOARD OF)	
METROPOLITAN ST. LOUIS,)	Filed: December 22, 1972
)	
Defendant.))	

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above named defendant, and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and these proceedings are instituted under Section 4 of the Act of Congress of July 2, 1890, as amended (15 U.S.C. § 4), commonly known as the Sherman Act, in order to prevent and restrain the continuing violation by the defendant, as hereinafter alleged, of Section 1 of said Act (15 U.S.C. § 1).

2. The defendant maintains offices, transacts business, and is found in the Eastern District of Missouri, Eastern Division.

II

THE DEFENDANT

3. The Real Estate Board of Metropolitan St. Louis (hereinafter referred to as the "Board"), a corporation

organized and existing under the laws of the State of Missouri and having its principal place of business in St. Louis, Missouri, is named the defendant herein. The Board is an association of real estate brokers, salesmen and others engaged in the business of selling, renting, leasing or managing real estate in the City and County of St. Louis in the State of Missouri.

III

THE CO-CONSPIRATORS

4. Members of the Board are not named as defendants, but are named as co-conspirators. There are approximately 6,000 real estate brokers, salesmen and others connected with the real estate business who are either active, associate or affiliate members of the Board. Many of these members participated in the violation alleged herein and performed acts and made statements in furtherance thereof.

IV

TRADE AND COMMERCE

5. The activities of the Board and its members, as described herein, are within the flow of interstate commerce and have an effect upon that commerce.

6. For a commission or fee, Board members render the service of bringing together buyers and sellers of real estate, and, in many cases, assist in negotiating the prices and terms of real estate transactions and in arranging for insurance, financing, appraisals, escrows and other services connected with real estate transactions. Thousands of parcels of real estate are sold each year by Board members. For the year 1970, the value of record deeds in the City of St. Louis exceeded \$250 million and.

Board members participated in the sale of a substantial percentage of these properties.

7. The City of St. Louis is situated on the West bank of the Mississippi River in the State of Missouri and its metropolitan area, which includes the Missouri County of St. Louis, also extends across the river into the State of Illinois. A substantial number of persons using the services of Board members in connection with real estate transactions are persons moving into the City and County of St. Louis from places outside the State of Missouri and persons moving from the City and County of St. Louis to places outside the State of Missouri.

8. Board members regularly attempt to attract buyers from other states by, among other things, advertising in newspapers within the State of Missouri whose circulations cover other states and advertising on radio stations within the State of Missouri whose signals are received in other states. Many completed sales of real estate, as well as other types of real estate transactions, in the City and County of St. Louis involve persons from outside the State of Missouri.

9. As a result of their efforts in arranging for financing, insurance, and other commodities and services necessary to real estate transactions in the City and County of St. Louis, Board members have caused substantial amounts of such financing, insurance, commodities and services to move into the City and County of St. Louis from outside the State of Missouri from businesses operating in interstate commerce. The commissions and

fees charged by Board members for their services also have a direct and substantial effect upon such financing, insurance, commodities, and the businesses which provide them.

V

VIOLATION ALLEGED

10. For many years up to and including the date of the filing of this complaint, the defendant and co-conspirators have been engaged in a combination and conspiracy to unreasonably restrain the aforesaid trade and commerce in violation of Section 1 of the Sherman Act. Said unlawful combination and conspiracy is continuing and will continue unless the relief hereinafter prayed for is granted.

11. The aforesaid combination and conspiracy has consisted of a continuing agreement and concert of action between the defendant and co-conspirators to fix, stabilize and maintain uniform commissions and fees for services provided in connection with the sale, rental and management of real estate in the City and County of St. Louis, to restrict membership in the Board, and to adopt other rules and regulations which limit competition among members of the Board.

