

Compass Settles Gibson vs. NAR and Umpa vs. NAR Lawsuits

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Compass is the fifth real estate entity to settle, bringing the industry-wide settlement cost up to \$684 million. NAR proposed a \$418 million settlement just last week. Both Anywhere and RE/MAX have settled for \$55 million and 85.5 million. Keller Williams also filed a settlement of \$70 million in February.

Compass is a defendant in several anti-trust commission lawsuits, including Gibson vs. NAR, which covers the entire United States.

Gibson v. NAR - The Mother of All Commission Lawsuits

1. Compass will pay \$57.5 million dollars to the plaintiffs.
2. 50% of this amount will be paid within 30 days of the court's preliminary approval.
3. The remaining 50% will be paid within a year of the court's preliminary approval.

Compass will remind its owned brokerages and agents that Compass has no rule requiring agents to make or accept commission offers.

1. Agents must clearly disclose to clients that commissions are fully negotiable and not set by law.
2. Agents and brokerages can't claim their services are offered for free.
3. Agents and brokerages cannot use any means or technology to sort listings based on commission offers unless requested by the client.
4. Agents and brokerages are obligated to show properties regardless of the compensation offered if the property meets the buyer's requirements.

Compass will also provide training materials to ensure the changes provided by this injunctive relief are implemented effectively.

Impact of the Settlement

Compass mentioned in its filing that the settlement will not have a material impact on its future operations.

If the settlement is approved, it will resolve all claims in Gibson, Umpa, and other lawsuits that were filed on behalf of home sellers. It will release the company, its subsidiaries, and agents from these claims.

Compass expects the preliminary and final approval for the settlement to come in the second quarter of 2024.

[Missed out on the commission lawsuit drama? Watch these!](#)

[Sitzer/Burnett v. NAR: The Second Bombshell Lawsuit that Could End Buyer Agent Commissions](#)

[Nosalek vs. MLS PIN: The Department of Justice Intervenes](#)