UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of

HOMEADVISOR, INC.,

a corporation,

Docket No. 9407

d/b/a ANGI LEADS,

d/b/a HOMEADVISOR POWERED BY ANGI.

RESPONDENT HOMEADVISOR, INC.'S MOTION TO RE-OPEN AND COMPEL DEPOSITION TESTIMONY OF AMY BRANNON-QUALE

Pursuant to 16 C.F.R. § 3.38, Respondent HomeAdvisor, Inc. respectfully moves for an order to re-open the deposition of Federal Trade Commission ("FTC") investigator Amy Brannon-Quale, during which Complaint Counsel should be ordered to refrain from instructing the witness not to answer questions regarding Ms. Brannon-Quale's and the FTC's communications and interactions with the third-party declarants who submitted declarations in support of Complaint Counsel's motion for summary decision, including regarding the preparation of those declarations. The arguments supporting Respondent's motion are set forth in the accompanying Memorandum of Law, and a Proposed Order is submitted herewith.

Respectfully submitted this 1st day of August 2022.

QUINN EMANUEL URQUHART & SULLIVAN, LLP

/s/ Jennifer J. Barrett

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Attorneys for Respondent HomeAdvisor, Inc.

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of

HOMEADVISOR, INC.,

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Docket No. 9407

d/b/a ANGI LEADS,

d/b/a HOMEADVISOR POWERED BY ANGI.

[PROPOSED] ORDER

Having carefully considered Respondent HomeAdvisor, Inc.'s Motion To Re-Open And Compel Deposition Testimony Of Amy Brannon-Quale, it is hereby ORDERED as follows:

Respondent is permitted to re-open the deposition of Federal Trade Commission investigator Amy Brannon-Quale, during which Complaint Counsel is ordered to refrain from instructing the witness not to answer questions regarding Ms. Brannon-Quale's and the FTC's communications and interactions with the third-party declarants who submitted declarations in support of Complaint Counsel's Motion for Summary Decision, including regarding the preparation of those declarations.

SO ORDERED.

Date:

D. Michael Chappell Chief Administrative Law Judge FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 4 of 206 * PUBLIC *; PUBLIC

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of

HOMEADVISOR, INC.,

a corporation,

Docket No. 9407

d/b/a ANGI LEADS,

d/b/a HOMEADVISOR POWERED BY ANGI.

Memorandum Of Law In Support Of Respondent's Motion To Re-Open And Compel Deposition Testimony Of Amy Brannon-Quale

PRELIMINARY STATEMENT

To support its motion for summary decision and claims in this action, Complaint Counsel selectively produced certain documents and communications exchanged with unrepresented third-party witnesses, while shielding the remainder under the guise of "work product." Complaint Counsel submitted a 42-paragraph declaration from FTC investigator Amy Brannon-Quale with its summary-decision motion, which detailed and attached over 150 pages of materials she found "[d]uring the course of [her] investigation." **RX1** ¶ 3. Ms. Brannon-Quale also routinely communicated with FTC witnesses—including HomeAdvisor service professionals, homeowner users, and employees—who submitted declarations in support of the FTC's summary-decision motion, and the FTC voluntarily produced those written communications, which included draft declarations and substantive discussions. *See, e.g.*, **RX2**; **RX3–RX15**. Moreover, Respondent HomeAdvisor, Inc. ("HomeAdvisor") deposed many of those third-party declarants, and Complaint Counsel {

despite those witnesses' often remarkable lapses in

memory about the specifics of those discussions.¹



¹ See, e.g., **RX16** at 61:3–8, 87:24–103:4, 111:21–121:10; **RX17** at 19:7–31:24, 134:4–8, 137:9–16, 141:18–143:19; **RX18** at 139:17–141:7, 173:14–189:16; **RX19** at 34:8–35:10, 53:14–58:12, 67:11–74:6; **RX20** at 129:11–146:15; **RX21** at 15:16–18:18, 150:1–158:22, 162:5–163:6; **RX22** at 108:5–22, 129:24–140:1, 151:11–19; **RX23** at 203:4–219:3; **RX24** at 165:13–177:17; **RX25** at 14:23–19:21, 28:23–37:13.

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|---------|------------------|---------------|-----------|----------------|--------------|-------------|---------------------|-----------|
| | | | | | | | PUBL | JC |

| } See, e.g., RX30 |
|---|
| (Transcript of May 19, 2022 Deposition of Amy Brannon-Quale ("Brannon-Quale Tr.")) at 13:1- |
| 5 ({ }; id. at 30:19–25 ({ |
| }). But by selectively producing |
| Ms. Brannon-Quale's and Complaint Counsel's voluminous written communications with the |
| declarants and { |
| }, Complaint Counsel waived any claim of work- |
| product protection over the rest of the information that would shed further light on the nature and |
| scope of those interactions—namely through Ms. Brannon-Quale's own testimony. |
| This information is critical to testing the veracity of the statements contained in the FTC's |
| third-party witness declarations, as well as those declarants' credibility and the integrity of the |
| drafting process. Among other things, the record shows that the { |
| And while the declarants { |
| } the limited |
| testimony they did provide calls their sworn statements, and the integrity of the drafting process, |
| into doubt. For example: |
| • { |
| } his declaration drafted by the FTC provides tremendous purported detail about a conversation Hopkins allegedly had with a HomeAdvisor sales representative over eight years ago in 2013. RX2 ¶¶ 2–3; <i>see</i> RX4 (FTC HOMEADVISOR0009281) (letter from Ms, Brannon-Ouale providing |

draft declaration). Tellingly, despite all of the purported details in the declaration drafted by the FTC, {

• Service professional witness Richard Prince {

| 101055101141 | withese it | | ~ (| |
|-------------------|------------------|----------------------|------------|--|
| | } RX1 | 8 at 178:8–11 | , 181:6, { | |
| | <i>id</i> . at 1 | 79:18. { | | |
| } <i>Id.</i> at 1 | 81:6–9. | | | |

| • | Despite having signed a declaration { |
|---|---|
| | RX19 at 67:25–68:5, 77:23–79:22, service |
| | professional witness Mark Rothermel { |
| | <i>id.</i> at 235:11–237:22. In fact, { |
| | } <i>id.</i> at 237:4–7 { |
| | |
| | |
| | |
| | FTC HOMEADYUSOD0000222) (1444 from Mr. Durana Orali and dafe |
| | (FTC_HOMEADVISOR0009382) (letter from Ms. Brannon-Quale providing draft declaration). |

• Service professional declarant Trenton Grimes {

| RX26 at 92:12–97:1; see RX15 |
|--|
| (FTC_HOMEADVISOR0009263) (letter from FTC investigator Laureen France to |
| Trenton Grimes, stating, "Dear Mr. Grimes: I am enclosing a declaration for your |
| review and signature."). Ms. Brannon-Quale later communicated with Mr. Grimes |
| after this action was initiated in response to a document subpoena served by |
| HomeAdvisor on Mr. Grimes. See RX15 (FTC_HOMEADVISOR0098853). |

HomeAdvisor accordingly brings this motion to compel further deposition testimony from

Ms. Brannon-Quale about her interactions with Complaint Counsel's third-party witnesses.

BACKGROUND

On April 7, 2022, Complaint Counsel moved for summary decision against HomeAdvisor, and submitted with its motion 18 declarations from HomeAdvisor service professionals, homeowner users, and former employees—along with the declaration of Amy Brannon-Quale. *See* **RX1–2**. Ms. Brannon-Quale is an investigator "assigned to work on the FTC's investigation of HomeAdvisor." **RX1** ¶ 2.

During discovery, Complaint Counsel produced voluminous written communications between Complaint Counsel and other FTC staff, in particular Ms. Brannon-Quale, and its thirdparty declarants. *See, e.g.*, **RX3–RX15**. These communications included substantive discussions as well as drafts of the declarations submitted with Complaint Counsel's summary decision

| motion. See id. HomeAdvisor also deposed the majority of the declarants following submission |
|--|
| of the summary-decision motion, { |
| } See, e.g., RX16–RX25 . |
| {These witnesses, however, many times had remarkably incomplete recollections of these |
| interactions.} See id. |
| Despite producing { } all other communications and materials |
| exchanged with the declarants with no seeming limitation, Complaint Counsel instructed |
| Ms. Brannon-Quale during her deposition { |
| See, e.g., Brannon-Quale Tr. 30:19–25. In particular, on instructions from |
| Complaint Counsel based on a purported work-product objection, Ms. Brannon-Quale was |
| <i>See, e.g., id.</i> at 16:18–19:22. Yet Ms. Brannon-Quale { |
| |
| } See, e.g., RX3–RX15 . |
| For example, Ms. Brannon-Quale was instructed by Complaint Counsel { |
| } See |
| Brannon-Quale Tr. 16:18–18:11; 19:3–11. Nor was Ms. Brannon-Quale permitted to testify |
| <i>See, e.g., id.</i> at 19:13–22. Moreover, despite producing documents between |
| Ms. Brannon-Quale and the declarants, Complaint Counsel then refused to allow Ms. Brannon- |
| Quale { |

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declaration in support of Complaint Counsel's motion for summary decision.

See, e.g., id. at 30:17–25; 31:14–32:8.

ARGUMENT

I. COMPLAINT COUNSEL WAIVED ANY WORK-PRODUCT PROTECTION OVER ITS COMMUNICATIONS WITH THE DECLARANTS

Ms. Brannon-Quale's conversations with the third-party declarants were not privileged, and by producing all of the underlying communications with those individuals {

} Complaint Counsel

waived any work-product objection that may have existed. *See, e.g., In re Qwest Commc'ns Int'l Inc.*, 450 F.3d 1179, 1186 (10th Cir. 2006) ("This court has indicated that production of work-product material during discovery waives a work-product objection."); *S.E.C. v. Gupta*, 281 F.R.D. 169, 171 (S.D.N.Y. 2012) ("Work product protection . . . may be waived if the work product is voluntarily disclosed."); *In re Latin Inv. Corp.*, 160 B.R. 262, 263 (Bankr. D.D.C. 1993) (similar).²

} See,

e.g., *Am. Auto. Ins. Co. v. First Mercury Ins. Co.*, 2016 WL 7395219, at *3 (D.N.M. Oct. 22, 2016) ("A party may instruct a deponent not to answer a question when necessary to protect against disclosure of an attorney's work product concerning the litigation."). That is because, of course, Complaint Counsel had no expectation that their non-privileged conversations with third-party witnesses could be protected from disclosure after they voluntarily produced all other materials about those interactions. *See, e.g., United States v. All Assets Held at Bank Julius Baer & Co.*, 315

² See also, e.g., In re Hoechst Marion Roussel, Inc., 2000 WL 33944049, at *2 (F.T.C. Oct. 17, 2000) ("Judicial decisions and precedents under the Federal Rules of Civil Procedure concerning discovery motions, though not controlling, provide helpful guidance for resolving discovery disputes in Commission proceedings.").

F.R.D. 103, 110 (D.D.C. 2016) ("[t]o avoid waiv[ing]" a work-product objection, "the disclosing party must have had 'a reasonable basis for believing that the recipient would keep the disclosed material confidential"") (quoting *United States v. Deloitte LLP*, 610 F.3d 129, 141 (D.C. Cir. 2010)).

