



Message from the CEO

Lawsuit Judgement Update

By now I am sure you have all heard about the jury returning a verdict against NAR and the corporate defendants in the Sitzer/Burnett lawsuit. The jury has awarded the plaintiffs \$1.785 billion in damages, with this amount being tripled based on the antitrust statutes to \$5.356 billion. In addition to monetary damages, plaintiffs have also requested that the court issue an injunction against NAR regarding the Commission Sharing Rules. The court has not yet ruled on the injunction.

Of significant impact to CRMLS will be any injunction that dictates the way commission sharing is handled within NAR affiliated MLS'. The judge has a wide range of discretion on when and how he implements the injunction. The court can decide to issue the injunction on his own order based upon the testimony and evidence that he heard during the trial. If he chooses this course, we may see an injunction soon. Additionally, the court also has the option to schedule an evidentiary hearing so that he can hear from the various parties involved as to their recommendations and suggestions for appropriate injunctive relief. That process could take a week or two.

There is no question that NAR and potentially some of the corporate defendants plan on filing an appeal objecting to some of the court's rulings throughout the handling of the trial and the case in general. Please note that within the next 30 days the court will hold a bond hearing to determine the amount of money that NAR will be required to post with the court to stay the execution of the judgment as it relates to the monetary damages owed to the plaintiffs. It will be the judge's goal to set a dollar amount that is high enough to protect the interests of the winning plaintiffs, while at the same time establishing a bond amount that NAR can pay hopefully without filing for bankruptcy. Traditionally, the first 30 days after an adverse judgment is also the most likely time for a case like this to settle.

Additionally, please be aware that I have already been advised that there are several copycat cases which will be filed either today or tomorrow. I have no information about any of these cases taking place in California. The defendants named in a class action case that I anticipate being filed either today or tomorrow include Compass, eXp World Holdings, Redfin, Weichert Realtors, United Real Estate, Howard Hanna Real Estate and Douglas Elliman. It is clear that the plaintiff lawyer of this successful case now intends to bring the same action against brokers

directly. I have not seen a case naming an MLS yet, but that would certainly not surprise anyone at this stage of the process.

We will continue to bring you additional information as it becomes available.

Art Carter
CEO, CRMLS



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