

Judge approves brokerage commission lawsuit settlement agreements

Settlements reached by Anywhere, RE/MAX and Keller Williams in the commission lawsuits were approved on Thursday

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After months of uncertainty, the real estate industry has a reason to celebrate, at least a little bit. Judge Stephen Bough has granted [final approval](#) to the [commission lawsuit](#) settlement agreements reached by **Anywhere**, **RE/MAX** and **Keller Williams** on Thursday.

As part of their settlement agreements, Anywhere, RE/MAX and Keller Williams have agreed to pay [\\$83.5 million](#), [\\$55 million](#) and [\\$70 million](#), respectively. In addition, the brokerage firms also agreed to [various policy changes](#) including provisions to no longer require agents to be members of the [National Association of Realtors](#) or follow [NAR's Code of Ethics](#) or the MLS Handbook, as well as practice changes, including that the firm will require or encourage agents to make it clear to clients that commissions are negotiable, that agents will have the freedom to set or negotiate commissions as they see fit, and that agents will not be required to make offers of compensation or accept offers of compensation from cooperating brokers.

The final approval of the settlements did not come without hiccups. According to court filings fewer than 60 settlement class members filed objections to the settlements with the court. Of the 27 million email notices and [10 million-plus postcard](#) notices sent out, nearly 200,000 claims have been filed and 61 class members have opted out of the settlement.

During Thursday's hearing, Judge Bough allowed four of the objecting parties to speak for five minutes each. These parties included **PulteGroup**, attorneys from law firm **Knie and Shealy** who are representing home seller plaintiffs in [a copycat suit in South Carolina](#), the **Spring Way Center**, an original home seller plaintiff in the [Pennsylvania copycat suit](#), and attorneys from **Korein Tillery LLC**, who represented James Mullis, a plaintiff in the [Batton home buyer commission lawsuit](#).

In [a filing in mid-April](#), homebuilder PulteGroup explained that certain "procedural factors" have impacted the company's decision to remain in the case's settlement classes. Additionally, the firm noted that it was unsure of the "magnitude" of its potential recovery, as well as the work that would be required to receive it, and whether the settlement will survive due process considerations are key questions that could determine the company's ongoing presence in the class.

"Because the deadline is here and Pulte has seen no answers to these questions, Pulte objects," the filing reads, adding that the parties involved have not made the information available.

"Pulte has not seen any information about class size, expected claim rate, or the claim administrator's evaluations in dividing up settlement funds," the filing reads. "Most of this information typically would be provided in a Plan of Allocation, a document routinely provided before the opt-out date."

The South Carolina objectors took a different tack and objected to some of the financial amounts of the settlement. In mid-April, attorneys for the objectors asked the court for permission to subpoena financial documents from Keller Williams "for the purpose of evaluating the objectors' positions regarding any continuing objection and further to help provide the court with valuable evidence in

ruling on whether to grant final approval of the proposed settlement entered into by and between Keller Williams Realty, Inc., and the Plaintiffs.”

The two parties have since gone back and forth, but the judge did not rule on their request for a subpoena.

In a document filed on Wednesday, the Spring Way Center, supported the South Carolina objector’s motion, writing that it was objecting to the “fairness and adequacy” of Anywhere’s settlement amount. Anywhere and the plaintiffs in the Sitzler/Burnett and Moehrl suit used the testimony of Karl Barth, Esquire to refute claims about the adequacy of Anywhere’s settlement amount made by the South Carolina objector’s expert, economist Charles Alford. In its filing, the Spring Way Center states that it believes Barth’s testimony is not appropriate because, although he has experience as a Certified Public Accountant, he is an attorney who has practiced at Hagens Berman Sobol Shapiro LLP, the firm representing the Moehrl plaintiffs, for over 20 years.

“It must be emphasized that Plaintiffs’ counsel could have engaged an outside forensic accountant if they believed it appropriate to do so—they clearly have made a substantial investment in experts in this litigation,” Spring Way’s filing states. “Their failure to engage an outside expert is therefore a tacit admission that an impartial expert would not be able to rebut Dr. Alford’s opinions.”

Finally, Mullis, who bought a home and sold a home, making him part of the settlement class, as well as a Batton plaintiff, filed his objection in mid-April, writing that the court should only approve the settlements “if the settling parties expressly carve out claims asserted in the *Batton* action from the definition of ‘Released Claims’ or otherwise clarify that the settlements do not release damages claims related to transactions in which class members purchased homes,” the filing states. “If not, the Court should reject the settlements as not fair and reasonable and as not providing adequate representation to class members who purchased homes.”

In addition to Mullis’ objection, the Batton 1 plaintiffs [filed a motion](#) for a temporary restraining order and preliminary injunction, on Wednesday. The motion sought to prevent Anywhere, Keller Williams and RE/MAX from filing a proposed order granting final approval of their settlement agreements.

The motion was filed in U.S. District Court in Chicago, as that is where the Batton 1 suit is being heard. On Wednesday afternoon, Judge Andrea R. Wood, who is overseeing the Batton suit as well as the Moehrl home seller [commission lawsuit](#), [said this request](#) was “neither necessary nor appropriate.”

In her order, Wood wrote that the plaintiffs’ “goal is to prevent the fairness hearing duly set by the Burnett court from going forward according to that court’s orders. Such extraordinary action would be inappropriate.”

In addition to RE/MAX, Anywhere and Keller Williams, NAR, [Douglas Elliman](#), [Realty One Group](#), [At World Properties](#), [Compass](#), [HomeServices of America](#) and [The Real Brokerage](#), have also reached settlement agreements. So far, the [NAR settlement](#) is the only one that has been granted [preliminary approval](#). Its final approval hearing is slated for Nov. 26, 2024.

“We are pleased to hear of the court’s final approval of our settlement,” Darryl Frost, a Keller Williams spokesperson, wrote in an email. “We will continue to focus on what we do best: empowering real estate entrepreneurs so they can deliver exceptional value to their clients.”

RE/MAX and Anywhere did not immediately return a request for comment.

This story is developing. Check back for updates.