

UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION

JASON GOLDMAN; JEFFREY WEAVER;  
BILLIE JO WHITE; NANCY ALEXANDER;  
BRANDON WATTERS; PRISCILLA  
PARKER and PATRICK PARKER; BARRY  
AMAR-HOOVER; JOSHUA KABISCH;  
MEGHAN CHERRY; SELENA VINCIN; and  
MAYA HAYNES, Individually and on Behalf  
of All Others Similarly Situated,

Plaintiffs,

v.

REALPAGE, INC.; THOMA BRAVO FUND  
XIII, L.P.; THOMA BRAVO FUND XIV, L.P.;  
THOMA BRAVO L.P.; APARTMENT  
INCOME REIT CORP., d/b/a AIR  
COMMUNITIES; ALLIED ORION GROUP,  
LLC; APARTMENT MANAGEMENT  
CONSULTANTS, LLC; AVENUE5  
RESIDENTIAL, LLC; BELL PARTNERS,  
INC.; BH MANAGEMENT SERVICES, LLC;  
BOZZUTO MANAGEMENT COMPANY;  
BROOKFIELD PROPERTIES  
MULTIFAMILY LLC; CAMDEN PROPERTY  
TRUST; CH REAL ESTATE SERVICES, LLC;  
CONAM MANAGEMENT CORPORATION;  
CONTI TEXAS ORGANIZATION, INC.  
D/B/A CONTI CAPITAL; CORTLAND  
MANAGEMENT, LLC; CWS APARTMENT  
HOMES LLC; DAYRISE RESIDENTIAL,  
LLC; ECI GROUP, INC.; EQUITY  
RESIDENTIAL; ESSEX PROPERTY TRUST,  
INC.; FIRST COMMUNITIES  
MANAGEMENT, INC.; FPI MANAGEMENT,  
INC.; GREYSTAR MANAGEMENT  
SERVICES, LLC; HIGHMARK  
RESIDENTIAL, LLC; INDEPENDENCE  
REALTY TRUST, INC.; KAIROI  
MANAGEMENT, LLC; KNIGHTVEST  
RESIDENTIAL; LANTOWER LUXURY  
LIVING, LLC; LINCOLN PROPERTY

Case No. **3:23-md-03071**

MDL No. 3071

Chief Judge Waverly D. Crenshaw, Jr.

**JURY TRIAL DEMANDED**

COMPANY; MID-AMERICA COMMUNITIES, INC.; MID-AMERICA APARTMENTS, L.P.; MISSION ROCK RESIDENTIAL, LLC; MORGAN PROPERTIES MANAGEMENT COMPANY, LLC; PINNACLE PROPERTY MANAGEMENT SERVICES, LLC; PROMETHEUS REAL ESTATE GROUP, INC.; THE RELATED COMPANIES, L.P.; RELATED MANAGEMENT COMPANY L.P.; ROSE ASSOCIATES, INC.; RPM LIVING, LLC; SARES REGIS GROUP COMMERCIAL, INC.; SECURITY PROPERTIES RESIDENTIAL, LLC; SHERMAN ASSOCIATES, INC.; SIMPSON PROPERTY GROUP, LLC; THRIVE COMMUNITIES MANAGEMENT, LLC; CROW HOLDINGS, LP; TRAMMELL CROW RESIDENTIAL COMPANY; UDR, INC.; WINDSOR PROPERTY MANAGEMENT COMPANY; WINNCOMPANIES LLC; WINNRESIDENTIAL MANAGER CORP.; AND ZRS MANAGEMENT, LLC.

Defendants.

## **SECOND AMENDED CONSOLIDATED CLASS ACTION COMPLAINT**

Plaintiffs Jason Goldman, Jeffrey Weaver, Billie Jo White, Nancy Alexander, Brandon Watters, Priscilla Parker and Patrick Parker, Barry Amar-Hoover, Joshua Kabisch, Meghan Cherry, Selena Vincin, and Maya Haynes, individually and on behalf of all others similarly situated (the “Class,” as defined below), upon personal knowledge as to the facts pertaining to themselves and upon information and belief as to all other matters, and upon the investigation of counsel, bring this class action complaint to recover treble damages, injunctive relief, and other relief as appropriate, based on violations of federal antitrust laws and state laws against Defendants RealPage, Inc., Thoma Bravo Fund XIII, L.P., Thoma Bravo Fund XIV, L.P., and Thoma Bravo