12. In effectuating the aforesaid combination and conspiracy, the defendant and co-conspirators have done the things which, as hereinbefore alleged, they agreed and conspired to do, including, among other things, the following:

- (a) established uniform rates of commissions and fees;

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- (b) established a uniform percentage division of commissions and fees where more than one broker is involved in the sale or lease of a property;
 - (c) agreed that Board members would accept properties for sale only as exclusive listings for a six-month period of time, and required the use of a uniform listing contract containing a six-month exclusive listing provision;
 - (d) established arbitrary and unreasonably restrictive requirements for Board membership, including a requirement that a new broker be licensed for a period of at least one year and have an established real estate office before being admitted to membership in the Board; and
 - (e) adopted other uniform rules of practice and procedure which restrict competition among Board members in the sale, rental and management of real estate in the City and County of St. Louis.

VI

EFFECTS

13. The aforesaid combination and conspiracy has had the following effects, among others:

- (a) commissions and fees charged for services in connection with the sale, lease and

management of real estate in the City and County of St. Louis have been fixed, stabilized and maintained at an artificial and non-competitive level;

- (b) price competition among Board members for providing services in connection with real estate transactions has been eliminated, and persons using the services of Board members have been denied the right to use such services at competitively determined prices;
- (c) licensed real estate brokers have been arbitrarily and unreasonably denied membership in the Board to the substantial detriment of their real estate businesses; and
- (d) competition generally between brokers and salesmen engaged in the real estate business in the City and County of St. Louis has been restricted.

PRAYER

WHEREFORE, plaintiff prays;

1. That the Court adjudge and decree that the defendant and co-conspirators have engaged in an unlawful combination and conspiracy in restraint of the aforesaid trade and commerce in violation of Section 1 of the Sherman Act.

2. That the defendant, its officers, directors and agents and all other persons acting or claiming to act on its behalf, and each of its members, be enjoined and restrained from in any manner, directly or indirectly,

continuing, maintaining or renewing the combination and conspiracy hereinbefore alleged, or from engaging in any other combination, conspiracy, contract, agreement, understanding or concert of action having a similar purpose or effect, and from adopting or following any practice, plan, program or device having a similar purpose or effect.

3. That the defendant, its officers, directors and agents and all other persons acting or claiming to act on its behalf, and each of its members, be enjoined and restrained from:

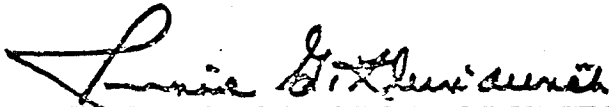
- (a) publishing, adopting, distributing or otherwise suggesting, and from adhering to or agreeing to adhere to, any schedule of or other recommendation concerning amounts of commissions or other fees for the sale, lease or management of real estate;
- (b) convincing or attempting to convince any person to adhere to any schedule of or other recommendation concerning amounts of commissions or other fees for the sale, lease or management of real estate; and
- (c) establishing, maintaining or enforcing by-laws, rules or regulations which arbitrarily or unreasonably exclude from Board membership any real estate broker or salesman licensed by the State of Missouri.

4. That the defendant be required to abrogate, nullify or amend such of its by-laws, rules and regulations as have contributed to the violation alleged.

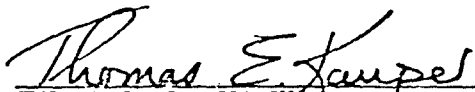
in this complaint.

5. That the plaintiff have such other, further, general and different relief as the case may require and the Court may deem just and proper under the circumstances.

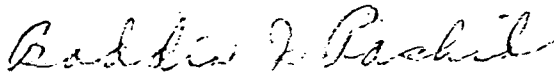
6. That the plaintiff recover its taxable costs.



RICHARD G. KLEINDIENST
Attorney General



THOMAS E. KAUPER
Assistant Attorney General



BADDIA J. RASHID

JOHN E. SARBAUGH

Attorneys, Department of Justice

DANIEL BARTLETT, JR.

United States Attorney

FRANCIS C. HOYT

Attorney, Department of
Justice

Room 2634 United States
Courthouse
Chicago, Illinois 60604
Telephone: (312) 353-7523