

**UNITED STATES OF AMERICA
THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS: Maureen K. Ohlhausen, Acting Chairman
 Terrell McSweeney**

In the Matter of)	
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CORELOGIC, INC., a corporation.)	Docket No. C-4458
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ORDER TO SHOW CAUSE AND ORDER MODIFYING ORDER

Pursuant to Commission Rule of Practice 3.72(b), the Commission issues this Order to Show Cause stating the changes the Commission proposes to make to the Decision and Order (“Order”) issued in this matter and the reasons the Commission deems these changes necessary. 16 C.F.R. §3.72(b).

The Commission issued the Order in May 2014 to resolve concerns regarding the competitive impact of the acquisition by CoreLogic, Inc. (“CoreLogic” or “Respondent”) of certain assets from TPG VI Ontario 1 AIV L.P. (“TPG”). Through the acquisition, Respondent acquired TPG subsidiary, DataQuick Information Systems, Inc. (“DataQuick”). Among other things, DataQuick licensed to customers nationwide, real property data known as assessor and recorder data. The Complaint alleged that the acquisition would significantly increase concentration in the market for national assessor and recorder data (“bulk data”). CoreLogic denied the Commission’s allegation but agreed to settle the matter through entry of the Order requiring divestiture of certain DataQuick assets. The Order became final on May 20, 2014.

The Order’s central requirement is that CoreLogic provide Commission-approved Acquirer Renwood RealtyTrac LLC (“RealtyTrac”) with bulk data and certain ancillary data marketed by DataQuick (collectively “licensed data”). Prior to the acquisition, DataQuick licensed the majority of its bulk data from CoreLogic. The Order requires that CoreLogic license and deliver bulk data to RealtyTrac and provide RealtyTrac with the same service, timeliness and quality as CoreLogic provided DataQuick. CoreLogic is further required to provide RealtyTrac with updated bulk data of the same scope and quality as DataQuick used in its business for at least 5 years. The Order requires CoreLogic to provide DataQuick’s existing licensed data and begin providing updated bulk data within 60 days of executing the Remedial Agreement. CoreLogic and RealtyTrac executed the Remedial Agreement on March 26, 2014 and sixty days after that date is May 25, 2014.

The Order also contains a number of provisions typically found in divestiture orders that ensure RealtyTrac has the information and assistance necessary to become a successful entrant. First, CoreLogic is required to provide RealtyTrac with DataQuick business records. Second, CoreLogic must provide RealtyTrac with access to knowledgeable employees and information related to “DataQuick’s collection, manipulation, storage and provision” of data. Third, CoreLogic must allow certain legacy DataQuick customers to terminate their DataQuick contracts in order to do business with RealtyTrac, and, during a period lasting until nine months after the Divestiture Date, include a six month termination clause in all new agreements with former DataQuick bulk data customers. Fourth, the Order requires CoreLogic to facilitate RealtyTrac’s ability to hire experienced DataQuick employees. Finally, the Order appoints Mr. Mitchell S. Pettit as monitor to oversee CoreLogic’s compliance with the Order.

As required by Commission Rule 2.32, CoreLogic executed an Agreement Containing Consent Order (“Consent Agreement”) consenting to entry of the Order. In the Consent Agreement, CoreLogic represented and warranted that it could fulfill the terms of, and accomplish the full relief contemplated by, the Order. Further, in April 2014, CoreLogic submitted its first verified report of compliance under the Order. In this report, Respondent asserted that it was delivering to RealtyTrac all bulk data required by the Order.

Nevertheless, soon after CoreLogic began delivering bulk data to RealtyTrac, RealtyTrac discovered that the deliveries were missing certain required data. RealtyTrac continued to uncover additional missing data for at least the next 2 years. CoreLogic responded to RealtyTrac requests for missing data but did not identify the full scope of bulk data that DataQuick had used. Further, CoreLogic did not take adequate steps to ensure it was providing all of the required data to RealtyTrac. In addition, CoreLogic did not provide RealtyTrac, Commission staff, or the monitor with complete and accurate information regarding the manner in which DataQuick provided bulk data to customers.

CoreLogic also failed to deliver to RealtyTrac certain required data that DataQuick licensed from third parties. This data was included in the scope of licensed data in the Order and by signing the consent agreement CoreLogic represented it could provide this data to RealtyTrac. However, CoreLogic subsequently informed Commission staff that it could not produce certain existing bulk data and ancillary data because of limitations on its right to sublicense the data. CoreLogic offered to provide information and introductions to enable RealtyTrac to attempt to license the data directly. Although useful, this offer is not sufficient to comply with the Order because it does not guarantee access to the required data and requires RealtyTrac to expend resources not contemplated by the Order.

