

US judge grapples with tangle of antitrust suits over real estate broker fees after predecessor's recusal

8 Oct 2024 | 23:18 GMT | **Insight** By <u>Chris May</u> and <u>Clayton Vickers</u>

An Illinois federal judge new to the bench is grappling with a tangle of US antitrust litigation against the National Association of Realtors and major national real estate brokerages that dropped into her lap, while a controversial multi-billion dollar settlement involving the same players awaits final approval in a separate case in Missouri.

An Illinois federal judge new to the bench is grappling with a tangle of US antitrust litigation against the National Association of Realtors and major national real estate brokerages that dropped into her lap while a controversial multibillion dollar settlement involving the same players awaits final approval in a separate case in Missouri.

In September, US Judge Andrea Wood of the Northern District of Illinois recused herself after five years of handling antitrust suits brought by home buyers against NAR and real estate brokerages, citing a familial tie to the defense that required her leave (see <u>here</u>).

One of those cases coalesced with a consolidated class action complaint filed by home sellers in 2019, alleging NAR and the four largest national real estate broker franchisors — Realogy Holdings, HomeServices of America, RE/MAX Holdings, and Keller Williams Realty — violated federal antitrust law by conspiring to require sellers to pay the inflated commissions that included payment for home buyers' brokers (see <u>here</u>).

The same year, home sellers in Missouri filed a similar suit, which resulted in a settlement for \$418 million in payments and rule changes with NAR and others that staved off \$5.4 billion in potential damages awarded by a blockbuster jury verdict in October 2023 (see <u>here</u> and <u>here</u>). That agreement is set for a final approval hearing Nov. 26 before US District Judge Stephen Bough.

During a teleconference hearing today, US District Judge LoShonda Hunt repeatedly enlisted assistance from the parties to help her "wrap her arms around" additional litigation newly before here that is linked to the Missouri case.

"What is the point of having all of these cases being litigated? There's one that's already been litigated in Missouri, and now there are two here in Illinois," Hunt said.

Those two cases, dubbed Batton I and Batton II, differed from other litigation brought by home sellers across the country because the claims came from home buyers, Compass, Inc. attorney Daniel Sasse said.

While the home seller plaintiffs in the Illinois case signed on to NAR settlement in Missouri, home buyer plaintiffs are appealing an earlier set of settlements approved by Bough between class plaintiffs and Anywhere, RE/MAX and Keller Williams, Sasse said.

The parties are asking Hunt to temporarily pause proceedings pending the resolution of the appeal (see here).

Hunt was appointed to the bench in 2023, and was frank with the parties about the challenge that a five-year case history poses for her assignment to the case.

Hunt also deflected an attempt during today's hearing to raise issues involving discovery. "I do not oversee my own discovery," she said, adding that she currently has "more than enough on my plate as a new judge."

"I would rather focus my time and effort on getting through the pending motions that the parties have before me, as opposed to digging into discovery disputes... although in some cases, it might be helpful for me to be the one who is overseeing discovery, so that I keep a hand in it and I understand what is going on in the case and how it is developing," Hunt said.

Though her typical practice would be to refer the cases to a magistrate judge so she could focus on substantive matters, Hunt said that she'd keep the cases on her docket for now. The parties could expect to follow previously-set schedules.



"Let's not recreate the wheel if it's available and it can be used," Hunt said.

Please e-mail editors@mlex.com to contact the editorial staff regarding this story, or to submit the names of lawyers and advisers.

Related Portfolio(s):

Antitrust litigation - Moehrl - National Association of Realtors et al

Areas of Interest: Antitrust Industries: Consumer Products, Professional Services Geographies: North America, United States