Judge rejects homebuyer motion to block commission settlements

Plaintiffs in the commission suit known as Batton 1 had requested a temporary restraining order Wednesday to prevent final approval of the Keller Williams, Anywhere and RE/MAX settlements

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A judge has denied the last-minute request by homebuyer plaintiffs for a preliminary injunction to stop final approval of the nationwide commission lawsuit settlements hours after the request was made on Wednesday.

The homebuyer plaintiffs in the case known as Batton 1 filed the motion early Wednesday for a temporary restraining order and a preliminary injunction blocking the proposed settlements by Anywhere, RE/MAX and Keller Williams. They had said they feared they wouldn't be able to pursue their own claims if the judge approves the companies' proposed settlements as-is.

District Court Judge Andrea R. Wood denied the request, saying in her order that the homebuyer plaintiffs already have their opportunity to make their case during a final approval hearing in the homeseller case known as Sitzer | Burnett, which is scheduled for tomorrow in a Missouri court.

Wood wrote 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."

Wood added that the Wednesday request was "neither necessary nor appropriate."

In making the 11th hour request, the homebuyers in Batton 1 sought to ensure they could still pursue their case even if the judge overseeing the case filed by homesellers approves a growing list of proposed settlements. Wood said the plaintiffs could make that case on Thursday before Sitzer | Burnett Judge Stephen R. Bough.

Until now, the proposed settlements were widely understood to resolve claims brought by homesellers in the major commission-related suits known as Sitzer | Burnett and Moehrl as well as similar homeseller suits. The deals have received preliminary approval, and a hearing for their final approval is currently scheduled for Thursday in the U.S. District Court for the Western District of Missouri Western Division.

The Batton 1 plaintiffs filed the motion in Chicago's U.S. District Court for the Northern District of Illinois Eastern Division, where the case was originally filed in January 2021.

In their motion, the plaintiffs wrote that if Bough approves the settlements, it will "irreparably harm homebuyer Plaintiffs and putative class members who both bought and sold homes in two ways."

First, they wrote, "it improperly enjoins them from continuing to litigate their claims in this case before this Court," they wrote.

It also "releases their claims without additional compensation, let alone adequate notice and representation for the unique claims held by homebuyers," the motion reads.

Anywhere and RE/MAX reached the settlements at issue in today's motion in the fall, for \$83.5 million and \$55 million, respectively. Keller Williams settled on Feb. 1 for \$70 million.

Tomorrow's hearing will not consider NAR's proposed settlement of multiple commission cases nationwide. A final approval hearing for that deal is scheduled for Nov. 26.

At NAR's midyear conference, the Realtors Legislative Meetings, the 1.5-million member trade group's legal team has repeatedly told attendees this week, "In large class-action settlements like this one, objections and opt-outs are common, and the plaintiffs and NAR will handle them as they come."

In a statement provided to Inman, Michael Ketchmark, the lead attorney representing the homesellers who filed Sitzer | Burnett said he was "delighted" by Wood's ruling.

"We look forward to arguing for final approval tomorrow," he said.