It further appears that CoreLogic did not provide the full level of support required by the Order. One example of this concerns an ancillary product, known as an AVM, which CoreLogic provided to RealtyTrac pursuant to the Order. In 2015, CoreLogic ceased standard third party testing of the AVM without informing RealtyTrac. RealtyTrac subsequently discovered a serious technical issue with the product that CoreLogic did not discover through internal quality control processes. The issue was resolved and third party testing resumed.

In February 2015, the Monitor hired a Technical Assistant who helped the Monitor develop and recommend a technical plan to (i) identify the data that CoreLogic was required to provide under the Order, (ii) provide all missing data and information to RealtyTrac, and (iii) verify that the required data and information had been provided. The parties are implementing this technical plan and are in the final stages of verifying that CoreLogic is providing all data and information necessary to duplicate DataQuick's bulk data offerings to customers. CoreLogic will thereafter complete transfer of all required information regarding DataQuick's bulk data business.

CoreLogic's actions violated the Order and interfered with its remedial goals. CoreLogic slowed RealtyTrac's acquisition of the full scope of DataQuick bulk data and the information necessary to provide data in the same manner as DataQuick. Further, RealtyTrac appears to have relied on CoreLogic's assertions regarding the scope of DataQuick data that CoreLogic was delivering. This reliance harmed RealtyTrac's reputation and required that it expend technical and financial resources to uncover missing data and redress the effects of CoreLogic's order violations.

In light of the foregoing, the Commission proposes to modify the Order so that it is better able to achieve its stated purpose. The modifications require, among other things, CoreLogic to extend the initial licensing term and comply with a technical transfer addendum and a service level addendum. The addenda contain clearly defined obligations that promote the remedial purpose of the order. CoreLogic is also required to provide technical assistance for one year after the technology transfer to RealtyTrac is complete. In addition, CoreLogic and RealtyTrac have agreed to modify their license agreement to conform to these modifications. The Order incorporates the license agreement as a Remedial Agreement. As required by the Order, CoreLogic seeks permission to implement the agreed modifications to the Remedial Agreement.

Respondent denies that it has violated the terms of the Order and does not agree with the facts and conclusions as stated in the Order to Show Cause. However, in settlement of the Commission's claims regarding violation of the Order as described, Respondent consents to issuance of an Order Modifying Order, and waives any further rights it may have under Section 3.72(b) of the Commission's Rules of Practice, 16 C.F.R §3.72(b). Respondent, its attorney, and counsel for the Commission executed an Agreement Containing Order to Show Cause and Order Modifying Order ("Modification Agreement"). The Commission accepted the Consent Agreement and placed it on the public record for a period of 30 days for the receipt and consideration of public comments. Now, in conformity with Rule §3.72(b) the Commission determines in its discretion that it is in the public interest to modify the Order in Docket No. C-4458.

Accordingly,

IT IS ORDERED that this matter be, and it hereby is, reopened; and

IT IS FURTHER ORDERED that **Paragraph II.F** of the Order in Docket No. C-4458 is revised to read as follows (revisions underlined):

- F. Continuing until one year after completion of paragraphs 1 to 10 of Technical Transfer Plan, Respondent shall, upon reasonable request, provide the Acquirer with access to knowledgeable employees and information related to DataQuick's collection, manipulation, storage and provision of Assessor Data, Recorder Data and Other Related Data as needed to assist the Acquirer in collecting, manipulating, storing and providing to customers the Licensed Data and Licensed Historical Data as required by the Order and the Remedial Agreement. As part of this obligation, Respondent shall, on or before the day the Remedial Agreement is executed, designate one or more employees as transition coordinator(s) and shall provide the name and contact information for the transition coordinator(s) to the Acquirer, to the Commission and the Monitor. The transition coordinator(s) shall be responsible for ensuring Respondent complies with its obligations to provide transition assistance as required by this Paragraph and the Remedial Agreement, including by timely providing knowledgeable employees and information to the Acquirer. Respondent shall ensure that the transition coordinator(s) has the authority, capability and resources necessary to meet Respondent's obligations under this paragraph and the Remedial Agreement.