L.P. (collectively, “RealPage”); Apartment Management Consultants, LLC; Avenue5 Residential, LLC; Bozzuto Management Company; First Communities Management, Inc.; FPI Management, Inc.; Highmark Residential, LLC; Mission Rock Residential, LLC; Thrive Communities Management, LLC; and ZRS Management, LLC (collectively the “Managing Defendants”); Apartment Income REIT Corp., d/b/a Air Communities; Allied Orion Group, LLC; Bell Partners, Inc.; BH Management Services, LLC; Brookfield Properties Multifamily LLC; Camden Property Trust; CH Real Estate Services, LLC; CONAM Management Corporation; Cortland Management, LLC; CWS Apartment Homes LLC; Dayrise Residential, LLC; ECI Group, Inc.; Equity Residential; Essex Property Trust, Inc.; Greystar Management Services, LLC; Independence Realty Trust, Inc.; Kairoi Management, LLC; Knightvest Residential; Lantower Luxury Living, LLC; Lincoln Property Company; Mid-America Communities, Inc., and Mid-America Apartments, L.P.; Morgan Properties Management Company, LLC; Pinnacle Property Management Services, LLC; Prometheus Real Estate Group, Inc.; The Related Companies, L.P.; Related Management Company L.P.; Rose Associates, Inc.; RPM Living, LLC; Sares Regis Group Commercial, Inc.; Security Properties Residential, LLC; Sherman Associates, Inc.; Simpson Property Group, LLC; UDR, Inc.; Windsor Property Management Company; WinnCompanies LLC; and WinnResidential Manager Corp. (collectively, “Owner-Operators”); and CONTI Texas Organization, Inc., d/b/a CONTI Capital; Crow Holdings, LP; and Trammell Crow Residential Company (collectively “Owners”).

## **I. INTRODUCTION**

1. From at least January 2016, through the present (the “Conspiracy Period”), Defendants engaged in a nationwide conspiracy to fix and inflate the price of multifamily rental housing across the country. Leveraging their control of the multifamily rental housing market from at least January 2016, Defendants conspired to limit supply and raise multifamily rental housing

prices, causing substantial damages to Plaintiffs and other members of the Class whose ability to obtain affordable housing depended on getting competitive prices for the units they rented. Several witness accounts, including 12 discussed herein, rental price and occupancy data, economic evidence, and public investigations,<sup>1</sup> confirm the anticompetitive conduct taken pursuant to this agreement.

2. Defendants are RealPage, the developer of an integrated technology platform that provides software solutions for the multifamily rental housing markets, including revenue management software solutions—a category which includes RealPage products “RealPage Revenue Management,” Lease Rent Options (“LRO”), YieldStar, and AI Revenue Management (“AIRM”)—and several owners and managers of large-scale multifamily residential apartment buildings that used RealPage’s Revenue Management Solutions<sup>2</sup> to coordinate and agree upon rental housing pricing and supply.

3. Although the Owner Defendants operate strictly as the owners of the multifamily residential properties that used RealPage’s RMS, the majority of defendants in this action are Owner-Operators—meaning they operate as both owners and operators of multifamily residential properties. There are also several Managing Defendants that operate strictly in the role of property managers for the properties utilizing RealPage’s RMS to price their multifamily units. The Managing Defendants act as agents for the property owners and knowingly used RMS to coordinate and agree upon rental housing and supply. (Discussed in ¶¶ 196-98, *infra*.)

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<sup>1</sup> Heather Vogell, *Rent Going Up? One Company’s Algorithm Could Be Why.*, PROPUBLICA (Oct. 15, 2022), <https://www.propublica.org/article/yieldstar-rent-increase-realpage-rent> (ProPublica report shedding light on Defendants’ conspiracy and showing that rents in areas where RealPage clients control a higher percentage of rental units have increased at a significantly higher rate). Unless otherwise indicated, all internet citations were last visited on September 6, 2023.

<sup>2</sup> RealPage’s revenue management software solutions, including RealPage Revenue Management, LRO, YieldStar, and AI Revenue Management, will be referred to collectively herein as “Revenue Management Solutions” or “RMS.”

4. What RealPage RMS offered seemed too good to be true: software that would use a database of rental prices in the area (including competitors' prices) and provide the optimal price to charge prospective tenants, with both short-and-long-term goals of increasing revenues by raising rents. This aim was transparent to all. RealPage, as the developer of RMS, was not shy about its intent to create coordination amongst RMS users. Defendant RealPage acknowledged this in public statements, advertisement material, and repeated statements made to the multifamily rental industry emphasizing that its RMS used non-public data from other RealPage clients. In fact, RealPage touted its use of non-public data as a competitive differentiator from other revenue management service providers in its marketing material. RealPage publicly advertises that its RMS would help multifamily owners and operators raise rents and "outperform the market."<sup>3</sup>

5. Use of RealPage's RMS was conditioned on contributing non-public, competitively sensitive data to RealPage's data pool. That was the bargain on offer—to access this price-setting tool that promised revenue growth even in a down market, every member (including the Owners, Owner-Operators, and Managing Defendants) agreed to participate in the data co-operative and price their multifamily rental units according to RealPage's RMS. As RealPage recognized, "because certain solutions we provide depend on access to client data," "decreased access to this data . . . could harm our business."<sup>4</sup> Indeed, RealPage coordinates meetings between property managers and owners of multifamily rental properties so that they can discuss their use of RealPage's RMS platform. While discovery will reveal to what extent Owner Defendants were involved in the day-to-day disclosures for their respective properties, witness interviews confirm

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<sup>3</sup> *YieldStar Predicts Market Impact Down to Unit Type and Street Location*, REALPAGE, INC., <https://www.realpage.com/videos/yieldstar-data-scientists-help-manage-supply-demand/>.

<sup>4</sup> RealPage Inc., 2020 Annual Report (Form 10-K) at 32, <https://www.sec.gov/Archives/edgar/data/1286225/000128622521000007/rp-20201231.htm> ("RealPage 2020 Form 10-K").

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