

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

COMMISSIONERS: **Deborah Platt Majoras, Chairman**
 Pamela Jones Harbour
 Jon Leibowitz
 William E. Kovacic
 J. Thomas Rosch

In the Matter of

**REALTORS ASSOCIATION OF NORTHEAST
WISCONSIN, INC.,**

a non-profit corporation.

Docket No. C-

DECISION AND ORDER

The Federal Trade Commission ("Commission") having initiated an investigation of certain acts and practices of the Realtors Association of Northeast Wisconsin, Inc., hereinafter sometimes referred to as "Respondent" or "RANW," and Respondent having been furnished thereafter with a copy of the draft Complaint that the Bureau of Competition presented to the Commission for its consideration and which, if issued by the Commission, would charge Respondent with violations of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondent, its attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order ("Consent Agreement"), containing an admission by Respondent of only the jurisdictional facts set forth in the aforesaid draft Complaint and the facts concerning remedial measures it has taken set forth in Paragraph 10 of the aforesaid draft Complaint, a statement that the signing of the Consent Agreement is for settlement purposes only and does not constitute an admission by Respondent that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondent has violated the said Act, and that a Complaint should issue stating its allegations in that respect, and having accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34 (2004), the Commission hereby makes the following jurisdictional findings and issues the following Order:

1. Respondent Realtors Association of Northeast Wisconsin, Inc. is a non-profit corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin, with its office and principal place of business at W6124 Aerotech Drive, Appleton, Wisconsin 54912-2637.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that for the purposes of this Order, the following definitions shall apply:

- A. "Respondent" or "RANW" means Realtors Association of Northeast Wisconsin, Inc., its Board of Directors, officers, predecessors, divisions and wholly or partially owned subsidiaries, affiliates, licensees of affiliates, partnerships, and joint ventures; and all the boards of directors, owners, managers, directors, officers, employees, consultants, agents, and representatives of the foregoing. The terms "Respondent" or "RANW" do not include directors or officers of RANW in their capacities as individual RANW Participants. The terms "subsidiary," "affiliate" and "joint venture" refer to any person in which there is partial or total ownership or control by RANW, and are specifically meant to include RANW MLS and/or each of the RANW Websites.
- B. "Multiple Listing Service" or "MLS" means a cooperative venture by which real estate brokers serving a common market area submit their listings to a central service which, in turn, distributes the information for the purpose of fostering cooperation in and facilitating real estate transactions.
- C. The term "RANW MLS" means the RANW MLS or any other MLS owned, operated or controlled, in whole or in part, directly or indirectly, by RANW, and any of its predecessors, divisions and wholly or partially owned subsidiaries,

affiliates, licensees of the affiliates, partnerships, and joint ventures, and all the directors, officers, members, participants, employees, consultants, agents, and representatives of the foregoing.

- D. "RANW Participant" means any person authorized by RANW to access, use or enjoy the benefits of the RANW MLS in accordance with RANW's by-laws, policies, rules, and regulations.
- E. "IDX" means the internet data exchange process that provides a means or mechanism for MLS listings to be integrated within a Website, including but not limited to IDX as defined by RANW.
- F. "IDX Website" means a Website that is capable of integrating the IDX listing information within the Website.
- G. "Realtor.com" means the Website operated by the National Association of Realtors that allows the general public to search information concerning real estate listings downloaded from a variety of MLSs representing different geographic areas of the country, including but not limited to real estate listings from RANW.
- H. "Approved Website" means a Website to which RANW or RANW MLS provides information concerning listings for publication, including but not limited to RANW Participant IDX Websites and Realtor.com.
- I. "Exclusive Right to Sell Listing" means a listing agreement under which the property owner or principal designates a real estate broker as his or her exclusive agent for a specified period of time, to sell the property on the owner's stated terms, and agrees to pay the listing broker a commission when the property is sold, regardless of whether the buyer is found by the listing broker, the owner or another broker.
- J. "Exclusive Agency Listing" means a listing agreement under which the listing broker acts as an exclusive agent of the property owner or principal in the sale of a property, but also reserves to the property owner or principal a right to sell the property without assistance from a broker, in which case the listing broker is paid a reduced commission or, depending on the agreement between the broker and owner, no commission when the property is sold.
- K. "Other Lawful Listing" means a listing agreement, other than an Exclusive Right to Sell Listing or Exclusive Agency Listing, which is in compliance with applicable state laws and regulations.