But rather than provide a full picture of the FTC's third-party interactions, Complaint Counsel produced only the underlying materials it evidently views as most helpful to their case, while shielding the rest through a selective work product objection. Not only has that partial disclosure triggered a waiver of any work product protection that might have applied, fundamental principles of fairness dictate that HomeAdvisor should be permitted to examine the totality of the interactions between the FTC and their declarants. See, e.g., Lerman v. Turner, 2011 WL 494623, at *2 (N.D. Ill. Feb. 4, 2011) ("The voluntary waiver of the attorney-client privilege or workproduct protection as to one document extends the waiver to undisclosed documents if (1) the waiver was intentional, (2) the disclosed and undisclosed materials concern the same subject matter, and (3) the disclosed and undisclosed materials should in fairness be considered together."); US Airline Pilots Ass 'n v. Pension Ben. Guar. Corp., 274 F.R.D. 28, 32 (D.D.C. 2011) ("[S]ubject-matter waiver is appropriate as a matter of fairness where 'the privilege holder seeks to use the disclosed material for advantage in the litigation but to invoke the privilege to deny its adversary access to additional materials that could provide an important context for proper understanding of the privileged materials."); In re Sealed Case, 676 F.2d 793, 817 (D.C. Cir. 1982) ("Company had waived its work product privilege . . . because it had already disclosed much of the information" that the disputed materials contained).

II. HOMEADVISOR HAS A SUBSTANTIAL NEED TO OBTAIN THE TESTIMONY THAT COMPLAINT COUNSEL HAS PREVENTED

In light of Complaint Counsel's selective disclosure and waiver, and the declarants' own credibility issues, HomeAdvisor has a substantial need to examine the full record of Ms. Brannon-Quale's interactions with the declarants. Production of work product is required when a party has a "substantial need of the materials in the preparation of its case and that the party is unable without undue hardship to obtain the substantial equivalent of the materials by other means." 16 C.F.R. § 3.31(c)(5); *In re Hoechst Marion Roussel, Inc.*, 2000 WL 33944048, at *2 (F.T.C. Oct. 31, 2000) ("The work product privilege protects from disclosure the work product of lawyers, but may be overcome by a showing of substantial need."). When the work product is entirely factual—such as simply the acts taken by FTC staff and third parties' statements to FTC staff—it is especially prone to production. *See, e.g., Leamon v. KBR, Inc.*, 2011 WL 13340584, at *2 (S.D. Tex. Nov. 10, 2011) ("A party may overcome work product protection for documents like witness statements, which do not reveal the mental impressions of attorneys, by showing a substantial need for the materials and that the party cannot obtain the substantial equivalent by other means without undue hardship.").

Here, Complaint Counsel has produced some—but not all—communications and materials their investigator and others exchanged with third-party witnesses, and then shielded that investigator from any inquiry that could dent the intended image of that evidence as undisputable proof of HomeAdvisor's wrongdoing. HomeAdvisor has detailed fundamental credibility issues with Complaint Counsel's declarants—{

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examples). {

See, e.g., **RX21**

at 15:20–20:20; **RX25** at 18:7–18:18; **RX27–29**.

HomeAdvisor thus cannot complete its inquiry into Complaint Counsel's narrative without the ability to question effectively its investigator who interviewed and drafted the declarations of many of Complaint Counsel's witnesses. See Interstate Fire & Cas. Co. v. Roman Cath. Church of Diocese of Phoenix, 2012 WL 12867974, at *1 (D. Ariz. Jan. 19, 2012) (work product required to be produced when potential "hostility [by witnesses], coupled with the passage of time since the interviews were conducted, is sufficient to warrant compelling the requested discovery"); Johnson v. Wash. Metro. Area Transit Auth., 1990 WL 113877, at *2 (D.D.C. July 26, 1990) ("[M]any courts have held that the mere lapse of time in itself is enough to justify production of the [work product] statements."). This Court therefore should permit additional, unobstructed deposition testimony from Ms. Brannon-Quale about the FTC's interactions with Complaint Counsel's declarants to afford HomeAdvisor the full and fair opportunity to defend itself in the face of Complaint Counsel's improper selective waiver. See F.T.C. v. Boehringer Ingelheim Pharms., 778 F.3d 142, 153–155 (D.C. Cir. 2015) (work product discoverable when materials are relevant, have unique value, and special circumstances prevent obtaining the same material from other sources).

CONCLUSION

For all the reasons set forth above, the Court should re-open Ms. Brannon-Quale's deposition, during which Complaint Counsel should be ordered to refrain from instructing the witness not to answer questions on the FTC's communications and interactions with their third-party declarants, including the preparation of the subject declarations.

Respectfully submitted this 1st day of August 2022.

QUINN EMANUEL URQUHART & SULLIVAN, LLP

/s/ Jennifer J. Barrett

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Attorneys for Respondent HomeAdvisor, Inc.

CERTIFICATE OF CONFERRAL

In accordance with 16 C.F.R. § 3.22(g), counsel for respondent HomeAdvisor, Inc. conferred with Complaint Counsel about this motion several times via Zoom on July 13, 2022 at 3:00 p.m. ET and July 20, 2022 at 12:00 p.m. ET, and via email, in a good-faith effort to resolve by agreement the issues raised by the motion, but have been unable to reach such an agreement. Counsel for HomeAdvisor, Inc. Neil Phillips and Kathryn Bonacorsi participated in the July 13 and July 20, 2022 conferrals, as did Complaint Counsel Breena M. Roos on behalf of the Federal Trade Commission.

Dated: August 1, 2022

QUINN EMANUEL URQUHART & SULLIVAN, LLP

/s/ Jennifer J. Barrett

Jennifer J. Barrett 51 Madison Avenue, 22nd Floor New York, NY 10010 (212) 849-7000 jenniferbarrett@quinnemanuel.com

Attorneys for Respondent HomeAdvisor, Inc.

UNITED STATES OF AMERICA BEFORE THE FEDERAL TRADE COMMISSION OFFICE OF ADMINISTRATIVE LAW JUDGES

In the Matter of HOMEADVISOR, INC.,

a corporation,

d/b/a ANGI LEADS,

Docket No. 9407

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DECLARATION OF NEIL T. PHILLIPS

1. I am an associate with the law firm Quinn Emanuel Urquhart & Sullivan, LLP, counsel for Respondent HomeAdvisor, Inc. ("HomeAdvisor") in this proceeding. I submit this declaration in support of HomeAdvisor's August 1, 2022 Motion to Re-Open And Compel Deposition Testimony Of Amy Brannon-Quale (the "Motion").

 Attached hereto as **RX1** is a true and correct excerpted copy of the Declaration of Amy Brannon-Quale, an investigator for the Federal Trade Commission ("FTC"), dated March 10,
2022. Complaint Counsel submitted this document as PX0019 in connection with its motion for summary decision.

3. Attached hereto as **RX2** is a true and correct copy of a compilation of declarations from third parties, which Complaint Counsel submitted in support of its motion for summary decision as PX0001–17 and PX0137. In order within this compilation, those declarants are: Christina Alvarez, Frank DeBenedetti, Trenton Grimes, Kelly Hopkins, Eva Moser, Richard Prince, Mark Rothermel, Jerald Sargent, David Smith, Daniel Wade, Ronda Winfield, Elena Dunne, Jeffrey Hoppis, John Sack, Christina Wilson, Gerald Lee, Joanna Sawicz, and Bill Nash.

4. Attached hereto as **RX3** is a true and correct copy of a compilation of communications between the FTC and declarant Christina Alvarez, which were produced in this

matter as Bates Nos. FTC_HOMEADVISOR0009212, FTC_HOMEADVISOR0009236, and FTC_HOMEADVISOR0097916.*

5. Attached hereto as **RX4** is a true and correct copy of a compilation of communications between the FTC and declarant Kelly Hopkins, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0009278 and FTC_HOMEADVISOR0009281.

6. Attached hereto as **RX5** is a true and correct copy of a compilation of communications between the FTC and declarant Richard Prince, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0097886, FTC_HOMEADVISOR0098535, FTC_HOMEADVISOR0098539, and FTC_HOMEADVISOR0099916.

7. Attached hereto as **RX6** is a true and correct copy of a compilation of communications between the FTC and declarant Mark Rothermel, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0009379 and FTC_HOMEADVISOR0009382.

8. Attached hereto as **RX7** is a true and correct copy of a compilation of communications between the FTC and declarant Bill Nash, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0098677, FTC_HOMEADVISOR0098688, FTC_HOMEADVISOR0098769, and FTC_HOMEADVISOR0098772.

9. Attached hereto as **RX8** is a true and correct copy of a compilation of communications between the FTC and declarant Jerald Sargent, which were produced in this

^{*} Because of an apparent error in how Complaint Counsel imaged or produced certain of these communications, they are difficult to reproduce as Bates-stamped PDFs with their original send dates included. To provide these materials to the Administrative Law Judge with those send dates, HomeAdvisor submits these materials here without Bates numbers in the bottom-right corners, though each document's Bates number is listed in this declaration and in the bookmarks within the consolidated PDF for this Motion.

matter as Bates Nos. FTC_HOMEADVISOR0009401, FTC_HOMEADVISOR0009404, and FTC_HOMEADVISOR0097874.

10. Attached hereto as **RX9** is a true and correct copy of a communication between the FTC and declarant David Smith, which was produced in this matter as Bates No. FTC_HOMEADVISOR0009429.

11. Attached hereto as **RX10** is a true and correct copy of a compilation of communications between the FTC and declarant Daniel Wade, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0009488, FTC_HOMEADVISOR0009490, FTC_HOMEADVISOR0009498, and FTC_HOMEADVISOR0097901.

12. Attached hereto as **RX11** is a true and correct copy of a compilation of communications between the FTC and declarant Christina Wilson, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0009208, FTC_HOMEADVISOR0009210, and FTC_HOMEADVISOR0097959.

13. Attached hereto as **RX12** is a true and correct copy of a compilation of communications between the FTC and declarant Ronda Winfield, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0009539, FTC_HOMEADVISOR0009543, and FTC_HOMEADVISOR00097939.

14. Attached hereto as **RX13** is a true and correct copy of a communication between the FTC and declarant Joanna Sawicz, which was produced in this matter as Bates No. FTC_HOMEADVISOR0097667.

15. Attached hereto as **RX14** is a true and correct copy of a communication between the FTC and declarant Eva Moser, which was produced in this matter as Bates No. FTC_HOMEADVISOR0099948.

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16. Attached hereto as **RX15** is a true and correct copy of a compilation of communications between the FTC and declarant Trenton Grimes, which were produced in this matter as Bates Nos. FTC_HOMEADVISOR0009263 and FTC_HOMEADVISOR0098853.

17. Attached hereto as **RX16** is a true and correct copy of the transcript of the deposition of declarant Christina Alvarez taken in this matter.

18. Attached hereto as **RX17** is a true and correct copy of the transcript of the deposition of declarant Kelly Hopkins taken in this matter.

19. Attached hereto as **RX18** is a true and correct copy of the transcript of the deposition of declarant Richard Prince taken in this matter.

20. Attached hereto as **RX19** is a true and correct copy of the transcript of the deposition of declarant Mark Rothermel taken in this matter.

21. Attached hereto as **RX20** is a true and correct copy of the transcript of the deposition of declarant Bill Nash taken in this matter.

22. Attached hereto as **RX21** is a true and correct copy of the transcript of the deposition of declarant David Smith taken in this matter.

23. Attached hereto as **RX22** is a true and correct copy of the transcript of the deposition of declarant Ronda Winfield taken in this matter.

24. Attached hereto as **RX23** is a true and correct copy of the transcript of the deposition of declarant Daniel Wade taken in this matter.

25. Attached hereto as **RX24** is a true and correct copy of the transcript of the deposition of declarant Eva Moser taken in this matter.

26. Attached hereto as **RX25** is a true and correct copy of the transcript of the deposition of declarant Christina Wilson taken in this matter.

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27. Attached hereto as **RX26** is a true and correct copy of the transcript of the deposition of declarant Trenton Grimes taken in this matter.

28. Attached hereto as **RX27** is a true and correct copy of Exhibit 10 from the deposition of declarant Jeffrey Hoppis taken in this matter.

29. Attached hereto as **RX28** is a true and correct copy of Exhibit 7 from the deposition of declarant Jeffrey Hoppis taken in this matter.

30. Attached hereto as **RX29** is a true and correct copy of Exhibit 9 from the deposition of declarant Jeffrey Hoppis taken in this matter.

31. Attached hereto as **RX30** is a true and correct copy of the transcript of the deposition of Amy Brannon-Quale taken in this matter.

32. Attached hereto as **RX31** is a true and correct excerpted copy of ¶¶ 88–102 of HomeAdvisor's affirmative statement of facts submitted in opposition to Complaint Counsel's motion for summary decision.

I declare under penalty of perjury that to the best of my knowledge and belief the foregoing is true and correct.

Executed On: August 1, 2022

By: <u>/s/ Neil T. Phillips</u> Neil T. Phillips FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 20 of 206 * PUBLIC *;

RX0001

DECLARATION OF AMY BRANNON-QUALE Pursuant to 28 U.S.C. § 1746

I, Amy Brannon-Quale, declare as follows:

 I am an investigator assigned with the Federal Trade Commission's ("FTC") Northwest Regional Office. The following facts are known to me personally, and if called as a witness, I could and would competently testify thereto.

I have been assigned to work on the FTC's investigation of HomeAdvisor, Inc.
("HomeAdvisor"), also doing business as Angi Leads, also doing business as HomeAdvisor
Powered by Angi.

WEBSITES

3. During the course of my investigation, I visited <u>http://pro.homeadvisor.com</u> and completed several website captures of the graphics and text on the website, as described in Paragraphs 4 through 10 below. To complete the captures, I created a .pdf file of each webpage using Adobe Pro, making a complete copy of each webpage as it appeared at the time of viewing. Where I opened the webpage using Chrome, each page of the .pdf file appears with the URL I captured at the bottom left, the title of the web page at the top center, the date and time of the capture at the top left, and page numbers of the capture at the bottom right. Where I opened the webpage using Internet Explorer, each page of the .pdf file appears with the URL I captured at the bottom left, the title of the web page at the top center, the date and time of the capture at the top left, and page numbers of the capture at the bottom right. Where I opened the webpage using Internet Explorer, each page of the .pdf file appears with the URL I captured at the bottom left, the title of the web page at the top left, the date and time of the capture at the bottom center, and page numbers of the capture at the bottom right.

4. Attached as Attachment 1 (FTC_HOMEADVISOR0008969) is a true and correct copy of a website capture from <u>https://pro.homeadvisor.com</u>, a publicly-available website. On October 7, 2021, I visited the website using Chrome and took this capture using Adobe Pro, as described in Paragraph 3.

 Attached as Attachment 2 (FTC_HOMEADVISOR0008966 FTC_HOMEADVISOR0008968) is a true and correct copy of a website capture from <u>https://pro.homeadvisor.com/help/faqs/</u>, a publicly-available website. On October 7, 2021, I

Declaration of Amy Brannon-Quale, page 1 of 7

visited the website using Chrome and took this capture using Adobe Pro, as described in Paragraph 3.

Attached as Attachment 3 (FTC_HOMEADVISOR0008934 FTC_HOMEADVISOR000 8935) is a true and correct copy of a website capture from https://www.homeadvisor.com/rfs/enroll/spPostEnrollLeadsDetails.jsp, a publicly-available website. On December 17, 2021, I visited the website using Internet Explorer and took this capture using Adobe Pro, as described in Paragraph 3.

 Attached as Attachment 4 (FTC_HOMEADVISOR0008938-FTC_HOMEADVISOR0008965) is a true and correct copy of a website capture from <u>https://legal.homeadvisorpros.com/#pro-terms-and-conditions</u>, a publicly-available website. On December 17, 2021, I visited the website using Chrome and took this capture using Adobe Pro, as described in Paragraph 3.

8. Attached as Attachment 5 (FTC_HOMEADVISOR0008933) is a true and correct copy of a website capture from <u>https://www.homeadvisor.com/spa/zip</u>, a publicly-available website. On January 7, 2022, I visited the website using Chrome and took this capture using Adobe Pro, as described in Paragraph 3.

9. On January 7, 2022, I visited <u>https://pro.homeadvisor.com/how-it-works/</u>, a publicly-available website, which contained graphics, text, and a video. Attached as Attachment 6 (FTC_HOMEADVISOR0008970-FTC_HOMEADVISOR0008972) is a true and correct copy of a static webpage capture reflecting the graphics and text from the website. On January 7, 2022, I visited this website using Chrome and took this capture using Adobe Pro, as described in Paragraph 3. In addition, on January 7, 2022, I captured the video on this webpage using software called Camtasia. I have reviewed the video, which contains the following narration:

As a home service professional, you know finding new customers isn't easy.

 Sometimes you spend more time looking for work than doing work. You need something that makes finding your next customer simple. You need HomeAdvisor.
HomeAdvisor is the number one marketplace for project-ready homeowners to

connect with pre-screened pros. In fact, a homeowner visits HomeAdvisor every five seconds looking for help, giving you a steady flow of new customers. And with HomeAdvisor's patented ProFinder technology, you're only matching to serious homeowners in your area. HomeAdvisor then instantly connects you over the phone, via email, or simply lets customers book an appointment on your calendar. At the same time, homeowners can read reviews and see your past work, giving them the confidence to hire you. Plus, only HomeAdvisor offers an all in one solution to track jobs, create invoices, and collect payments faster. Over 100,000 pros already rely on HomeAdvisor. Isn't it time you did too? Join HomeAdvisor today and start your next job tomorrow.

The video remains on HomeAdvisor's website as of the date of this declaration. My capture of the video (FTC_HOMEADVISOR0008973) can be provided to the Commission on request.

 Attached as Attachment 7 (FTC_HOMEADVISOR0008936 FTC_HOMEADVISOR0008937) is a true and correct copy of a capture of <u>https://ir.angi.com/news-releases/news-release-details/angies-list-now-angi-new-way-help-people-love-where-they-live, a publicly available website</u>. On December 17, 2022, I visited the website using Chrome and took this capture using Adobe Pro, as described in Paragraph 3.

BETTER BUSINESS BUREAU OF DENVER COMPLAINTS

11. On July 18, 2019, the Better Business Bureau of Denver produced to my office records relating to complaints regarding HomeAdvisor. Attachments 8 through 37, described in Paragraphs 12 through 41 below, were each part of the July 18, 2019 production by the Better Business Bureau of Denver.

Attached as Attachment 8 (FTC_HOMEADVISOR0004834 FTC_HOMEADVISOR0004837) is a true and correct copy of a complaint (No. 11578253),
dated July 22, 2016, from Scott Schafer to the Better Business Bureau of Denver.

Attached as Attachment 9 (FTC_HOMEADVISOR0004976 FTC_HOMEADVISOR0004978) is a true and correct copy of a complaint (No. 11721631),
dated September 19, 2016, from Erin Parks to the Better Business Bureau of Denver.

Declaration of Amy Brannon-Quale, page 3 of 7

Attached as Attachment 10 (FTC_HOMEADVISOR0005192-

FTC_HOMEADVISOR0005193) is a true and correct copy of a complaint (No. 11902602), dated December 29, 2016, from Noam Simckes to the Better Business Bureau of Denver.

Attached as Attachment 11 (FTC_HOMEADVISOR0005228 FTC_HOMEADVISOR0005229) is a true and correct copy of a complaint (No. 11923547),
dated January 7, 2017, from Gregory Getter to the Better Business Bureau of Denver.

16. Attached as Attachment 12 (FTC_HOMEADVISOR0005352) is a true and correct copy of a complaint, (No. 11989475) dated February 13, 2017, from Joel Weeks to the Better Business Bureau of Denver.

Attached as Attachment 13 (FTC_HOMEADVISOR0005653 FTC_HOMEADVISOR0005654) is a true and correct copy of a complaint (No. 12163027),
dated May 18, 2017, from Chris Leibengood to the Better Business Bureau of Denver.

Attached as Attachment 14 (FTC_HOMEADVISOR0005730 FTC_HOMEADVISOR0005733) is a true and correct copy of a complaint (No. 12204896),
dated Diane Gold-Rohde, from June 13, 2017 to the Better Business Bureau of Denver.

19. Attached as Attachment 15 (FTC_HOMEADVISOR0005765-FTC_HOMEADVISOR0005766) is a true and correct copy of a complaint (No. Case 12221432), dated June 22, 2017, from Andres Acosta Pilar to the Better Business Bureau of Denver.

20. Attached as Attachment 16 (FTC_HOMEADVISOR0007624-FTC_HOMEADVISOR0007625) is a true and correct copy of a complaint (No. 12321388), dated August 10, 2017, from Edward Ebert to the Better Business Bureau of Denver.

21. Attached as Attachment 17 (FTC_HOMEADVISOR0007880-FTC_HOMEADVISOR0007881) is a true and correct copy of a complaint (No. 12489236), dated November 6, 2017, from Emagene Quinnell to the Better Business Bureau of Denver.

22. Attached as Attachment 18 (FTC_HOMEADVISOR0007930-FTC_HOMEADVISOR0007931) is a true and correct copy of a complaint (No. 12537026), dated December 4, 2017, from Donald Harris to the Better Business Bureau of Denver.

Declaration of Amy Brannon-Quale, page 4 of 7

Attached as Attachment 19 (FTC_HOMEADVISOR0007944-

FTC_HOMEADVISOR0007945) is a true and correct copy of a complaint (No. 12547585), dated December 8, 2017, from Matthew Evans to the Better Business Bureau of Denver.

24. Attached as Attachment 20 (FTC_HOMEADVISOR0008023-FTC_HOMEADVISOR0008024) is a true and correct copy of a complaint (No. 12606806), dated January 10, 2018 from Chris Helbacka to the Better Business Bureau of Denver.

25. Attached as Attachment 21 (FTC_HOMEADVISOR0008192-FTC_HOMEADVISOR0008193) is a true and correct copy of a complaint (No. 12725240), dated March 8, 2018, from Theresa Schulz to the Better Business Bureau of Denver.

