

## For Leaders

### What does the Sitzer-Burnett trial outcome mean for KWRI and our industry?

- Our day-to-day operations are unaffected. Everyone should stay the course and do the work that's made us great. The fight is far from over.
- We are disappointed that before the jury decided this case, the court did not allow them to hear crucial evidence that cooperative compensation is permitted under Missouri law. We believe the trial was unfair.
- We followed the law regarding cooperative compensation and stood by the evidence presented on the 100-year-old practice of sellers' agents offering commissions to other agents. This is not the end.
- Looking forward, we will consider all options as we assess the verdict and trial record and work toward our appeal.

### What does this verdict mean to employees?

- We still have a job to do, a business to run, and our market centers on agents to serve.

### We are one of several defendants. What does this verdict mean to those who settled?

- The jury found that Anywhere and RE/MAX were part of the alleged conspiracy. Their contribution to the damages award is fixed by their settlements.

### What financial impact will this outcome have on us?

- Our legal teams are working as we speak on avenues for appeal, which takes time. Ongoing court actions will determine what, if anything, is eventually paid. NAR plans to ask the court to reduce the damages awarded by the jury.

### Should we believe what we are reading in the news?

- We released a statement saying: We disagree with the verdict but respect the jurors who decided the case based on the issues in front of them. We are disappointed that before the jury decided this case, the court did not allow them to hear crucial evidence that cooperative compensation is permitted under Missouri law. This is not the end. We followed the law regarding cooperative compensation and stand by the evidence presented on the 100-year-old practice of sellers' agents offering commissions to other agents who help market and sell homes. Looking forward, we will consider all options as we assess the verdict and trial record, including avenues of appeal.

### Is the practice of offering commissions to buyers' agents (aka cooperative compensation rule) going to change regardless of the jury's verdict?

- Listing agents will still likely offer commissions to buyers' agents because it has been proven over decades to benefit both buyers and sellers.



## **What does this mean for cooperative compensation between agents?**

- Agents are free to run their businesses, including deciding what to charge for their services and negotiating commissions with their clients. This ruling does not change that. Listing agents can still offer commissions to buyers' agents and continue to build great careers in real estate.

## **What are the expected outcomes if cooperative compensation becomes optional for listing a home?**

- Even if the cooperative compensation rule becomes optional, it is anticipated that listing agents will continue offering commissions at their discretion to buyers' agents because it helps both sellers and buyers.

## For agents:

### What does the outcome mean for agents?

- Every buyer and every seller benefits from having a real estate agent. The value of agents is the lifeblood of our company. So much so that we are the place where these entrepreneurs thrive, and we never have, and we never will tell agents and business owners what to charge. It's up to agents to decide what to charge for their services and how to run their businesses. This will never change.

### What is cooperative compensation?

- Cooperative compensation refers to the practice of listing agents offering to share part of their commissions with buyers' agents who bring a willing and able buyer to the table. The practice benefits both sellers and buyers.

### How will you support agents through this time?

- Nothing changes right now. Our ecosystem and mission is "Where Entrepreneurs Thrive." We support the independence of agents in making decisions for their business and consulting with their clients to negotiate their commissions, including offering to share commissions with buyers' agents.

### How do we advocate for fairness in the industry?

- We are dedicated to fighting for what is fair for consumers and our Keller Williams independent agents. Nothing is more important than agents being transparent with their clients so there is a level playing field for all involved to make informed decisions.

### Can I still give cooperative compensation?

- Yes, you can continue to offer cooperative compensation to buyers' agents. You are still free to negotiate your commissions and decide with your client whether to offer cooperative compensation.

### Could the rule eventually be eliminated from all MLSs affiliated with NAR?

- We don't know if and when that would happen. Some MLSs have modified their rules to permit listing agents to offer \$0 to buyers' agents.

### Will the verdict change agents' expectations for doing business?

- While it's possible listing agents in the future may no longer be mandated to offer cooperative compensation to list a home on an MLS, it is anticipated that most listing agents and their clients would still choose to offer cooperative compensation to buyers' agents.

### How will agents continue to make money?

- Your value as an agent is how you continue to make a great livelihood. You still have businesses to run.