

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright
Terrell McSweeney

In the Matter of)
)
)

Docket No. C-4490

National Association of Residential)
Property Managers, Inc.,)
a corporation.)
_____)

COMPLAINT

The Federal Trade Commission (“Commission”), pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41 *et seq.*, and by virtue of the authority vested in it by said Act, having reason to believe that the National Association of Residential Property Managers, Inc., (“Respondent” or “NARPM”), a corporation, has violated and is violating the provisions of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this Complaint, stating its charges as follows:

I. RESPONDENT

1. Respondent National Association of Residential Property Managers, Inc. is a non-profit corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Tennessee, with its office and principal place of business located at 638 Independence Parkway, Suite 100, Chesapeake, VA 23320.
2. Respondent is a professional association of real estate agents, brokers, managers and their employees, with over 4,000 members. Many of Respondent’s members are in the business of managing single-family and multi-family residential properties, condominiums, townhouses, and short-term rentals. Some members also manage commercial and industrial properties and provide management of homeowners associations. Except to the extent that competition has been restrained as alleged herein, many of Respondent’s members have been and are now in competition among themselves and with other property managers.

II. JURISDICTION

3. Respondent conducts business for the pecuniary benefit of its members and is therefore a “corporation” as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.
4. The acts and practices of Respondent, including the acts and practices alleged herein, are in or affecting “commerce” as defined in Section 4 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 44.

III. NATURE OF THE CASE

5. Respondent maintains a Code of Ethics and Standards of Professionalism (“Code of Ethics”) applicable to the commercial activities of its members. Respondent’s members agree to abide by the Code of Ethics as a condition of membership.
6. Respondent has acted as a combination of its members, and in agreement with at least some of those members, to restrain competition by restricting through its Code of Ethics the ability of its members to advertise and to solicit the clients of their competitors. Specifically, Respondent’s Code of Ethics contains a provision titled “Relations With Other Property Managers” that states:
 - “NARPM Professional Members shall refrain from criticizing other property managers or their business practices.”
 - “The Property Manager shall not knowingly solicit competitor's clients.”
7. Respondent established a process for receiving complaints about and resolving alleged violations of the Code of Ethics. Respondent may sanction members found to violate the Code of Ethics. Sanctions may include a letter of reprimand, probation or suspension for a specified term, or expulsion from NARPM.

IV. VIOLATION CHARGED

8. The purpose, effects, tendency, or capacity of the combination, agreement, acts and practices alleged in Paragraphs 6 and 7 has been and is to restrain competition unreasonably and to injure consumers by discouraging and restricting competition among property managers, by restricting truthful and non-deceptive comparative advertising, and by depriving consumers and others of the benefits of free and open competition among property managers.

9. The combination, agreement, acts and practices alleged in Paragraphs 6 and 7 constitute unfair methods of competition in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45. Such combination, agreement, acts and practices, or the effects thereof, are continuing and will continue or recur in the absence of the relief requested herein.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this first day of October, 2014, issues its Complaint against Respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: