

## MLS & Associations

### **Broker files multimillion-dollar suit over 'forced' NAR membership**

Maurice Muhammad alleges a 'monopoly' by NAR, the state Realtor association and the local MLS limits competition, inflates prices, and disproportionately affects minority brokers and agents.

by [Andrea V. Brambila](#), Inman News

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A Pennsylvania real estate broker is suing the National Association of Realtors, the state Realtor association and his local multiple listing service for \$5.6 million over the requirement that he become a Realtor in order to access the MLS.

On Oct. 16, Maurice Muhammad, broker of record for Progressive Realty in Allentown, filed a lawsuit against NAR, the Pennsylvania Association of Realtors and the Greater Lehigh Valley MLS (GLVMLS) “for violations of federal civil rights statutes, unlawful discriminatory practices, violations of federal antitrust laws, breach of contract, and for creating a monopolistic system that imposes forced membership.”

Muhammad filed the suit “pro se,” which means he is representing himself, in the U.S. District Court for Eastern Pennsylvania.

“The forced membership requirement imposed by NAR, PAR, and GLVMLS creates a coercive environment that disproportionately affects minority professionals who lack the financial resources to afford mandatory membership fees,” the complaint says.

“Defendants have used their monopoly over MLS services to prevent the creation of alternative trade organizations, thereby stifling competition and reinforcing their control over the real estate profession.”

Muhammad is not the only broker to object to the requirement many MLSs have that they join NAR in order to access the MLS. In August, two Michigan real estate brokers and an agent [filed a class-action antitrust lawsuit](#) against NAR, their state and local Realtor associations, and the state’s largest MLS, Realcomp II, challenging the requirement.

The Muhammad complaint also alleges NAR, PAR and GLVMLS discriminate against minority real estate professionals through “selective enforcement of professional rules, inequitable application of disciplinary measures, and the exclusion of minority professionals from leadership positions.”

“Defendants require real estate professionals to join NAR, PAR, and GLVMLS to conduct business, even though many minority members receive little to no benefit from such membership and face discrimination within these organizations,” the complaint adds.

Because the majority of leadership positions in the trade groups are occupied by “non-minority individuals,” the complaint alleges that the trade groups’ policies and rules “do not address the unique challenges faced by minority professionals” and concerns raised by Muhammad and other minority members “have been consistently ignored by Defendants, perpetuating a system of exclusion and discrimination.”

The complaint does not provide specific instances of this alleged discrimination, which Muhammad says he personally experienced, or of the concerns raised by minority members. It refers to a “report by Community Legal Services of Lehigh Valley (CLCV)” which allegedly “revealed systemic bias in how real estate transactions involving minority professionals and clients are handled,” but the report is not included in the complaint.

Inman has asked Muhammad for this information and will update this story if and when a response is received.

In an emailed statement, a NAR spokesperson told Inman, “NAR is an organization that represents a broad membership across the United States and deeply values diversity, equity and inclusion. We strongly advocate for fair housing practices and inclusive policies that enable home ownership, and our commitment extends to both the millions of consumers and the real estate professionals who work on their behalf.

“Concerning the recently filed pro se complaint, NAR has not yet been served but we will prepare a response to the allegations raised as appropriate.”

The suit alleges federal civil rights violations, breach of contract, violation of due process under the U.S. Constitution, and antitrust violations under the Sherman Act and Clayton Act.

“Defendants have violated federal antitrust laws, including the Sherman Act and Clayton Act, by maintaining a monopoly over MLS services and forcing real estate professionals into mandatory membership with NAR, PAR, and GLVM MLS, thereby unlawfully restraining trade,” the complaint says.

“These practices have limited competition, inflated prices, and prevented the emergence of alternative MLS providers, all to the detriment of both professionals and consumers.”

The complaint seeks a jury trial and asks the court for a permanent injunction to require the trade groups to change their processes “to ensure equitable treatment of all members and to eliminate forced membership requirements,” for an order mandating that the trade groups create “alternative MLS systems” that don’t require membership in NAR, PAR or GLVM MLS, for an order requiring the trade groups to restructure their governance for greater minority representation, for punitive damages and for compensatory damages of “no less than \$5,600,000,” among other items.

GLVM MLS declined to comment for this story, citing the advice of counsel. PAR also declined to comment, citing pending litigation.

Editor's note: This story has been updated with a comment from NAR;