- L. "Services of the MLS" means the benefits and services provided by the MLS to assist RANW Participants in selling, leasing and valuing property and/or brokering real estate transactions. With respect to real estate brokers or agents representing home sellers, Services of the MLS shall include, but are not limited to:
1. having the property included among the listings in the MLS in a manner so that information concerning the listing is easily accessible by cooperating brokers; and
 2. having the property publicized through means available to the MLS, including, but not limited to, information concerning the listing being made available on Realtor.com and IDX Websites.

II.

IT IS FURTHER ORDERED that Respondent RANW, its successors and assigns, and its Board of Directors, officers, committees, agents, representatives, and employees, directly or indirectly, or through any corporation, subsidiary, division, or other device, in connection with the operation of a Multiple Listing Service or Approved Websites in or affecting commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, shall forthwith cease and desist from adopting or enforcing any policy, rule, practice or agreement of RANW to deny, restrict or interfere with the ability of RANW Participants to enter into Exclusive Agency Listings or Other Lawful Listings with the sellers of properties, including but not limited to any policy, rule, practice or agreement to:

1. prevent RANW Participants from offering or accepting Exclusive Agency Listings;
2. prevent RANW Participants from cooperating with listing brokers or agents that offer or accept Exclusive Agency Listings;
3. prevent RANW Participants from publishing information concerning listings offered pursuant to Exclusive Agency Listings on Approved Websites;
4. deny or restrict the Services of the MLS to Exclusive Agency Listings or Other Lawful Listings in any way that such Services of the MLS are not denied or restricted to Exclusive Right to Sell Listings; and

5. treat Exclusive Agency Listings, or Other Lawful Listings, in a less advantageous manner than Exclusive Right to Sell Listings, including but not limited to, any policy, rule or practice pertaining to the transmission, downloading, or displaying of information pertaining to such listings.

Provided, however, that nothing herein shall prohibit the Respondent from adopting or enforcing any policy, rule, practice or agreement regarding subscription or participation requirements, payment of dues, administrative matters, or any other policy, rule, practice or agreement, that it can show is reasonably ancillary to the legitimate and beneficial objectives of the MLS.

III.

IT IS FURTHER ORDERED that, no later than thirty (30) days after the date this Order becomes final, Respondent shall have amended its rules and regulations to conform to the provisions of this Order.

IV.

IT IS FURTHER ORDERED that, within ninety (90) days after the date this Order becomes final, Respondent shall (1) have informed each RANW Participant of the amendments to its rules and regulations to conform to the provisions of this Order; and (2) provide each RANW Participant with a copy of this Order. Respondent shall transmit the rule change and Order by the means it uses to communicate with its members in the ordinary course of RANW's business, which shall include, but not be limited to: (A) sending one or more emails with one or more statements that there has been a change to the rules and an Order, along with a link to the amended rules and the Order, to each RANW Participant; and (B) placing on the publicly accessible MLS News page of the RANW Website (www.ranw.org) a statement that there has been a change to the rules and an Order, along with a link to the amended rules and the Order. Respondent shall modify its Website as described above no later than five (5) business days after the date the Order becomes final, and shall display such modifications for no less than ninety (90) days from the date this Order becomes final. The Order shall remain accessible through common search terms and archives on the Website for five (5) years from the date it becomes final.

V.

IT IS FURTHER ORDERED that Respondent shall notify the Commission at least thirty (30) days prior to any proposed change in Respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation or any other proposed changes in the corporation which may affect compliance obligations arising out of the Order.

VI.

IT IS FURTHER ORDERED that Respondent shall file a written report within six (6) months of the date this Order becomes final, and annually on the anniversary date of the original report for each of the five (5) years thereafter, and at such other times as the Commission may require by written notice to Respondent, setting forth in detail the manner and form in which it has complied with this Order.

VII.

IT IS FURTHER ORDERED that this Order shall terminate ten (10) years from the date the Order is issued.

By the Commission.

Donald S. Clark
Secretary

SEAL
ISSUED: