

Wisconsin Realtor Assn Sued for \$15 Million for Tying MLS to Memberships

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Contact: David Barry, San Francisco: 415.398.6600

MADISON, WISCONSIN – The Realtors Association of South Central Wisconsin, Inc. and its separate MLS corporation have been sued for up to \$15 million by realtor Jay Reifert, who claims he was illegally forced to pay dues to the Realtors Association of South Central Wisconsin, the Wisconsin Realtors Assn., and the National Assn of Realtors. The class action suit was filed Dec. 21, 2004, in the federal district court in Madison, Wisconsin. The suit seeks \$5,000 for each member of the class.

The suit complains of a practice called “tying,” by which Wisconsin realtor associations force real estate agents to purchase memberships in their trade associations in order to purchase access to multiple listing service (MLS) services. The MLS is a database of homes for sale.

The complaint cites the 1991 *Thompson* federal appeals court decision which held that a realtor association that had monopoly power over its MLS could not force real estate agents to purchase memberships in the trade association as a condition of gaining access to the MLS.

The suit seeks an injunction ordering the South Central Wisconsin MLS Corporation to sell MLS services without requiring MLS users to purchase trade association memberships.

The class action suit cites five other states where courts have declared it illegal to tie the sale of trade association services to the sale of the MLS.

The suit names nine directors of the South Central Wisconsin MLS Corp., making each one potentially liable for the requested \$15 million judgment.

David Barry, of Barry & Associates, and Steven Finley, of Finley & Deaton, in San Francisco, represent the plaintiff. This is the fourth case in the Open MLS Project involving suits to end the practice of tying sale of essential services to forced realtor association memberships. The other cases are pending in federal courts in Northern Kentucky, Spokane, Washington, and Sarasota, Florida. None of those has reached trial.

Contact: David Barry 415.398.6600

Jay Reifert 608.273.8841

The complaint can be viewed at: <http://www.real-reform.org/classactionrascw1.pdf>

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