Landmark NAR commission settlement faces first appeal

A day after the settlement received final approval from Judge Stephen Bough, an entity known as Spring Way Center along with several homesellers appealed the deal

by Jim Dalrymple II, Inman News December 02, 2024

The National Association of Realtors' landmark antitrust commission settlement only barely <u>just</u> received final approval last week, but already the deal is facing an appeal.

The appeal to the Eight Circuit Court of Appeals comes from Spring Way Center and others. The group filed notice of the appeal last Wednesday, one day after U.S. District Court Judge Stephen Bough gave his final rubber stamp to the settlement covering the Sitzer | Burnett case and other homeseller-initiated antitrust lawsuits.

News of the appeal was first reported by *HousingWire*.

Spring Way Center — which is a limited liability company once named as a plaintiff in a different homeseller suit — first objected to the Sitzer | Burnett settlement in October. At the time, the entity argued that the scope of the agreement was too large, the monetary compensation for consumers too small, and that the changes to industry business practices "are illusory," among other things.

Last Wednesday — the same day the Sitzer | Burnett settlement received final approval — Spring Way Center also filed a document with the court stating that it had adopted the arguments of Tanya Monestier, a law professor at the University of Buffalo who also <u>objected to the settlement</u>. Monestier raised numerous concerns, but her point essentially boiled down to the idea that consumers will not get anywhere near sufficient value from the settlement, either monetarily or through its required business practice changes, and it may actually leave them worse off.

Monestier ultimately described the settlement as "the worst of all possible worlds."

Spring Way Center also stated in its Wednesday filing that it was adopting the <u>objections of Knie</u> and Shealy, which represented homeseller-plaintiffs in a South Carolina suit <u>known as Burton</u>. Knie and Shealy objected to the settlement in October.

A day after the settlement received final approval last week, Monestier <u>predicted it would face an appeal</u>. Many other industry observers similarly anticipated an appeal following the settlement's final approval — meaning this latest legal development was not necessarily unexpected.

Joining Spring Way Center in appealing the final approval of the Sitzer | Burnett settlement are several individual homeseller-plaintiffs from other cases.

Though the appeal is only now just beginning, it highlights the fact that final approval of the NAR settlement has not put the issue of antitrust commission litigation to rest. Instead, legal wrangling — as well as attention from the U.S. Department of Justice — is likely to linger on for the foreseeable future. That's also true of other settlements, with homesellers previously appealing deals involving Keller Williams, Anywhere and RE/MAX.