

Trade Regulation Reporter - Trade Cases (1932 - 1992), United States 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, U.S. District Court, W.D. Pennsylvania, 1973-1 Trade Cases ¶74,454, (May 21, 1973)

Federal Antitrust Cases

Trade Regulation Reporter - Trade Cases (1932 - 1992) ¶74,454

[Click to open document in a browser](#)

United States 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.

1973-1 Trade Cases ¶74,454. U.S. District Court, W.D. Pennsylvania. Civil No. 72-499. Entered May 21, 1973. Case No. 2253, Antitrust Division, Department of Justice.

Headnote

Sherman Act

Price Fixing—Real Estate Sales Commissions—Splits—Consent Decree.—A consent decree prohibited a board of realtors and its members from fixing commission rates. Included is a provision permitting the circulation by a multiple listing service of information concerning the commission which a broker has agreed upon with his client and the percentage division that a listing broker has agreed to pay a selling broker, and permitting the adoption and enforcement of rules requiring (1) that neither the commission nor percentage division may be altered without the consent of both the listing and selling brokers and (2) that the recipient of any such commission promptly pay over the appropriate amount.

For plaintiff: Thomas E. Kauper, Asst. Atty. Gen., Baddia J. Rashid, Charles F. B. McAleer, John J. Hughes, Morton M. Fine, and William A. DeStefano, Dept. of Justice.

For defendants: Eckert, Seamans, Cherin & Mellott, by Cloyd R. Mellot and C. Arthur Wilson, Jr., Pittsburgh, Pa.; John B. Nicklas, Jr., Pittsburgh, Pa., for Greater Pittsburgh Board of Realtors and Greater Pittsburgh Multilist Council; and John T. Richards, Jr., Pittsburgh, Pa., for North Suburban Multilist.

Final Judgment

TEITELBAUM, D. J.: Plaintiff, United States of America, having filed its Complaint herein on June 21, 1972, and Plaintiff and Defendants by their respective attorneys, having consented to the making and entry of this Final Judgment, without admission by any party in respect to any issue and without this Final Judgment constituting evidence or an admission by any party hereto with respect to any such issue;

Now, therefore, before any testimony has been taken herein, without trial or adjudication of any issue of fact or law herein, and upon consent of the parties hereto, it is hereby

Ordered, adjudged and decreed as follows:

I

[*Jurisdiction*]

For the purposes of this case, this Court has jurisdiction over the subject matter of this action and of the parties hereto. For purposes of this case, the Complaint states claims upon which relief may be granted against the

Defendants under Section 1 of the Act of Congress of July 2, 1890, as amended (15 U. S. C. Sec. 1), commonly known as the Sherman Act.

II

[*Definitions*]

As used in this Final Judgment:

- (A) "Multiple Listing Service" shall mean any plan or program operated by a Defendant for the circulation of real property listings among members of such Defendant; and
- (B) "Person" shall mean any individual, partnership, firm, association, corporation, real estate agency, member of the Defendants or other business or legal entity.

III

[*Applicability*]

The provisions of this Final Judgment applicable to each of the Defendants shall also apply to each of their respective subsidiaries, successors and assigns; to each of their directors, officers, agents and employees when acting in such respective capacities; and, in addition, to all persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

IV

[*Commissions*]

Each of the Defendants, whether acting unilaterally or in concert or agreement with any other person, is enjoined and restrained from:

- (A) Fixing, establishing or maintaining any rate or amount of commissions or other fees for the sale, lease or management of real estate;
- (B) Urging, recommending or suggesting that any of its members or any other person adhere to any rate or amount of commissions or other fees for the sale, lease or management of real estate;
- (C) Adopting, suggesting, publishing or distributing any rate or amount of commissions or other fees for the sale, lease or management of real estate; provided, however, that surveys and studies may be conducted, published and distributed where not forbidden by Paragraph D of this Section IV of this Final Judgment;
- (D) Conducting, publishing or distributing, for a period of ten (10) years from the date of entry of this Final Judgment, any survey or study relating to rates or amounts of commissions or other fees for the sale, lease or management of real estate or ranges thereof; and thereafter where the purpose or effect of any such survey or study would be to fix, establish, stabilize or maintain any rate or amount or ranges of commissions or other fees for the sale, lease or management of real estate;
- (E) Adopting, adhering to, maintaining, enforcing or claiming any rights under any by-law, rule, regulation, plan or program which restricts or limits the right of any of its members or any other real estate dealer in accordance with his own business judgment to agree with his client on any commissions or fees for the sale, lease or management of real estate;
- (F) Taking any punitive action against any of its members where such action is based upon the member's failure or refusal to adhere to any rate or amount of commissions or fees for the sale, lease or management of real estate;
- (G) Interfering with or limiting its members from maintaining part-time salesmen in their employ, or interfering with the terms of the relationship between its members and their salesmen where to do so would be contrary to or inconsistent with any provision of this Final Judgment;

(H) Fixing, maintaining, suggesting or enforcing any division or split between a selling broker and listing broker of commissions or other fees for the sale, lease or management of real estate;

(I) Refusing to receive, process or distribute a listing of any real estate by any member in a Multiple Listing Service because of the rate or amount of commissions or other fees for the sale, lease, or management of real estate thereon; and

(J) (1) Boycotting, agreeing to boycott, or threatening to boycott any person; and/or (2) refusing to do business with any person where such refusal would be contrary to or inconsistent with any provision of this Final Judgment.

V

[*By-laws, Forms, Contracts*]

Each Defendant is ordered to eliminate from all rules, by-laws, regulations, contracts and other forms, any schedule of rates or amounts of commissions or other fees for the sale, lease or management of real estate and any provision requiring or suggesting a fixed division of such fees between a listing broker and a selling broker. Each Defendant is also ordered to insert in all rules, by-laws, regulations, contracts and other forms a statement, prominently situated in all capital letters, that rates of commissions or other fees for the sale, lease or management of real estate shall be negotiable between a broker and his client.

VI

[*Membership*]

(A) Defendant Greater Pittsburgh Board of Realtors shall, upon application made, admit to membership any person duly licensed by the appropriate governmental authority to sell real estate in Pennsylvania as a real estate salesman or as a real estate broker and each of the other Defendants shall, upon application made, admit to membership any person duly licensed by the appropriate governmental authority to sell real estate in Pennsylvania as a real estate broker; provided, however, that the Defendants may adopt and maintain reasonable and nondiscriminatory written requirements for membership, not otherwise inconsistent with the provisions of this Final Judgment;

(B) Each of the Defendants is ordered and directed within ninety (90) days from the date of entry of this Final Judgment to amend its by-laws, rules and regulations by eliminating therefrom any provision which is contrary to or inconsistent with any provision of this Final Judgment; and

(C) Upon amendment of its by-laws, rules and regulations as aforesaid, each Defendant is thereafter enjoined and restrained from adopting, adhering to, enforcing or claiming any right under any by-law, rule or regulation which is contrary to or inconsistent with any of the provisions of this Final Judgment.

VII

[*Notification*]

Each of the Defendants is ordered and directed to mail within sixty (60) days after the date of entry of this Final Judgment, a copy of this Final Judgment to each of its members and to the persons listed in Schedule (A) attached to this Final Judgment and within one hundred and twenty (120) days from the aforesaid date of entry to file with the Clerk of this Court, an affidavit setting forth the fact and manner of compliance with this Section VII and Sections V and VI(B) above.

VIII

[*Reports*]

For a period of ten (10) years from the date of entry of this Final Judgment, each Defendant is ordered to file with the Plaintiff on each anniversary date of such entry, a report setting forth the steps which it has taken during

the prior year to advise the Defendants' appropriate officers, directors, agents and employees of its and their obligations under this Final Judgment.

IX

[*Commission Information*]

Nothing in this Final Judgment shall be deemed to prohibit:

(A) The publication or circulation by a Multiple Listing Service of information, in connection with bona fide efforts to sell real estate, concerning the commission which a broker has agreed upon with his client, or the percentage division thereof which a listing broker has agreed to pay a selling broker, arrived at in accordance with this Final Judgment; or

(B) The adoption and enforcement by a Multiple Listing Service of rules requiring (i) that neither the commission nor the percentage division thereof, arrived at in accordance with this Final Judgment and specified for a listing not to exceed a reasonable period, may be altered without the consent of both the listing and the selling broker, and (ii) that the recipient of any such commission promptly pay over to the listing or selling broker, as appropriate, the percentage division of the commission as specified or as otherwise agreed upon by the listing and selling broker.

X

[*Inspection and Compliance*]

For the purpose of determining or securing compliance with this Final Judgment:

Duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to a defendant made to its principal office, be permitted, subject to any legally recognized privilege, and subject to the presence of counsel if so desired:

(1) Access during its office hours to all books, ledgers, accounts, correspondence, memoranda, and other records and documents in the possession of or under the control of such defendant relating to any matters contained in this Final Judgment; and

(2) Subject to the reasonable convenience of such defendant, and without restraint or interference from it to interview officers or employees of such defendant regarding any such matters.

Upon such written request, each defendant shall submit such reports in writing, under oath if so requested, to the Department of Justice with respect to any of the matters contained in this Final Judgment as may from time to time be requested.

No information obtained by the means provided in this Section X shall be divulged by any representative of the Department of Justice to any person, other than a duly authorized representative of the Executive Branch of plaintiff, except in the course of legal proceedings to which the United States of America is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

XI

[*Jurisdiction Retained*]

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or carrying out of this Final Judgment, for the modification of any of the provisions hereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.

SCHEDULE A

(1) Mellon Bank N. A.

- (2) Pittsburgh National Bank
- (3) Western Pennsylvania National Bank
- (4) The Union National Bank of Pittsburgh
- (5) The Federal Housing Authority (Pittsburgh Office)
- (6) The Veterans Administration (Pittsburgh Office)
- (7) The Home Builders Association of Metropolitan Pittsburgh