

Michigan agents and brokers sue NAR due to antitrust settlement

The plaintiffs protest 'compulsory' Realtor membership to access the MLS after the removal of 'the guaranteed broker commission' from the MLS

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August 12, 2024

Two Michigan real estate brokers and an agent have filed a class-action antitrust lawsuit against national, state and local Realtor associations challenging the requirement that they belong to the trade groups in order to access the local multiple listing service.

The real estate professionals decided to file the suit after the National Association of Realtors came to a proposed settlement of multiple antitrust lawsuits, whose rule changes the pros say will harm agents, brokers and consumers.

On Aug. 12, Douglas Hardy, M.D., the broker-owner of Signature Sotheby's International Realty in Southeastern Michigan, which has about 100 agents and brokers; Glenn Champion, Esq., a primary broker for the same brokerage; and Dylan Tent, an agent with the same brokerage, filed [the complaint](#) on behalf of all agents and brokers in the state of Michigan who are required to be Realtors to access the MLS.

The suit, filed in the U.S. District Court for the Eastern District of Michigan, names NAR, the Michigan Association of Realtors, the Grosse Pointe Board of Realtors, the Greater Metropolitan Association of Realtors, the North Oakland County Board of Realtors, and Michigan's largest MLS, Realcomp II, as defendants.

The suit accuses them of civil conspiracy, economic coercion and unfair restraint of trade in violation of the federal Sherman Antitrust Act and the Michigan Antitrust Reform Act.

"Defendants mandate membership in their organizations in order to essentially hold hostage access to the MLS only allowing those entities and persons who pay membership fees access to same," the complaint says.

"In order to perpetuate the above scheme and continue to mandate the class members to comply with their membership requirements, Defendants use their overwhelming economic power and market dominance to coerce Plaintiffs[.]

"Defendants further wield their economic power and market dominance in a coercive manner by unilaterally refusing Plaintiffs such as the Sotheby Entities from opting out of membership. Defendants' extortionate conduct is made more effective by, and enforced through, their conspiracy."

The complaint makes clear that the Realtor membership requirement in order to access the MLS became particularly chafing after NAR's settlement.

NAR set an Aug. 17 deadline for MLSs to implement the deal's rule changes, including a prohibition on listing brokers making offers of compensation to buyer brokers on MLSs, sellers no longer being

required to offer buyer-broker compensation, and a requirement that brokers and agents sign [contracts with buyers](#) they are working with before a buyer tours a home.

“These claims are predicated in part on the recent settlement by the NAR of a national class action lawsuit which eliminated the broker’s compensation transparency for buyers and restrained sellers’ choice by prohibiting sellers from making offers of compensation through the MLS essentially inviting Brokers and agents to participate in deceptive compensation practices, a requirement which Plaintiffs neither agree with nor believe will benefit the consumers or their industry,” the complaint says.

“Further, these changes encourage discrimination among Sellers and Sellers’ agents which will negatively affect consumers, agents and brokers.”

The complaint alleges the defendants’ actions “have resulted in a loss of all Plaintiffs’ earning potential as a collective group, a detriment to their businesses as a whole, and a mandatory requirement that they belong to these associations which no longer results in a financial benefit to them.”

Specifically, the plaintiffs allege that the unilateral decision to do away with “the guaranteed broker commission” as part of the settlement “greatly diminished any value created by the compulsory membership requirement” promulgated by the defendants.

“This truly eliminated the sole purpose of the NAR and MAR sponsored MLS systems by eliminating the guarantee of compensation between brokers,” the complaint says.

“Further, while NAR and MLS have argued that the removal of this information is for the benefit of the consumer, Plaintiffs believe it is contrary thereto and invites side negotiations, disharmony among agents and brokers and confusion for the consuming public and even allows for individual and potentially discriminatory pricing per buyer which is a fair housing violation.

“In addition, the requirement of membership in the Defendant organizations constitutes a conspiracy to monopolize the use of the MLS and creates barriers to the market for all realtors, agents and brokers who seek to enter the market but who do not wish to belong to one of the Defendant organizations.”

According to the complaint, Realcomp II issued a policy change in July which made the NAR rule banning offers of compensation in the MLS effective as of July 16, a month earlier than NAR’s deadline.

“This decision essentially jeopardizes the agreed upon compensation for all pending transactions and will negatively affect those transactions,” the complaint says.

The plaintiffs said they contacted the defendants in early 2024 and then again in June and July to request they be allowed to use the MLS system without being Realtors or “[a]lternatively, Plaintiffs requested that they be allowed to drop their membership in these organizations altogether.”

Realcomp II, MAR, and the local associations all denied their request and said “membership in all three of these entities was mandatory without exception,” the complaint says. “This membership requirement is mandatory to access the MLS even though NAR allows access to non-Realtors.”

The complaint seeks to represent a class made up of all Michigan agents and brokers who are required to be members of NAR, MAR, the local Realtor associations, and/or who must use Realcomp II in order to access the MLS.

The complaint asks for a jury trial, damages, and attorney costs and fees.

Inman has reached out to NAR, the Michigan Association of Realtors, the Grosse Pointe Board of Realtors, the Greater Metropolitan Association of Realtors, the North Oakland County Board of Realtors, and Realcomp II for comment and will update this story if and when responses are received.

Read the complaint (re-load the page if document doesn't load):