26. Attached as Attachment 22 (FTC_HOMEADVISOR0008284-FTC_HOMEADVISOR0008285) is a true and correct copy of a complaint (No. 12768874), dated March 31, 2018 from Wayne Gendron to the Better Business Bureau of Denver.

27. Attached as Attachment 23 (FTC_HOMEADVISOR0008480-FTC_HOMEADVISOR0008483) is a true and correct copy of a complaint (No. 12881873), dated May 30, 2018 from April Miller to the Better Business Bureau of Denver.

Attached as Attachment 24 (FTC_HOMEADVISOR0008583 FTC_HOMEADVISOR0008584) is a true and correct copy of a complaint (No. 12938687),
dated June 28, 2018, from Boyd Frizzell to the Better Business Bureau of Denver.

29. Attached as Attachment 25 (FTC_HOMEADVISOR0006068-FTC_HOMEADVISOR0006069) is a true and correct copy of a complaint (No. 13073526), dated September 4, 2018 from Paul Klauer to the Better Business Bureau of Denver.

Attached as Attachment 26 (FTC_HOMEADVISOR0006234 FTC_HOMEADVISOR0006235) is a true and correct copy of a complaint (No. 13150359),
dated October 14, 2018, from Zachary Palmer to the Better Business Bureau of Denver.

31. Attached as Attachment 27 (FTC_HOMEADVISOR0006293) is a true and correct copy of a complaint (No. 13175913), dated October 27, 2018, from Doug Shephard to the Better Business Bureau of Denver.

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Attached as Attachment 28 (FTC_HOMEADVISOR0006509-

FTC_HOMEADVISOR0006511) is a true and correct copy of a complaint (No. 13263270), dated December 13, 2018, from Alan Haney to the Better Business Bureau of Denver.

Attached as Attachment 29 (FTC_HOMEADVISOR0006556 FTC_HOMEADVISOR0006557) is a true and correct copy of a complaint (No. 13277093),
dated December 20, 2018, from Kelli Hall to the Better Business Bureau of Denver.

34. Attached as Attachment 30 (FTC_HOMEADVISOR0006604-FTC_HOMEADVISOR0006606) is a true and correct copy of a complaint (No. 13300319), dated January 3, 2019, from Alan Stanley to the Better Business Bureau of Denver.

35. Attached as Attachment 31 (FTC_HOMEADVISOR0006711-FTC_HOMEADVISOR0006713) is a true and correct copy of a complaint (No. 13336739), dated January 20, 2019, from Jeanne Smolinski to the Better Business Bureau of Denver.

36. Attached as Attachment 32 (FTC_HOMEADVISOR0006990-FTC_HOMEADVISOR0006991) is a true and correct copy of a complaint (No. 13447710), dated March 16, 2019, from Taylor Hanley to the Better Business Bureau of Denver.

37. Attached as Attachment 33 (FTC_HOMEADVISOR0007056-FTC_HOMEADVISOR0007057) is a true and correct copy of a complaint (No. 13478009), dated March 29, 2019, from Maikel Suarez Pimienta to the Better Business Bureau of Denver.

38. Attached as Attachment 34 (FTC_HOMEADVISOR0007116-FTC_HOMEADVISOR0007717) is a true and correct copy of a complaint (No. 13486824), dated April 4, 2019, from David Johnson to the Better Business Bureau of Denver.

39. Attached as Attachment 35 (FTC_HOMEADVISOR0007316 FTC_HOMEADVISOR0007318) is a true and correct copy of a complaint (No. 13555802),
dated May 13, 2019, from David O'Brien to the Better Business Bureau of Denver.

40. Attached as Attachment 36 (FTC_HOMEADVISOR0007378-FTC_HOMEADVISOR0007379) is a true and correct copy of a complaint (No. 13586856), dated May 29, 2019, from Katrina Stilwell to the Better Business Bureau of Denver.

Declaration of Amy Brannon-Quale, page 6 of 7

41. Attached as Attachment 37 (FTC_HOMEADVISOR0007489-

FTC_HOMEADVISOR0007490) is a true and correct copy of a complaint (No. 13632857),

dated June 20, 2019, from Lisa Weiss to the Better Business Bureau of Denver.

WASHINGTON STATE ATTORNEY GENERAL'S OFFICE COMPLAINT

42. On August 3, 2021, the Washington State Attorney General's Office produced to my office records regarding a complaint regarding HomeAdvisor that it had received from Jerald Sargent. Attached as Attachment 38 (FTC_HOMEADVISOR0000001-

FTC_HOMEADVISOR000007) is a true and correct copy of these records.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: March, 10 , 2022

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Amy Brannon-Quale

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PX0001

DECLARATION OF CHRISTINA ALVAREZ Pursuant to 28 U.S.C. § 1746

I, Christina Alvarez, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Simi Valley, California. I co-own Insight Pest Management, Inc. with my husband, Israel Alvarez. Insight Pest Management, Inc. is a pest control business serving the greater Ventura County, California area. We have owned this business since 2016. I currently handle administration and accounting for the company; I previously handled customer calls as well.

2. In March 2016, I was contacted by a representative of a company called HomeAdvisor. I had seen ads for the company and heard about them from other pest control operators. I understood that they offered a lead generation service to pest control companies. The HomeAdvisor sales representative I spoke with offered me a year-long membership and told me that I could cancel the service and stop receiving leads at any time. He told me that the membership signup fee was \$287.99. At the time, our business was fairly new and I was looking to grow the company. I told the representative that I would like to learn more about their services.

3. He explained that HomeAdvisor provides high quality leads from people who are actively looking for pest control services. He said that these were "qualified leads" and were homeowners who were "ready to hire immediately." He told me that the cost of leads ranged from \$18 or so up to around \$35 each, depending on the type and size of the job. This sounded like a good opportunity. I agreed to sign up for their service and provided my credit card information for payment.

4. We started receiving leads from HomeAdvisor, but upon calling them I found that they were problematic. There were three main issues. First, many of the leads were homeowners who lived outside of the territory that we covered. Second, many of the leads I contacted said that they had already been contacted by other service providers and no longer

Declaration of Christina Alvarez, page 1 of 6

needed any services. Third, there was no way within the HomeAdvisor system to properly narrow down the types of pest control services we wanted to offer. Specifically, this was a problem for rodent control services, which seemed to be a popular category. HomeAdvisor had categories of services that the homeowners could select and one of them was rodent control. We received many leads for rodent control services. Most of these leads were looking for agricultural rodent control (such as gophers, moles and other crop or field pests), while we only offered structural rodent control (rats, mice).

5. I was able to request credit for the leads that were not in our geographic area or that were looking for services we didn't offer, but it required calling HomeAdvisor and waiting on hold for 20 to 30 minutes in order to put in a credit request. I wasted a lot of time on hold trying to get credited for the leads that were of no use to us, and sometimes it was just too much trouble to take the time away from my day to make the attempt. By late 2017, my husband and I decided that we didn't want to continue our membership and I called to cancel the service.

6. In 2019, my husband was looking for new resources for lead generation to expand our termite control services. He suggested that we try HomeAdvisor again to see how it went. I reluctantly agreed to try the service again.

7. In May 2019, I called HomeAdvisor. I mentioned to the representative that I had previously been a customer and I told him about the issues we had experienced. He said that HomeAdvisor had made several changes since we had last been members, and that those changes should allow us to avoid the previous problems. He said that HomeAdvisor had made it easier for us to choose the leads that we wanted and exclude the ones we don't want. He explained that they had added more options for selecting geographic territory and that the service categories were more specific instead of being bundled in larger more general types of service. I asked about the number of service providers that would receive each lead. I don't recall the specifics of what he said, but I had the impression that it wouldn't be more than a few. He also told me that members could now request lead credits through HomeAdvisor's website instead of having to call customer service and wait on hold. He said that all the leads were homeowners who were

Declaration of Christina Alvarez, page 2 of 6

"ready to hire," and he reiterated that I could select the specific services my company provided and the exact territory we covered to make sure that we received leads that matched.

8. While I was skeptical regarding the HomeAdvisor representative's claims due to my previous experience with the company, I knew my husband wanted to try the service again. The fact that I could receive leads that were actively looking to hire in in our geographic area, and in our specific area of expertise, was important to me. Based on what the representative told me, I decided it was worth a shot, so I told the representative I'd like to sign up. I asked if we could get around 100 leads per month, and he said that was doable. I provided the sales representative with my credit card information for the \$287.99 annual membership fee and the leads. I signed up using Israel's name and my email address. They didn't provide me with a written contract, only a link to a member website in an email confirming my annual membership.

9. It didn't take long to discover that the leads were not the quality I had hoped for. Many of the people we reached by phone were very unhappy to hear from me. They would say things like, "You're the fifth person to call me in the last 15 minutes, would you guys just leave me alone?" or "I was just trying to get some information—I didn't realize someone was going to call me." There were also leads with numbers that did not have voicemail and those where I left messages and never received a return call. I estimate that 60% or more of the calls I made ended up with one of the above results.

10. It was apparent that the leads they were sending us were not what I was promised. Even though it was an easier process to request lead credits, it was still a hassle and I didn't receive credits for some of the leads. By August 2019, I felt that we had wasted enough time; the small percentage of leads that led to jobs was not worth the trouble. I called HomeAdvisor and requested that our account be cancelled.

11. The HomeAdvisor representative I spoke with told me that our account would remain open, but I would no longer receive leads and would not incur any additional fees. I requested a confirmation number or confirming email and was told that HomeAdvisor does not provide a cancellation or confirmation number. I didn't worry about that too much, though I was

Declaration of Christina Alvarez, page 3 of 6

bothered that a business of that size didn't provide written confirmation of cancellation or any sort of confirmation number to confirm cancellation.

12. On November 12, 2019, after a discussion with my bookkeeper, I became aware that HomeAdvisor had continued to charge us for leads—over \$100 worth. I filed a dispute with my credit card company and called HomeAdvisor again. I spoke with a gentleman named Owen who said essentially the same thing as the earlier HomeAdvisor representative: he informed me that our account "would remain open," but that I would no longer be charged for leads. He also told me that he could not give me a confirmation number. I repeatedly asked for our account to be closed. Owen said that closing our account was impossible, but he assured me that we would not be charged any additional money. I didn't trust this information, so I cancelled the credit card that HomeAdvisor had been billing as soon as I could.

13. The next day, I received an email confirming my account had been cancelled. A true and correct copy of this email is attached to this declaration as Attachment A. The email offered us three free leads if I reactivated my account by clicking a link in the email or calling a toll-free number. I did neither.

14. A few days later, on November 20, 2019, I received a "Past Due" notice for \$157.02 from HomeAdvisor via email. I immediately contacted HomeAdvisor and spoke with a woman named Regina Rivers. She informed me that I would have to pay any past due balance in order for her to close the account. I did not want to give her my credit card information again, but she insisted she could not close the account unless I brought it current. She assured me that my account would no longer be receiving leads or incurring any fees. Like the other representatives, she could not provide a confirmation or cancellation number, but she provided me with her email address. I reluctantly provided my credit card account number for the charges. I told her very clearly that I was only authorizing the one-time payment on the card, and that I did not want any other charges to be placed on it. Regina assured me that I would not be getting any further charges.

