



Case 2:24-cv-12102-JJCG-DRG ECF No. 1, PageID.1 Filed 08/12/24

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF MICHIGAN

DOUGLAS H. HARDY, M.D., GLENN CHAMPION, ESQ.
DYLAN TENT, ET AL, As Representatives of a
Class of Real Estate Brokers and Agents,
PLAINTIFFS,

CASE NO.

v.

NATIONAL ASSOCIATION OF REALTORS,
MICHIGAN ASSOCIATION OF REALTORS,
THE GROSSE POINTE BOARD OF REALTORS,
GREATER METROPOLITAN ASSOCIATION OF
REALTORS, NORTH OAKLAND COUNTY BOARD
OF REALTORS AND REALCOMP II,
DEFENDANTS.

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CLASS ACTION COMPLAINT¹

PLAINTIFFS, Douglas H, Hardy, M.D., Glenn Champion, Esq., Dylan Tent, et al., allege as follows:

PRELIMINARY STATEMENT

This class action complaint is being filed challenging the requirement that all Realtors and brokers in the State of Michigan be members of the National Association of Realtors (NAR), the Michigan Association of Realtors (MAR), and a local Board of Realtors such as The Grosse Pointe Board of Realtors (GPBOR), The Greater Metropolitan Association of Realtors (GMAR), and/or The North Oakland County Board of

¹ Paragraph numbers correspond to the Paragraph numbering in the complete legal filing of the complaint whose link appears separately on this page.

Realtors (NOCBOR) to access the Multiple Listing Service, the “MLS.” RealComp II is the software company that manages the MLS and regulates the use of the MLS by brokers and agents. The Plaintiffs also challenge the compulsory membership in these associations upon what is essentially a violation of the Anti-Trust laws, Economic Coercion, Unfair Restraint on Trade and Conspiracy. 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. Further, these changes encourage discrimination among Sellers and Sellers’ agents which will negatively affect consumers, agents, and brokers.

NATURE OF THE CASE

1. The Individual Plaintiffs (hereinafter referred to as Plaintiffs) bring this action on behalf of themselves and a class of similarly situated Real Estate Brokers and Agents seeking to redress the wrongful acts of the Defendants which 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.
2. The compulsory nature of membership in the Defendants organizations in order to access the MLS is a violation of their ability to conduct business in a fair and unencumbered manner which has resulted and will continue to result in them incurring damages.
7. All of the Plaintiffs are real estate professionals who hold valid Real Estate Licenses in the State of Michigan and who, in order to use the MLS, must be members of NAR, MAR, and local organizations such as GPBOR, GMAR, and NOCBOR.
14. The Plaintiffs are Real Estate Brokers, and Agents all licensed as realtors in the State of Michigan and are all engaged in the sale of primarily residential real property.
15. The Plaintiffs are all compulsory members of the Defendant organizations. In early 2024, Plaintiffs initially contacted Defendants and requested that they be allowed to use the MLS system without being members. Alternatively, Plaintiffs requested that they be allowed to drop their membership in these organizations altogether. These requests were echoed and repeated in June and July 2024.
16. Real Comp II, MAR, and the local Boards all responded to the Plaintiffs’ inquiry uniformly denying this request and reiterating that membership in all three of these entities was mandatory without exception. This membership requirement is mandatory to access the MLS even though NAR allows access to non-Realtors.
17. Defendants mandate membership in their organizations which is akin to mandating membership in a union or other trade organization depriving the members of free choice. Additionally, the Defendants charge significant membership fees which Plaintiffs have paid in the past and

continue to pay today.

18. Up until recently, as a part of being a member in the Defendant organizations, Plaintiffs were provided with a guarantee of commission pursuant to the Broker Fee component of the MLS.

19. In November 2023, Defendant NAR agreed to settle several class action lawsuits, (the Sitzler Burnett Class Action) and as a part of those settlements, agreed to do away with the guaranteed broker commission. Pursuant to the settlement, NAR propagated a new MLS rule which prohibited offers of compensation being listed on the MLS.

20. This decision, made largely without any input by the Defendants members, greatly diminished any value created by the compulsory membership requirement in their organizations as there is now no guarantee of broker commission associated with using the MLS. This truly eliminated the sole purpose of the NAR and MAR sponsored MLS systems by eliminating the guarantee of compensation between brokers. 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.

21. 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.

22. Further, the Settlement of NAR's Class Action lawsuits and the removal of the compensation guarantee for Brokers results in a lack of transparency for Buyers and Sellers in terms of commission compensation and invites deceptive practices which have and will continue to adversely affect Plaintiffs. This is contrary to the original intent of the Sitzler Burnett Class Action lawsuit.

COUNT ONE
RESTRAINT OF TRADE AND ANTI-TRUST VIOLATIONS
VIOLATION OF THE MICHIGAN ANTI-TRUST REFORM ACT

COUNT II
RESTRAINT OF TRADE AND ANTI-TRUST VIOLATIONS
15 USC SECTIONS 1-38

COUNT III
CIVIL CONSPIRACY

COUNT IV
ECONOMIC COERCION