

# REALTOR MAGAZINE



REALTOR® Magazine

Real Estate News

## RE/MAX Settles Claims in Compensation Lawsuits

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Legal, MLS & Online Listings

By: Melissa Dittmann Tracey



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The brokerage reportedly will pay \$55 million and implement changes to its business practices as part of the settlement.



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Feedback

A second defendant in the two class-action lawsuits challenging real estate compensation fees reportedly has reached a settlement with the plaintiffs. RE/MAX, one of several large brokerages named in the suits, known as the Sitzer/Burnett and Moehrl cases, agreed to pay \$55 million to resolve all claims against the company. The news comes two weeks after another defendant, Anywhere Real Estate, formerly known as Realogy Holdings Corp., settled for \$83.5 million.

The National Association of REALTORS®, also named in the lawsuits, has said it plans to [continue arguing its case](#) for pro-consumer, pro-competitive [local MLS broker marketplaces](#), which enable listing brokers and their clients to determine the amount of compensation offered to a buyer's agent in connection with MLS listings.

RE/MAX has denied the allegations against it but told media outlets that the company agreed to settle in order to remove uncertainty from the ongoing lawsuits. Under the proposed settlement, which still requires court approval, RE/MAX says it also will commit to changes to its business practices. Anywhere, the parent company of Coldwell Banker, Century21, Sotheby's International Realty and Corcoran, also agreed to changes to its business practices.

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**For more resources and information on how local broker marketplaces support home buyers and sellers everywhere, check out [competition.realtor](#) for infographics, articles and more.**

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NAR said in a statement that it is not dissuaded from its argument: "Settlement is always an option for any party in litigation. The recent settlements do not change how the case is presented to the court or NAR's commitment to defend ourselves. We are confident we will prevail in proving the lawfulness of the rules under attack. Pro-competitive, pro-consumer local MLS broker marketplaces ensure equity, efficiency, transparency and market-driven pricing options for home buyers and sellers. The practice of the listing broker paying the buyer broker's compensation saves sellers time and money by having so many buyer brokers participating in that local marketplace and thus creates a larger pool of buyers for sellers.

For buyers, these marketplaces save them the burden of extra costs at closing, enable them to receive professional representation and make homeownership possible for more people.”

The lawsuits claim that NAR rules violate antitrust laws and inflate the fees paid to buyer’s agents by requiring a listing agent to compensate a buyer’s agent for listing a property on the MLS. NAR argues that the lawsuits misrepresent association rules as anticompetitive. The rules direct listing brokers to determine, in consultation with their clients, the amount of compensation offered to a buyer’s agent in connection with their MLS listings. Further, NAR says buyer’s agents are free to negotiate compensation with the listing broker that is different from what appears in the MLS. Neither NAR nor the MLS has any say in setting broker commissions.

NAR encourages members to use [buyer representation agreements](#), which should be clear, understandable and done in writing. It’s imperative for REALTORS® to continue explaining that commissions are set between brokers and their clients and reminding consumers of all the ways REALTORS® help them navigate the legal, community and financial aspects of buying and selling a home.

“In fact, the U.S. model of independent, local broker marketplaces is widely considered the best value and most efficient model in the world, with no hidden or extra costs and with more complete, verified information compared to other countries. We look forward to arguing our case in court,” NAR’s statement read.



## Melissa Dittmann Tracey

Melissa Dittmann Tracey is a contributing editor for REALTOR® Magazine, editor of the [Styled, Staged & Sold](#) blog, and produces a segment called "Hot or Not?" in home design that airs on NAR’s Real Estate Today radio show. Follow Melissa on Instagram and Twitter at [@housingmuse](#).



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