

FAQ on Sitzer/Burnett Case

1. What's the background on the Sitzer/Burnett case?

Three years ago, NAR and four corporate defendants were sued in class action lawsuits filed in Illinois and then Missouri alleging that home sellers are damaged when their listing broker offers to compensate the buyers' representative. The lawsuits falsely allege that various NAR rules and our members' adherence to those rules have led to artificially fixed and inflated commissions being paid to real estate professionals.

2. What's NAR's position?

The pro-competitive, pro-consumer local broker marketplaces serve the best interests of buyers and sellers. Sellers making offers of compensation to buyer brokers gives first-time, low/middle-income and all homebuyers a better shot at affording a home and professional representation. As you know, the free market organically establishes commission costs within local real estate markets based on service, consumer preference and what the market can bear.

3. Where does the case stand now?

In April, a federal judge in Missouri granted class certification in the case, but this in no way reflects on the actual or perceived merits of their claims. The ruling was procedural in what is yet to be a lengthy process and now allows others who have allegedly been affected to join the litigation as plaintiffs. As is common and expected, class action attorneys now (as of June 10) begin to notify members of the class of their right to opt out of the class via direct mail, advertising and press stories, even before the validity of the case has been decided.

4. Who is in the class?

Generally speaking, consumers who used a real estate broker or agent to sell a home between April 29, 2014, or later in Missouri (April 29, 2015 or later in Illinois or Kansas). Sellers must have listed their home for sale on one of the following MLS's: Heartland MLS, MARIS MLS, Columbia Board of Realtors MLS, or Southern Missouri Regional MLS. Most of which are in Columbia, MO; Kansas City, Springfield, MO; or St. Louis and used an agent from Keller Williams, RE/MAX, Realogy (under its brands Coldwell Banker, Century 21, Sotheby's, or Better Homes and Gardens) or HomeServices of America (under its brands ReeceNichols or Berkshire Hathaway).

5. Should members/NAR be concerned about this class action lawsuit?

We expect the class action to gain some attention and its possible current and/or former clients may reach out for more information. It is important to recognize these promotional actions by the plaintiffs are expected, and we are more than ready to defend ourselves from these baseless claims and expect to win. You can also direct consumers with questions about the Sitzer/Burnett case to www.realestatecommissionfacts.com.

6. What is NAR doing to combat the class action attorneys' communications?

We continue to maintain engagement with the media and key stakeholders, including stories about REALTORS® as experts, updates to the competition.realtor website where third parties look, engagement with third parties and getting our point of view in various stories that run in media.

7. What can members do?

We highly encourage the continued use of [Buyer Representation Agreements](#) in order to formalize a working relationship with clients and detail what services consumers are entitled to and what the buyer agent expects from their client in return. We also encourage members to remind clients that commissions are negotiable at any point in the transaction.