

77 LL
2000

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA,
Plaintiff.

v.

GREATER PITTSBURGH BOARD OF
REALTORS,
EAST SUBURBAN MULTILIST REAL
ESTATE BROKERS, INC.,
SOUTH HILLS MULTILIST, INC.,
NORTH SUBURBAN MULTILIST, and
GREATER PITTSBURGH MULTILIST
COUNCIL,

Defendants.

Civil No. 72-499

Filed: June 21, 1972

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 defendants, 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 defendants, as hereinafter alleged, of Section 1 of said Act, as amended (15 U.S.C. § 1).

2. The defendants maintain offices, transact business, and are found within the Western District of Pennsylvania.

II

DEFENDANTS

3. The Greater Pittsburgh Board of Realtors (hereinafter referred to as "GPBR"), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and having its principal place of business in Pittsburgh, Pennsylvania, is named a defendant herein. GPBR is a trade association of approximately 600 real estate brokers engaged in the business of selling, leasing, and managing real estate in Pittsburgh and surrounding areas located in Allegheny County (hereinafter referred to as the "Greater Pittsburgh Area").

4. East Suburban Multilist Real Estate Brokers, Inc. (hereinafter referred to as "ESML"), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and having its principal place of business in Wilkinsburg, Pennsylvania, is named a defendant herein. It is a trade association of approximately 50 real estate brokers engaged in the business of selling, leasing, and managing real estate in the Greater Pittsburgh Area through the operation of a multiple listing service.

5. South Hills Multilist, Inc. (hereinafter referred to as "SHML"), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and having its principal place of business in the South Hills suburban area of Pittsburgh, Pennsylvania, is named a defendant herein. It is a trade association of approximately 39 real estate brokers engaged in the business of selling, leasing, and managing real estate in the Greater Pittsburgh Area through the operation of a multiple listing service.

6. North Suburban Multilist (hereinafter referred to as "NSML"), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania and having its principal place of business in the northern suburbs of Pittsburgh, Pennsylvania, is named a defendant herein. It is a trade association of approximately 52 real estate brokers engaged in the business of selling, leasing, and managing real estate in the Greater Pittsburgh Area through the operation of a multiple listing service.

7. Greater Pittsburgh Multilist Council (hereinafter referred to as "GPMLC"), a voluntary association of multilist organizations from the north, south, and east portions of the Greater Pittsburgh Area, is named a defendant herein. The membership of GPMLC has included the defendants ESML, SHML, and NSML.

III

CO-CONSPIRATORS

8. The members of GPBR, ESML, SHML, NSML and the multilist members of GPMLC, who are not named as defendants herein, participated as co-conspirators in the offense alleged, and many of them have performed acts and made statements in furtherance thereof.

IV

TRADE AND COMMERCE

9. The activities of the defendants named herein and their members are within the flow of interstate commerce and have an effect upon that commerce.

10. For a commission or fee, members of the defendants render the service of bringing together buyers and sellers of real estate and of negotiating and arranging the prices and terms of real estate sales in the Greater Pittsburgh Area. Thousands of parcels of real estate are sold in this area each year. For a commission or fee, members of the defendants supply services in the rental or management of residential and commercial property. Members of the defendants in 1970 sold, rented, and managed properties, the value of which amounted to more than \$300 million.

11. A substantial number of persons using the aforesaid services of members of the defendants are persons moving into the Greater Pittsburgh Area from places located outside of the Commonwealth of Pennsylvania and persons moving from the Greater Pittsburgh Area to places located outside of the Commonwealth of Pennsylvania.

12. As an additional part of their service, members of the defendants often assist their clients in securing financing necessary to the purchase of real estate in the Greater Pittsburgh Area and in obtaining property and title insurance therefor. Substantial amounts of such financing and insurance are obtained from sources outside the Commonwealth of Pennsylvania and move in interstate commerce into the Commonwealth of Pennsylvania through activities of members of the defendants.

V

OFFENSE ALLEGED

13. For many years up to and including the date of the filing of this complaint, the defendants and co-conspirators have been continuously engaged in an unlawful combination

and conspiracy in restraint of 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.

14. The aforesaid combination and conspiracy has consisted of a continuing agreement and concert of action among the defendants and co-conspirators to raise, fix, stabilize, and maintain the commission rates for the sale, leasing, and management of real estate in the Greater Pittsburgh Area, and to adopt rules and regulations unreasonably restricting competition in selling, leasing, and managing real estate in such area.

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

- (a) Agreed to uniform rates of commissions and fees;
- (b) Published, circulated, and adhered to the agreed-upon uniform rates of commissions and fees;
- (c) Conducted surveys of the rates of commissions and fees charged and to be charged;
- (d) Agreed to persuade banks and other financial institutions to pay uniform, increased rates of commissions and fees;
- (e) Agreed to boycott banks and other financial institutions which refused to pay uniform, increased rates of commissions and fees;

- (f) Agreed to uniform splitting of commissions and fees on cooperative sales;
- (g) Agreed not to accept listings for multiple listing services at rates less than those fixed by members of the defendants; and
- (h) Agreed not to employ part-time real estate salesmen.

VI

EFFECTS

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

- (a) Commission rates for the sale, leasing, and management of real estate in the Greater Pittsburgh Area have been raised, fixed, stabilized, and maintained at artificial and noncompetitive levels;
- (b) Price competition in the sale of real estate services among members of the defendants and co-conspirator real estate brokers has been eliminated; and
- (c) Sellers of real estate and purchasers and lessors of real estate in the Greater Pittsburgh Area have been denied the right to services of real estate brokers at competitively determined rates of commission.

PRAYER

WHEREFORE, plaintiff prays:

1. That the Court adjudge and decree that the defendants 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.

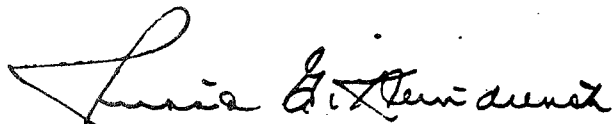
2. That the defendants, their officers, directors, and agents and all other persons acting or claiming to act on their behalf, and each of their members, be enjoined and restrained from, in any manner, directly or indirectly, continuing, maintaining, or renewing the combination and conspiracy hereinbefore 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 defendants, their officers, directors, and agents, and all other persons acting or claiming to act on their behalf, and each of their members, be enjoined and restrained from conducting any surveys of the rates of commissions and fees charged and to be charged, and from publishing, adopting, distributing, or otherwise suggesting, and from adhering or agreeing to adhere to, any schedule of or other recommendation concerning amounts of commission or other fees for the sale, lease, or management of real estate.

4. That the defendants, their officers, directors, and agents, and all other persons acting or claiming to act on their behalf, and each of their members, be enjoined and restrained from 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.

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.

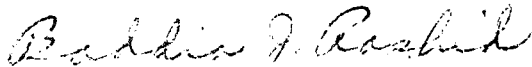
6. That the plaintiff recover its taxable costs.



RICHARD G. KLEINDIENST
Acting Attorney General



WALKER B. COMEGYS
Acting Assistant Attorney General



BADDIA J. RASHID

JOHN J. HUGHES

Attorneys, Department of Justice

MORTON M. FINE

WILLIAM A. DeSTEFANO

Attorneys, Department of Justice

Antitrust Division
Department of Justice
501 U. S. Customs House
Philadelphia, Pennsylvania

19106

United States Attorney