15. That same afternoon, I received another lead from HomeAdvisor. I was very upset and I sent an email to Regina. Regina responded by email, apologizing and stating that the

Declaration of Christina Alvarez, page 4 of 6

problem had been corrected. A true and correct copy of this email exchange is attached to this declaration as Attachment B.

16. On December 16, 2019, I received an email from HomeAdvisor with the subject heading "Final Account Notice - Avoid being sent to Collections." A true and correct copy of this email is attached to this declaration as Attachment C. This email stated that we owed HomeAdvisor \$903.73. It stated that my account was "being staged to go to an external collections agency within the next few days." It also stated that we would have to pay the balance immediately "in order to avoid having your account sent to our outside Collection Agency, having additional collection fees and/or litigation fees assessed and possibly a negative reporting against your credit." This bill was for money that we didn't owe—it was all for leads that had been charged to our account after I had told HomeAdvisor to cancel the service.

17. In addition, at some point during late 2019 or early 2020, I found that HomeAdvisor had placed several unauthorized charges on the credit card I had given to Regina Rivers on November 20, 2019. I had only given her the card information in order to pay our "past due" balance—I never gave permission for HomeAdvisor to charge that card for anything after that date. But HomeAdvisor had continued to charge me for leads and apparently for the "past due balance." By the time I realized it, HomeAdvisor had charged us approximately \$1,400. I stopped further charges and filed another dispute with my credit card issuing bank. The bank eventually approved my dispute and refunded my card.

18. On January 17, 2020, I received another email, informing me that our account had been sent to collections. A true and correct copy of this email is attached to this declaration as Attachment D.

19. On January 21, 2020, Israel received an email from a collections agency with a letter attached stating that HomeAdvisor had initiated collections on a balance of \$1,584.14 owed to HomeAdvisor. Israel forwarded me that letter on January 22, 2020. A true and correct copy of this email and letter is attached to this declaration as Attachment E.

Declaration of Christina Alvarez, page 5 of 6

20. After I received the collections agency's email, on January 28, 2020, I filed a complaint with the Federal Trade Commission. A true and correct copy of this complaint is attached to this declaration as Attachment F.

21. After filing the complaint, I emailed the collections agency explaining the situation and informing them that I had filed the complaint. A true and correct copy of this email is attached to this declaration as Attachment G.

22. I have not had any further contact from HomeAdvisor. It took a great deal of time and effort on my part to get HomeAdvisor to stop charging me and then harassing me for the unwarranted charges. To make matters worse, the lead service turned out to be *fairly worthless* and my company wasted time following up on worthless leads and requesting credits. I would have been better off if I had never even heard of HomeAdvisor in the first place.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: (January 20, 2022

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Christina Afyarez

Declaration of Christina Alvarez, page 6 of 6

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Brannon-Quale, Amy

| From: | Christina Alvarez |
|----------|--|
| Sent: | Friday, December 10, 2021 11:48 AM |
| To: | Brannon-Quale, Amy |
| Subject: | Fwd: Thank you. Look forward to speaking with you. |

Christina Alvarez Insight Pest Management

www.insight-pest.com

------ Forwarded message ------From: HomeAdvisor Pro | Josh Lent <<u>updates@info.homeadvisor.com</u>> Date: Wed, Nov 13, 2019 at 5:00 AM Subject: Thank you. Look forward to speaking with you. To: < @insight-pest.com>

Information regarding your account.

View Email in Web Browser



Dear Israel,

I wanted to reach out and let you know how sorry I am to hear you decided to cancel your account with HomeAdvisor. We take pride in delivering superior value to our customers, and in this case it's clear we missed the mark.

As a token of our gratitude, I'd like to offer you 3 free leads to reactivate your account. To take advantage of this offer, simply reactivate below or call us at 1-844-811-2007.

Reactivate Account

Thank you for your time. We look forward to hearing from you.

ALVAREZ ATTACHMENT A

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| Josh Lent | |
| Customer Relations Dept. Manager | |

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|------|----------------|--------------------------------|---|--------------------|---------|
| Home | Lead Center | My Profile | Ratings & Reviews | Articles & Tools | Account |

Terms & Conditions | Privacy Policy

1-844-811-2007

<u>Unsubscribe options</u>: If you prefer to no longer receive this email or would like to modify frequency, please follow the instructions on the <u>Subscriptions Preferences</u> page. It may take up to 10 days for the changes to take effect.

You are subscribed with the following email address:

Make sure to add HomeAdvisor to your favorites.

HomeAdvisor Inc., 14023 Denver West Parkway Bldg. 64, Golden, CO 80401

ALVAREZ ATTACHMENT A

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Brannon-Quale, Amy

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| From: | Christina Alvarez < |
|----------|------------------------------------|
| Sent | Friday, December 10, 2021 11:47 AM |
| To: | Brannon-Quale, Amy |
| Subject: | Fwd: New Lead on Closed Account |

Christina Alvarez Insight Pest Management

www.insight-pest.com

------ Forwarded message ------From: Christina Alvarez Date: Wed, Nov 20, 2019 at 4:02 PM Subject: New Lead on Closed Account To: <<u>regina.rivers@homeadvisor.com</u>>

Last week I closed my account and this morning received a Past Due notice for erroneous charges that I do not agree I owe.

We spoke today and you "officially" canceled my account. You made me give you my credit card number and update the account in order to charge me a final fee and then CLOSE my account.

I just received a "new lead" from homeadvisor. I do not want this account and will not pay anymore money for an account that is closed.

Please confirm.

Christina Alvarez Insight Pest Management D: Redacted Purchanito 15 C.F.R. 54 C. Redacted Purchanito 16 C.F.R. 54 www.insight-pest.com



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Brannon-Quale, Amy

| From: | Christina Alvarez < |
|----------|------------------------------------|
| Sent: | Friday, December 10, 2021 11:47 AM |
| To: | Brannon-Quale, Amy |
| Subject: | Fwd: New Lead on Closed Account |

Christina Alvarez Insight Pest Management

www.insight-pest.com

------ Forwarded message ------From: Rivers, Regina <<u>Regina.Rivers@homeadvisor.com</u>> Date: Thu, Nov 21, 2019 at 7:51 AM Subject: Re: New Lead on Closed Account To: Christina Alvarez >

Thank you for reaching out to me regarding this,

I got this corrected for you. I apologize about the issues regarding this.

Regina Rivers

Business Customer Care Advisor HomeAdvisor/Angie's List | 877-947-3639



From: Christina Alvarez < Pinsight-pest.com Sent: Wednesday, November 20, 2019 5:02 PM To: Rivers, Regina <<u>Regina.Rivers@homeadvisor.com</u> Subject: New Lead on Closed Account

Last week I closed my account and this morning received a Past Due notice for erroneous charges that I do not agree I owe.

We spoke today and you "officially" canceled my account. You made me give you my credit card number and update the account in order to charge me a final fee and then CLOSE my account.

I just received a "new lead" from homeadvisor. I do not want this account and will not pay anymore money for an account that is closed.

ALVAREZ ATTACHMENT B

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Please confirm.

Christina Alvarez Insight Pest Management

www.insight-pest.com



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FTC_HOMEADVISOR0009554

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Brannon-Quale, Amy

| From: | Christina Alvarez < | > |
|----------|--|----------------|
| Sent: | Friday, December 10, 2021 11:45 AM | |
| To: | Brannon-Quale, Amy | |
| Subject: | Fwd: Final Account Notice - Avoid being sent | to Collections |

Christina Alvarez Insight Pest Management

www.insight-pest.com

------ Forwarded message ------From: HomeAdvisor <<u>billing@homeadvisor.com</u>> Date: Mon, Dec 16, 2019 at 7:47 AM Subject: Final Account Notice - Avoid being sent to Collections To: @insight-pest.com>



Past Due Balance

Dear Israel,

FINAL NOTICE! Because we have not received a response to numerous inquiries regarding your outstanding balance, your account is now being staged to go to an external collections agency within the next few days.

To pay your balance and avoid having your account sent to our outside Collection Agency, having additional collection fees and/or litigation fees assessed and possibly a negative reporting against your credit, please provide a valid method of payment below or call the HomeAdvisor Business Customer Care team toll-free at (877) 947-3639.

| adi |
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| |

This is your final opportunity to resolve the matter.

Update Payment Method and Pay Balance Due



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HomeAdvisor makes it easy for you to manage your payment preferences. You can manage payment options online or call us at (877) 947-3639. Reprocess the Card on File: Visa - xxxx xxxx xxxx

If you are confident that the card on file can be processed successfully at this time, please click here to re-process the current credit card on file.

Regards,

v v

HomeAdvisor (877) 947-3639

Reach More Customers. Win More Jobs. ••

Leads | Ratings | Account | Privacy Statement | Terms & Conditions

Go Mobile

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You are receiving this email because you have a HomeAdvisor Pro account. You may UNSUBSCRIBE from newsletters, surveys and special offers.

14023 Danvar West Parkway Building 64 Golden, CO 80401



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Brannon-Quale, Amy

| From: | Christina Alvarez < |
|----------|--|
| Sent: | Friday, December 10, 2021 11:45 AM |
| То: | Brannon-Quale, Amy |
| Subject: | Fwd: Account balance sent to collections |

Christina Alvarez Insight Pest Management

www.insight-pest.com

Forwarded message -----From: HomeAdvisor <<u>billing@homeadvisor.com</u>>
Date: Fri, Jan 17, 2020 at 2:02 PM
Subject: Account balance sent to collections
To: z@insight-pest.com>



Account Forwarded to Collection Agency

Dear Israel,

Your HomeAdvisor account has been forwarded to our outside collection agency. Due to this change, your account will have additional fees and possibly interest added to the balance.

Your website attached to your HomeAdvisor account is now suspended.

Our outside collection agency will be contacting you to discuss this matter. The outstanding balance can also be paid by contacting us directly. The contact information is listed below:

HomeAdvisor, Inc. 1-877-947-3639

Regards,

HomeAdvisor (877) 947-3639

Reach More Customers. Win More Jobs. ...



Page 14

PX0001-0014

FTC_HOMEADVISOR0009557

Leads | Ratings | Account | Privacy Statement | Terms & Conditions

Go Mobile



You are receiving this email because you have a HomeAdvisor Pro account. You may <u>UNSUBSCRIBE</u> from newsletters, surveys and special offers.

14023 Deriver West Parkway, Building 64 Golden, CO 80401

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ALVAREZ ATTACHMENT D

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FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 45 of 206 * PUBLIC *;

Brannon-Quale, Amy

| From: | Christina Alvarez | > |
|--------------|--|---------------------------------------|
| Sent | Friday, December 10, 2021 11:46 AM | |
| To: | Brannon-Quale, Amy | |
| Subject: | Fwd: KS7004: HomeAdvisor, Inc. and Insight I | Pest Management, Inc. File # 32896451 |
| Attachments: | 7004_HAV_A1.rpt_20200121213417_2457167 | .pdf |

Christina Alvarez Insight Pest Management

www.insight-pest.com

Forwarded message -----From: Israel Alvarez <j @insight-pest.com>
Date: Wed, Jan 22, 2020 at 9:11 AM
Subject: Fwd: KS7004: HomeAdvisor, Inc. and Insight Pest Management, Inc. File # 32896451
To: Christina Alvarez @insight-pest.com>

Israel Alvarez-via mobile device

Begin forwarded message:

 From: MBW Reports < mbwreports@MBANDW.com</td>

 Date: January 21, 2020 at 7:22:02 PM PST

 To:
 z@insight-pest.com

 Subject: KS7004: HomeAdvisor, Inc. and Insight Pest Management, Inc. File # 32896451

Please give immediate attention to the attached correspondence regarding your account with our client, HomeAdvisor, Inc..

If you have any questions or concerns, please call me. Thank you.

Robyn Lomax McCarthy, Burgess & Wolff Phone: 4407355100 Ext 2317



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FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 46 of 206 * PUBLIC *;



January 21, 2020

The MB&W Building 26000 Cannon Road Cleveland, Ohio 44146 Phone 440.735.5100 Fax 440.735.5110

Nomina Exisers

Insight Pest Management, Inc. Israel Alvarez

Newbury Park, CA 91320

Re: HomeAdvisor, Inc. and Insight Pest Management, Inc. Account No.: Balance Due: \$1,548.14 File #: 32896451

Dear Israel Alvarez:

Be advised that HomeAdvisor, Inc. has requested our offices initiate collection action regarding the above captioned account. They indicate that there is an outstanding balance which is due and owing.

At this point, it is essential you keep the following in mind when considering how you respond:

- 1. You voluntarily contracted with HomeAdvisor, Inc. resulting in the balance outstanding.
- 2. You were aware of billing terms at the time you contracted for said goods and/or services.
- 3. To date you have refused to resolve this issue.

In the event you choose to do so, make check payable to HomeAdvisor, Inc. in the amount of \$1,548.14 and mail to this office at 26000 Cannon Rd., Cleveland, OH 44146, or pay on-line at www.mbwpay.com. If you feel the need to discuss this matter, please contact me directly.

Thank you in advance for your anticipated cooperation.

Robyn Lomax 440-735-5100 Ext: 2317 www.mbandw.com

Unless you notify this office within 30 days after receiving this notice that you dispute the validity of this debt or any portion thereof, this office will assume this debt is valid. If you notify this office in writing within 30 days after receiving this notice that you dispute the validity of this debt or any portion therof, this office will obtain verification of the debt or obtain a copy of a judgement and mail you a copy of such judgement or verification. If you request of this office in writing withing 30 days after receiving this notice, this office will provide you with the name and address of the original creditor, if different from the current creditor.

This communication is from a debt collector. This is an attempt to collect a debt and any information obtained will be used for that purpose.

Notice: See Following Page for Important Consumer Rights Information. ALVAREZ ATTACHMENT E

Page 17

We are required to provide the following information under state law for the states indicated. This is not a complete list of vour rights by state. If you do not reside in one of these states, you may have the same or similar rights under state or federal law. CALIFORNIA: The state Rosenthal Fair Debt Collection Practices Act and the federal Fair Debt Collection Practices Act require that, except under unusual circumstances, collectors may not contact you before 8am or after 9pm. They may not harass you by using threats of violence or arrest or by using obscene language. Collectors may not use false or misleading statements or call you at work if they know or have reason to know that you may not receive personal calls at work. For the most part, collectors may not tell another person, other than your attorney or spouse, about your debt. Collectors may contact another person to confirm your location or enforce a judgment. For more information about debt collection activities, you may contact the Federal Trade Commission at 1-877-FTC-HELP or www.ftc.gov. Cal. Civ. Code § 1812.700"Nonprofit credit counseling services may be available in the area.* "As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations." COLORADO: Colorado Office Information: 8690 Wolff Court, Suite 110 Westminster, CO 80031 Local: (303) 920-4763 Toll Free: (877) 862-5100 FOR INFORMATION ABOUT THE COLORADO FAIR DEBT COLLECTION PRACTICES ACT. SEE WWW.AGO.STATE.CO.US/CADC/CADCMAIN.CFM. A consumer has the right to request in writing that a debt collector or collection agency cease further communication with the consumer. A written request to cease communication will not prohibit the debt collector or collection agency from taking any other action authorized by law to collect the debt. MAINE: Our hours of operation are Mon - Fri 8:00am to 5:00pm EST. MASSACHUSETTS: NOTICE OF IMPORTANT RIGHTS. YOU HAVE THE RIGHT TO MAKE A WRITTEN OR ORAL REQUEST THAT TELEPHONE CALLS REGARDING YOUR DEBT NOT BE MADE TO YOU AT YOUR PLACE OF EMPLOYMENT. ANY SUCH ORAL REQUEST WILL BE VALID FOR ONLY TEN DAYS UNLESS YOU PROVIDE WRITTEN CONFIRMATION OF THE REQUEST POSTMARKED OR DELIVERED WITHIN SEVEN DAYS OF SUCH REQUEST. YOU MAY TERMINATE THIS REQUEST BY WRITING TO THE COLLECTION AGENCY. Hours of operation are Mon - Fri 8:00am to 5:00pm EST. MINNESOTA: This collection agency is licensed by the Minnesota Department of Commerce. **NEW YORK CITY:** New York City Department of Consumer Affairs license number 2070062-DCA. **NEW YORK:** In accordance with the Fair Debt Collection Practices, Act, 15 U.S.C. § 1692 et sea., debt collectors are prohibited from engaging in abusive, deceptive, and unfair debt collection efforts, including but not limited to: the use or threat of violence; the use of obscene or profane language; and repeated phone calls made with the intent to annoy, abuse or harass. If a creditor or debt collector receives a money judgment against you in court, state and federal laws may prevent the following types of income from being taken to pay the debt: supplemental security income (SSI); social security; public assistance (welfare); spousal support, maintenance (alimony) or child support; unemployment benefits; disability benefits; workers' compensation benefits; public or private pensions; veterans' benefits; federal student loans, federal student grants, and federal work study funds; and ninety percent of your wages or salary earned in the last sixty days. NORTH CAROLINA: North Carolina Department of Insurance Permit No. 113590: 26000 Cannon Rd. Cle., OH 44146; 113591: 7088 W. 130th St. Middleburg Heights, OH 44130; 113592; 9910 E, 42nd St, Suite 201 Tulsa, OK 74146. **TENNESSEE:** This collection agency is licensed by the Collection Services Board, State Department of Commerce and Insurance. 500 James Robertson Parkway, Nashville, TN 37243. WISCONSIN: This collection agency is licensed by the Division of Banking in the Wisconsin Department of Financial Institutions, www.wdfi.org. ALVAREZ ATTACHMENT E Page 18

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 48 of 206 * PUBLIC *;

× .

| HomeAdvis | or | |
|--|-----------------------------------|--------------------|
| Attn: Accounts Receivable 14023 Deriver West Parkway, Suite 200 Golden, CD 80401 | | |
| | Insight Pest Manageme Account# | nt, Inc. |
| Account Summary - Invoice Deta | 100 | |
| | | |
| Account | Account Balance | Collection Charges |
| 76527064 | \$1,238.51 | \$309.63 |
| Subtotal | \$1,238.51 | \$309.63 |
| Total | | \$1,548.14 |

ALVAREZ ATTACHMENT E

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PX0001-0019

FTC_HOMEADVISOR0009562

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| 11/4/21, | 2:44 | РM |
|----------|------|----|
|----------|------|----|

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https://www.consumersentinel.gov/Search/PrintDetails

Printer Friendly Record Details

| 4/21, 2:44 PM | Pr | Inter Friendly Record Detail | 8 |
|--------------------------------------|---|--|--|
| Record # 12 | / 115592765 / Consumer Sentir | <u>nel Network Cor</u> | nplaint |
| Reference | 115592765 | Originator | |
| Number: | | Reference | |
| | | Number: | |
| Language: | English | Contact Type: | Complaint |
| Source: | Consumer | DNC?: | No |
| Comments: Additional Comments: | In May of 2019, we (Insight Pest Manager homeowners requesting professionals to the membership paid for is a 1 year contra- and no longer incur fees for that service. I decided to stop the lead service. I contact requested my account be canceled. I was receive leads and would not incur any add was told Homeadvisor does not provide a after a discussion with my bookkeeper I b leads. I filed a credit card dispute with my at HomeAdvisor who also informed me th be charged for leads. He also in formed m repeatedly asked for my account to be clo would no longer be charged any additiona account had been canceled: "Dear Israel, you decided to cancel your account with H customers, and in this case it's clear we m 3 free leads to reactivate your account. To at 1-844-811-2007." Then on November 2 Israel,FINAL NOTICE! Because we have outstanding balance, your account is now next few days. To pay your balance and a having additional collection fees and/or lif your credit, please provide a valid method spoke with Regina Rivers. She informed of past due balance or she would not be abl she insisted she could not close it unless receiving leads, no longer incur any fees contract. She also, could not provide a co number and paid the balance. That aftern this email to Regina: Regina responded, a approved my dispute and refunded appro- they are sending me letters. | perform Termite Work. act that at any time you After a few months, we ad HomeAdvisor in Au told my account would ditional fees. I requests cancellation or confirm ecame aware that Hor credit card company a at my account "would he that he could not giv bed and was told that at money. The next day I wanted to reach out domeAdvisor. We take hissed the mark.As a to bake advantage of thi 20th, I received a "Past not received a response being staged to go to woid having your accound to fayment I immore she could close my e to close it. I did not w I brought it current. Sh but again would remain apologized and said the apologized and said the apol | The contract specifically states that what may choose to stop accepting leads a ware not receiving quality leads and agust of 2019 via telephone and diremain open but 1 would no longer ad a confirmation number or email and nation number. In, November of 2019 neAdvisor had continued to charge us frand spoke with a gentleman named Ow remain open" but that 1 would no longer we me a confirmation number. I closing my account was impossible but / I received an email confirming my and let you know how sorry I am to heat pride in delivering superior value to our oken of our gratitude, I'd like to offer you's offer, simply reactivate below or call ut Due" notice for \$157.02 Dear se to numerous inquiries regarding your an external collections agency within the unt sent to our outside Collection Agent and possibly a negative reporting again ediately contacted HomeAdvisor and y account but I would have to pay any vant to give her my credit card again but the said my account would no longer be n open until the end of my one year ion number. I gave her my credit card we have been corrected. My bant |
| Complaint | | | |
| disposition | | | |
| provided?: | | | |
| Complaint | 1 | ****** | |
| Disposition: | | | |
| Data | | Load Date: | 01/28/2020 1:41:11 PM |
| Reference: | | | 10 27 No. 107 No. 10 No. 10 No. 1 2 4 8 8 8 8 |
| Created By: | FTCCIS-FTCUSER | Created Date: | 01/28/2020 1:41:11 PM |
| Updated By: | | Updated Date: | · · · · · · · · · · · · · · · · · · · |
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ALVAREZ ATTACHMENT F

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FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 50 of 206 * PUBLIC *;

| Complaint | FTC Online Complaints | Product | Other Misc. |
|---|---|--|---|
| Source: | · · · · · · · · · · · · · · · · · · · | Service | Unwanted Telemarketing Calls |
| | | Description: | - |
| Amount | | Amount Paid: | \$2,473.10 |
| Requested: | | | |
| Payment | Credit Card | Agency | Internet |
| Method: | | Contact: | |
| Complaint | 01/28/2020 | Transaction | 05/21/2019 |
| Date: | | Date: | |
| Initial Contact: | Phone Call | Initial | |
| | | Response: | |
| Statute/Rule: | Telemarketing Sales Rule | Law Violation: | TSR: Unauthorized billing |
| | Rule\Other | | Other (Note the Violation in the |
| | | Philippine American | Comment Field) |
| Topic: | | Dispute with | |
| | | Credit Bureau?: | |
| Dispute with | | | |
| Credit Bureau - | | Dispute with Credit Bureau - | |
| Responded?: | | Resolved to | |
| a sono-asigor ara a an an an an a | | Satisfaction?: | |
| Member of | No | Cross Border | No |
| armed forces | | Complaint?: | < 101.07 |
| | | | |
| or dependent?: | 8 | á l | 8 |
| or dependent?: Consumer Small | Consum Insight Pest Management, Inc | I ar Information | |
| Consumer Small Business or Organization: | Insight Pest Management, Inc | | |
| Consumer Small Business or Organization: First Name: | Insight Pest Management, Inc Christina | Last Name: | Alvarez |
| Consumer Small Business or Organization: First Name: Address 1: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) | Last Name: Address 2: | |
| Consumer Small Business or Organization: First Name: Address 1: City: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park | Last Name: Address 2: State: | California |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 | Last Name: Address 2: State: Country: | California UNITED STATES |
| Consumer Small Business or Organization: First Name: Address 1: City: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park | Last Name: Address 2: State: Country: Federal | California |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 | Last Name: Address 2: State: Country: Federal Judiciai | California UNITED STATES |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 | Last Name: Address 2: State: Country: Federal Judicial District: | California UNITED STATES |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 | Last Name: Address 2: State: Country: Federal Judiciai District: Cell Number: | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: Age Range: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service Branch: | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Ext: Email: Military Service Branch: Soldier | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: Age Range: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura 40 - 49 | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service Branch: Soldier Station: | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: Age Range: Soldier Status: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura 40 - 49 | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service Branch: Soldier Station: | California UNITED STATES California - Central Resource European to 16 GFR 912(0) Resource European to 16 GFR 912(0) |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: Age Range: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura 40 - 49 | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service Branch: Soldier Station: | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: Fax Number: Soldier Status: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura 40 - 49 HomeAdvisor, Inc | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service Branch: Soldier Station: Subject Normalized Name: | California UNITED STATES California - Central Resource European to 16 GFR 912(0) Resource European to 16 GFR 912(0) |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Vork Number: Fax Number: Fax Number: Age Range: Soldier Status: Subject: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura 40 - 49 HomeAdvisor, Inc 14023 Denver West Parkway | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service Branch: Soldier Station: iubject Normalized Name: Address 2: | California UNITED STATES California - Central |
| Consumer Small Business or Organization: First Name: Address 1: City: Zip: County: Home Number: Work Number: Fax Number: Fax Number: Soldier Status: | Insight Pest Management, Inc Christina Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Newbury Park 91320 Ventura 40 - 49 HomeAdvisor, Inc | Last Name: Address 2: State: Country: Federal Judicial District: Cell Number: Ext: Email: Military Service Branch: Soldier Station: Subject Normalized Name: | California UNITED STATES California - Central |

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 51 of 206 * PUBLIC *;

| 11/4/21, 2:44 PM | Printer Friendly Record Details | | |
|------------------|---------------------------------|---------------|---------------------|
| County: | Jefferson | Federal | Colorado |
| | | Judicial | |
| | | District: | |
| Email: | | URL: | www.homeadvisor.com |
| Phone | 877-9473639 | Ext: | |
| Number: | | | |
| Subject ID | | Subject ID | |
| Type: | | Issuer State: | |
| Subject ID | | | |
| lssuer | | | |
| Country: | | | |
| Representative: | Brandon Ridenour | Title: | CEO |

https://www.consumersentinel.gov/Search/PrintDetalls

ALVAREZ ATTACHMENT F

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PX0001-0022

FTC_HOMEADVISOR0009565

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 52 of 206 * PUBLIC *;

Brannon-Quale, Amy

| From: | Christina Alvarez | @insight-pest.com> |
|----------|---------------------------|---|
| Sent: | Friday, December 10, 2021 | 11:46 AM |
| To: | Brannon-Quale, Amy | |
| Subject: | Fwd: KS7004: HomeAdviso | r, Inc. and Insight Pest Management, Inc. File # 32896451 |

Christina Alvarez Insight Pest Management

www.insight-pest.com

 Forwarded message
 @insight-pest.com>

 From: Christina Alvarez
 @insight-pest.com>

 Date: Tue, Jan 28, 2020 at 10:59 AM

 Subject: Re: KS7004: HomeAdvisor, Inc. and Insight Pest Management, Inc. File # 32896451

 To: <mbwreports@mbandw.com>

 Cc: Israel Alvarez
 @insight-pest.com>

Dear Ms Lomax

Please be aware that HomeAdvisor was informed on August 14th, 2019 that Insight Pest Management, Inc. no longer wished to receive leads. We were informed the membership we contracted could not be canceled until the completion of one year but that we would no longer incur fees associated with newly generated leads.

It came to my attention in November of 2019, that HomeAdvisor had continued to charge Insight Pest Management, Inc for unauthorized leads. After several conversations and emails with HomeAdvisor Business Customer Care Advisor, Regina Rivers it is understood this will not happen again.

A fraudulent credit card dispute was filed with our credit card company and upon determining the dispute is valid we have been refunded our money. It is understood this is the money you have been asked to collect on. If you wish to discuss this matter you can contact Elan Financial Services.

An FTC complaint has been filed - FTC Report Number: 115592765 regarding the deceitful and unscrupulous business practices of HomeAdvisor, Inc and it's employees.

Sincerely,

Christina Alvarez Insight Pest Management

ALVAREZ ATTACHMENT G

Page 23

www.insight-pest.com

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 From: MBW Reports < mbwreports@MBANDW.com</td>

 Date: January 21, 2020 at 7:22:02 PM PST

 To: <j</td>
 z@insight-pest.com

 Subject: KS7004: HomeAdvisor, Inc. and Insight Pest Management, Inc. File # 32896451

Please give immediate attention to the attached correspondence regarding your account with our client, HomeAdvisor, Inc..

If you have any questions or concerns, please call me. Thank you.

Robyn Lomax McCarthy, Burgess & Wolff Phone: 4407355100 Ext 2317



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PX0001-0024

FTC_HOMEADVISOR0009567

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 54 of 206 * PUBLIC *;

PX0002

DECLARATION OF FRANK DEBENEDETTI Pursuant to 28 U.S.C. § 1746

I, Frank DeBenedetti, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Pleasant Hill, California. For about 25 years, I have been the owner of a sole proprietorship business called Mr. Deez. Under this business name, I bought and renovated properties to resell. I also did home repair, demolition, and cleanup projects in the Pleasant Hill area.

2. Sometime in the spring of 2020, I received a phone call from a representative of HomeAdvisor, a company that sells job leads to contractors. In the past, I had purchased leads for Mr. Deez from the company Angie's List. The representative explained to me that the two companies, HomeAdvisor and Angie's List, had merged. He offered to transfer the unused credit I still had with Angie's List to HomeAdvisor.

3. The HomeAdvisor representative explained that HomeAdvisor gets thousands of requests from homeowners who are desperate to find contractors who can get the work done—and those are leads that it sells to contractors. He said that HomeAdvisor had many leads available in whatever geographic area I wanted to work in and in whichever service I specified. I told him that, due to the COVID pandemic and my health conditions, I would prefer to do only exterior work, such as exterior painting, lawn maintenance, and general outdoor cleanup. He said that HomeAdvisor receives many leads for these types of jobs in my area. He said the leads were people who had contacted HomeAdvisor directly and were serious about hiring a service provider. He said that he could give me around \$300 to \$500 worth of credit towards HomeAdvisor leads and all I would have to pay would be the membership fee.

Declaration of Frank DeBenedetti, page 1 of 4

4. I asked the HomeAdvisor representative about the cost per lead. He said that the cost depended on the value of the job; leads for exterior jobs, which are fairly low price (usually \$100 to \$200), would cost about \$15 to \$20 each. He repeated that HomeAdvisor would use my existing credit to send me good leads. Based on his description of the leads as homeowners who were actively looking for contractors and ready to hire, I decided to sign up.

5. Very soon after I signed up, I started receiving leads. For each lead, HomeAdvisor provided a contact name and a HomeAdvisor phone number linked to the homeowner along with a brief job description. I would call them soon after I got the leads, usually within a few hours to a day. Soon after I began calling the leads, I realized that they were not what I was led to believe. One of the first people I reached said that he wasn't looking to hire anyone immediately and that he had already been contacted by other HomeAdvisor service providers. He had a small backyard clean-up project in mind but was not planning on getting the work done right away—he was only interested in getting bids. I continued to call the phone numbers from the initial batch of leads. For some, I was unable to reach anyone at the number provided. In other cases, I reached homeowners who had already had the work done or who had been contacted by several HomeAdvisor contractors already and weren't interested in speaking to me.

6. As I received more leads and made more calls, I became frustrated. Around 75-80% of the leads were simply worthless. For some of them, I couldn't even reach anyone because the number did not work, the homeowner didn't have voicemail, or I left a message but no one ever returned my message. For others, I would reach someone by phone, but the homeowner responses followed a familiar pattern: either the project was already finished or they had already been contacted by multiple service providers and were not looking to get any more bids.

7. Additionally, upon reviewing my credit card bill, I discovered that the lead cost was substantially higher than what I had been promised. I recall charges of \$40 for leads that, based on my sales call from the HomeAdvisor representative, I expected to be \$20 each. As a

Declaration of Frank DeBenedetti, page 2 of 4

result, the Angie's List credit promised to me during the initial sales call was used up pretty quickly. HomeAdvisor started charging my credit card for leads not long after I signed up.

8. During this time, I often called HomeAdvisor customer support to request refunds or credits for the worthless leads. I would explain to the representative that there wasn't any value to a lead that can't be contacted or has already declined service.

9. HomeAdvisor gives service providers the ability to put their account on hold for a limited amount of time (less than a month). After that time is up, the hold is released, and HomeAdvisor begins to send more leads. During the periods that I was negotiating with HomeAdvisor regarding credit for worthless leads, I would put my account on hold so that I didn't receive new leads. I found that when I would forget to renew the hold, the account would 14^{10} 14

10. This cycle (getting charged for bad leads, putting my account on hold, trying to get credit, and then getting more bad leads) repeated a few times, but it wasn't long before I was just disgusted with the company. I called to cancel and had a very difficult time. The first representative I reached said they couldn't help me. I then had to spend about 45 minutes on hold before I was finally able to talk with someone who was able to cancel my account. This representative declined to issue any credit despite my strong and repeated requests.