IT IS FURTHER ORDERED that **Paragraph II.G** of the Order in Docket No. C-4458 is revised to read as follows (revisions underlined):

- G. In any agreement to provide a DataQuick Customer with Assessor Data or Recorder Data that Respondent executes less than 9 months after completing paragraphs 1 to 6 of the Technical Transfer Plan, Respondent shall include a provision allowing the customer to terminate the agreement in order to license or purchase Assessor Data or Recorder Data from the Acquirer so long as the DataQuick Customer provides 180-days' written notice of its intent to terminate the agreement, *provided, however*, that the DataQuick Customer may, at any time after providing its written termination notice, revoke or postpone the effective date of such notice.

IT IS FURTHER ORDERED that **Paragraph VI.A.1** of the Order in Docket No. C-4458 is revised to read as follows (revisions underlined):

- A. Respondent shall submit to the Commission and any Monitor appointed by the Commission:
1. Verified written reports:
 - a. Within 30 days after the date this Order becomes final and every 90 days thereafter until completion of paragraphs 1 to 10 of the Technical Transfer Plan;

- b. On the first anniversary of the date on which this Order becomes final, and annually thereafter until one year after termination of the Remedial Agreement,

which reports shall set forth in detail the manner and form in which it intends to comply, is complying, and has complied with this Order and the Remedial Agreement since the filing of any previous compliance report, and shall, *inter alia*, describe the status of any transition project plan in a Remedial Agreement, and identify all DataQuick Customers who have provided notice of termination pursuant to Paragraph II above, when such customer provided notice of termination and whether the relevant contract has been terminated; and

IT IS FURTHER ORDERED that the Order in Docket No. C-4458 is amended to include the following **Paragraph IX**:

IX.

IT IS FURTHER ORDERED that:

- A. As used in the Order and Modifying Order the following definitions shall apply:
 1. “AVM” means Automated Valuation Model.
 2. “AVM Resale Agreement” means an agreement to resell the following automated valuation models (“AVMs”) owned by CoreLogic: PASS®, ValuePoint®4 (VP4), Prospector™, GeoAVM Core™, and GeoAVM Core Precision™ that conforms in substance to the form agreement attached to the Modifying Order as Confidential Addendum C.
 3. “DataQuick Architecture” means the architecture for the DataQuick Fulfillment Platform. A diagram of the DataQuick Architecture as of the entry of the Modifying Order is attached as Confidential Addendum D.
 4. “DataQuick AVM” means an automated valuation model that CoreLogic obtained from DataQuick.
 5. “DataQuick Fulfillment Platform” shall have the meaning defined in the Technical Transfer Plan.
 6. “First Amendment to the CoreLogic-RealtyTrac Agreement,” means Amendment 1 to the Data License Agreement and Statement of Work between CoreLogic Solutions, LLC. (“CoreLogic”) and Attom Data Solutions (“Customer”).
 7. “Independent AVM Testing” means testing of the AVM by AVMetrics, LLC (or another recognized independent third party AVM testing company selected by CoreLogic and consented to in writing by the Acquirer) using national benchmark sales values to determine accuracy (unless otherwise agreed to by the Acquirer after entry of the Modifying Order).

8. "Service Level Addendum" means the Service Level Addendum attached to the Modifying Order as Confidential Addendum A.
 9. "Technical Transfer Plan" means the Technical Transfer Plan attached to the Modifying Order as Confidential Addendum B.
- B. The Commission approves the First Amendment to the CoreLogic-RealtyTrac Agreement and incorporates it into the Order as part of the Remedial Agreement.
 - C. Respondent shall extend the initial license term of the Remedial Agreement for 3 years in accordance with the terms of the First Amendment to the CoreLogic-RealtyTrac Agreement.
 - D. Respondent shall comply with the requirements of the Service Level Addendum.
 - E. Respondent shall comply with the requirements of the Technical Transfer Plan.
 - F. Within ten days of receiving a written request by the Acquirer, Respondent shall enter an AVM Resale Agreement with the Acquirer.
 - G. So long as Acquirer is marketing, offering, selling or supplying a DataQuick AVM to customers, Respondent shall comply with the terms of Paragraph K of the Service Level Agreement. Respondent shall bear the cost of providing Independent AVM Testing required by paragraph K of the Service Level Addendum.
 - H. Respondent shall not modify the DataQuick Architecture without providing at least 60 days' written notice to the Monitor and the staff of the Commission explaining the reason for the modification and providing a diagram of the revised DataQuick Architecture, which diagram shall be incorporated into Confidential Addendum D of the Modifying Order.
 - I. The purpose of the Modifying Order is to resolve the matters described in the Order to Show Cause that occurred before Respondent executed the Modification Agreement.

By the Commission.

Donald S. Clark
Secretary

SEAL
ISSUED: