

Hi all,

I'm writing to share an additional update with you regarding the motion for preliminary approval in the settlement.

We shared with you over the weekend that the Plaintiffs' counsel filed a Motion for Preliminary Approval of this agreement with the federal court in the Western District of Missouri.

Today, Judge Bough granted that motion which means that as of today, the settlement agreement is preliminarily approved. Settlement class members are now enjoined from filing complaints or prosecuting any claims based on the type of conduct at issue in Sitzer-Burnett and the other settled Actions on behalf of home sellers related to broker commissions against NAR or other parties that are released under the settlement.

Two important reminders:

- **Individual NAR members and their brokerages with 2022 total transaction volume for residential home sales below \$2 billion do not need to take any action to be covered by the settlement.**
- **The following entities that choose to be covered by the settlement must execute the relevant affidavit by June 18, 2024:**

REALTOR® MLSs – which are MLSs wholly owned by REALTOR® associations. (See [Appendix B](#))

Brokerages with 2022 total transaction volume for residential home sales in excess of \$2 billion (see [Appendix C](#))

Non-REALTOR® MLSs – which are MLSs that are not wholly owned by REALTOR® associations (see [Appendix D](#))

Please see the FAQs below for more information and contact Mike Rohde at mrohde@nar.realtor with any questions about completing an opt-in agreement.

The settlement is still subject to final court approval, and plaintiffs have requested a hearing on final approval of the settlement to be held on November 26, 2024. For a more comprehensive view of what's ahead, please see an estimated timeline [here](#).

As always, if you have any questions, please don't hesitate to reach out to me or my team.

Best regards,

Katie

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1. **Does this mean that the settlement is now fully approved?**

- No. Today's order granted preliminary approval of the settlement. The settlement is still subject to final court approval, and we expect a motion for final approval to be filed at the end of this year.

2. **What does preliminary approval mean for pending or potential copycat cases?**

- Class members are now temporarily enjoined from filing, commencing, prosecuting, intervening in, or pursuing as a plaintiff or class member any claims against NAR or any released party. This prohibition applies to any and all claims, regardless of the cause of action, arising from or relating to conduct that was alleged or could have been alleged in the *Sitzer-Burnett* and the other settled Actions based on any or all of the same factual predicates for the claims alleged in those Actions.
- NAR will move to have litigation about the MLS cooperative compensation Model Rule stayed, or paused, as to NAR pending the settlement approval process.

3. **Do individual NAR members need to take any action in order to be covered by the settlement agreement?**

- No. If you are an NAR member as of the date of the class notice, you are covered by the settlement unless:
 - You are an employee of: At World Properties, LLC; Douglas Elliman, Inc.; Douglas Elliman Realty, LLC; eXp Realty, LLC; eXp World Holdings, Inc.; Hanna Holdings, Inc.; HomeSmart International, LLC; Howard Hanna Real Estate Services; Realty ONE Group, Inc.; Redfin Corporation; United Real Estate; or Weichert, Realtors® OR
 - You are associated with HomeServices of America or one of its affiliates.
- The date of the class notice has not been set, but it will be sent no earlier than August 17, 2024.

4. **Which entities need to take action in order to be covered by the settlement agreement?**

- All REALTOR® MLSs, brokerages with 2022 total transaction volume for residential home sales in excess of \$2 billion, and non-REALTOR® MLSs who want to be covered by the settlement must take action. The deadline to execute the relevant appendices to be released under the settlement is **June 18, 2024**.
 - REALTOR® MLSs: In order to be released under the settlement agreement, all MLSs wholly owned by REALTOR® associations must agree to and execute Appendix B - REALTOR® MLS "Opt In" Agreement and return it to the email

addresses realtorsoptin@jndla.com, realtorsoptin@cohenmilstein.com, and nargovernance@nar.realtor.

- Brokerages with 2022 total transaction volume for residential home sales in excess of \$2 billion: In order to be released under the settlement, eligible brokerages must agree to and execute Appendix C – Brokerage "Opt In" Agreement and return it - along with the required documentation and indication noted in paragraph 20 of Appendix C - to the email addresses realtorsoptin@jndla.com, realtorsoptin@cohenmilstein.com, and nargovernance@nar.realtor.
- Non-REALTOR® MLSs: In order to be released under the settlement, MLSs not wholly owned by REALTOR® associations must agree to and execute Appendix D – Non-REALTOR® MLS "Opt In" Agreement and return it - along with the required indication noted in paragraph 20 of Appendix D - to the email addresses realtorsoptin@jndla.com, realtorsoptin@cohenmilstein.com, and nargovernance@nar.realtor.
- For questions about completing an opt-in agreement, please contact Mike Rohde at mrohde@nar.realtor.
- If you are not part of the above groups, then you do not need to take action based on today's order.

5. What happens next?

- The settlement is subject to final court approval, and we expect a motion for final approval of the settlement to be filed at the end of this year.
- The practice changes set forth in the settlement agreement are slated to take effect in late July of this year, and class notice will take place no earlier than August 17, 2024.

Katie Johnson

Chief Legal Officer and Chief Member Experience Officer | Member Experience, Engagement and Legal Affairs

NATIONAL ASSOCIATION OF REALTORS® | Chicago, IL

Office: 312.329.8372