11. In all, I think HomeAdvisor has a pretty despicable business model. In my opinion, giving credits is the way HomeAdvisor cleans up its mess—it keeps dissatisfied members on board by offering credits rather than improving their service. I had to spend a lot of time speaking with rude or unhelpful customer service representatives or just waiting on hold to get credits. I estimate that, by the time I cancelled my membership, I had spent around \$500 on HomeAdvisor and only won a few jobs.

Declaration of Frank DeBenedetti, page 3 of 4

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 58 of 206 * PUBLIC *;

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: DECEMBER 18, 2021

Frank DeBenedetti

Declaration of Frank DeBenedetti, page 4 of 4

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 59 of 206 * PUBLIC *;

PX0003

ORIGINAL

DECLARATION OF TRENTON GRIMES Pursuant to 28 U.S.C. §1746

I, Trenton Grimes, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Georgetown, Texas. I own a lawn care and landscaping business that serves the Georgetown and surrounding communities in Texas.

2. I started my business in the spring of 2019. Around that time, I saw a television commercial for HomeAdvisor. The commercial claimed that HomeAdvisor connected consumers with home services providers. I visited the company's website because I was interested in locating new customers for my newly established business. I completed an online form at the HomeAdvisor website to obtain additional information. Within 30 minutes of submitting the form online, I received a telephone call from a HomeAdvisor sales agent whose name was Max Cohen.

3. Mr. Cohen explained that HomeAdvisor charged home services providers a \$300 upfront fee to use the company's lead generation service. Mr. Cohen explained that every HomeAdvisor lead is from a homeowner who has contacted HomeAdvisor directly and indicated that they are actively seeking a service provider for a job. He said that every HomeAdvisor lead was from a potential customer who had completed an online service request. He explained that I would pay for every lead that HomeAdvisor sent me, and that the lead price would vary. Mr. Cohen told me that most leads would cost me around \$22, but that I would pay closer to \$35 for leads where a prospective customer specifically requested my services and scheduled an appointment with me. Mr. Cohen emphasized that HomeAdvisor would provide me with a phone number for each

Trenton Grimes Declaration, p. 1 of 5

lead and would not charge me anything beyond the lead fee. I specifically asked him about leads where I could not reach the prospective customer or the request was outside my scope of services and Mr. Cohen assured me that HomeAdvisor would credit me the cost of the leads in those situations.

4. Based on Mr. Cohen's claims that the leads were from actual customers who had contacted HomeAdvisor looking for a service provider, and that I would get credit if I tried and was unable to make contact with a lead or if the request was outside of my scope of services, I agreed to try the HomeAdvisor lead referral service.

5. Mr. Cohen asked for my debit card information to pay for my \$300 initiation fee. I told Mr. Cohen that I do not permit my debit card or bank account information to be used for any automatic payments. I steadfastly refuse to do so and I made that clear to him. He assured me that he needed my debit card information solely for the initial upfront payment. Based on that understanding, I provided my debit card information.

6. Shortly after I signed up with HomeAdvisor, I began receiving leads. In many cases, I was not able to contact the potential customer. I called and emailed these leads multiple times but they never responded to my calls or emails. In addition, some of the leads were a poor match for my service. For example, one potential customer was looking for someone to mow ten acres of pasture because the customer's tractor was broken. The customer's notes explaining that she had a broken tractor were included in the notes section of the lead itself. I am a oneperson operation with lawn care equipment suitable for residential customers; I do not have the equipment or resources for that sort of job. I called HomeAdvisor's customer service to complain that the lead did not match the scale of my business and that there was no way for me to edit my account to avoid getting similarly

Trenton Grimes Declaration, p. 2 of 5

inappropriate leads in the future. The customer service representative denied my request for a credit. I golvised me that it washinpossible or we to leads based on the ze of the service by which a potential custo home page for it's member ftame f request an appointment at a specific time with a specific service provider. If the service provider accepts the appointment, HomeAdvisor charges the service provider a lead fee that is higher than the usual fee. I received one of these leads with a scheduled appointment. I accepted the lead and HomeAdvisor charged me approximately \$33. I left multiple messages for this prospective customer by voice, email and text but received no response. Given that had paid for the lead decided to go to the appointment at the scheduled day and time. When I showed up at the listed address at the appointed time, the man who answered the door said that he was not aware of the appointment, had not requested any service, and that he had lived at that address for many years and did not recognize the person listed in the lead. When I contacted HomeAdvisor's customer service agent to seek a credit for this lead, the customer service agent indicated that HomeAdvisor was not obligated to issue me a credit because sometimes people request services for rental property. I did not receive a credit for that lead.

8. There were instances, especially at the beginning of my HomeAdvisor membership, when HomeAdvisor's customer service agents granted my credit requests for leads that never responded to my calls or emails, that were seeking work outside of my scope of services, or that were not looking for any services at all and did not know why I was calling. Later on in the relationship, however, HomeAdvisor declined my credit requests for similar leads.

9. I estimate that about one-half of the HomeAdvisor leads that I received were what I describe as "ghost leads": leads where I was never able to communicate with the potential customer.

Trenton Grimes Declaration, p. 3 of 5

10. I found that the HomeAdvisor lead fees grew quickly into a large sum of money, approximately \$400, while my business income was not keeping pace. The cost of the leads, combined with the large percentage that were unproductive, was unsustainable for me. In addition, the HomeAdvisor leads were a costly distraction because of the time I wasted reaching out to leads that did not respond and attempting to obtain credit for those leads through HomeAdvisor. I found that I was calling HomeAdvisor almost daily requesting lead credits for ghost leads and leads concerning people who did not want any lawn services.

11. About two months after I joined HomeAdvisor, the company debited a large amount from my checking account without my prior knowledge or consent. This occurred at the end of the month when my family's rent check was due. I was struggling to stay afloat and support my family. I called customer service and explained that Mr. Cohen had assured me that HomeAdvisor would not charge my debit card without my specific knowledge and consent. On the previous instances when HomeAdvisor had billed me for leads, I had called in and paid over the phone via my debit card. The HomeAdvisor agent was unsympathetic, responding that it was their policy to debit accounts for amounts owing to HomeAdvisor and that I had owed HomeAdvisor money for leads. I then called my bank and reported the debit as fraudulent because it included fees for leads that did not return my calls or did not seek lawn services. After conducting an investigation, the bank agreed that the HomeAdvisor debit was fraudulent and returned to my debit card account the funds that HomeAdvisor had debited. The bank also suggested that I obtain a new debit card number that HomeAdvisor did not possess to prevent a recurrence. However, that was the last straw for my relationship with HomeAdvisor.

Trenton Grimes Declaration, p. 4 of 5

12. I successfully canceled my HomeAdvisor account in late 2019. HomeAdvisor is now attempting to collect the balance that I successfully disputed through my bank, using a third-party collection firm, McCarthy, Burgess & Wolff of Cleveland, Ohio. In response, I have submitted a complaint to the Better Business Bureau and to the Federal Trade Commission. I have also contacted the collection agency, disputed the debt, and provided a detailed description of why I was disputing the debt.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

| Dated: | 2/3 | , 2020 Trent St |
|--------|-----|-----------------|
| | 1 | Tranton Crimes |

Trenton Grimes

Trenton Grimes Declaration, p. 5 of 5

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 65 of 206 * PUBLIC *;

PX0004

DECLARATION OF KELLY HOPKINS Pursuant to 28 U.S.C. § 1746

I, Kelly Hopkins, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Carlsbad, New Mexico. I am the owner of Design Roof Services LLC, a roofing company that serves the greater Carlsbad area.

2. I first signed up with HomeAdvisor in 2013. I had received a phone call from a HomeAdvisor sales representative. The sales rep explained that HomeAdvisor connected service professionals with homeowners who were looking to hire. He said that if I joined, HomeAdvisor would send me as many leads as I wanted, in the geographic area of my choosing. He said that these leads would be homeowners that HomeAdvisor representatives had talked with and who have expressed an interest in my trade service. He said that these homeowners were in the final stages of hiring someone, and that they had jobs that were ready to go. He explained that they would be people who were in the last stages of the decision-making process, basically just trying to find a contractor that they were comfortable hiring. He reiterated that they were "hot" or "qualified" leads who were "ready to start work," and that they met the parameters I would give for the type of work I do.

3. He asked me about my job closing rate and the average profit per job. I said that, if leads were good leads, I had a close ratio of around 70% to 80% of the qualified leads I contact, and my profit per job was generally around \$1,500 to \$2,000. He said that was great—it meant that even if I only closed one job per month, it would pay for my HomeAdvisor membership. He suggested that I get ten HomeAdvisor leads per month so that, using a job conversion rate of 70-80%, I could make about \$20,000. He said that I would be credited for any leads that were not qualified.

4. Based on the information given to me in that call, I decided to sign up with HomeAdvisor. I told the representative that I would like to receive ten leads per month.

Declaration of Kelly Hopkins, page 1 of 3

PX0004-0001

5. I initially specified a fairly limited geographical area and for a few years I didn't get many leads on a regular basis. After a few years, I broadened my geographic area and scope of services and began getting more leads.

6. Once I started using the service more often, I was not happy with the quality of the leads. Many of them turned out to be people who weren't even interested in hiring a contractor. I contacted HomeAdvisor to lower my monthly leads to between three and five and to ask for credit for the bad leads. I was disappointed on this call to learn that HomeAdvisor would only give me credit for one lead. They refused to credit the rest.

7. As I continued to receive and call leads, I found that a high percentage of them seemed to be bogus. I would call the number give to me by HomeAdvisor only to reach someone who was surprised, confused, or irritated as to why I was calling them and how I had their number. They had no idea why I was calling and no interest in roofing services. They told me that they had never given their information to HomeAdvisor or inquired about a contractor. Some were interested but didn't really seem serious; it seemed that they humored me and let me give a quote. A very small percentage of the leads were people who were actually interested in getting roofing work done. Over time, I would estimate that about 75% of the leads resulted in calls with consumers who had no real interest in hiring a contractor. Every so often I would manage to get a lead credited, but most of my requests for credit were denied.

8. I felt that it was unfair for HomeAdvisor to be charging contractors for worthless leads, so I filed a complaint with the Federal Trade Commission in September of 2020. A true and correct copy of this complaint is attached to this declaration as Attachment A.

9. I eventually cancelled my HomeAdvisor membership some time in 2021. I have paid several thousand dollars to HomeAdvisor over the years. The quality of the leads is not what I was led to believe, and I spent a fair amount of time giving estimates to people who didn't seem very serious about hiring. Sometimes I was credited for the useless leads but not always. All in all, I feel that HomeAdvisor is charging a substantial amount of money for leads which are often bogus.

Declaration of Kelly Hopkins, page 2 of 3

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I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: 12-24-2(,2021

Kelly Hopkins

| Reference | 122519099 | Originator | |
|---|--|---------------------------------|-------------------------------|
| Number: | | Reference | |
| | | Number: | |
| Language: | English | Contact Type: | Complaint |
| Source: | Consumer | DNC?: | No |
| Comments: | I subscribe to Home Advisor lead service. They advertise on TV, internet, etc and home owners needing a contractor contact Home Advisor and Home Advisor sends the ones in my service area to me at a charge. A high percentage of these charges are for leads that are bogus or fraudulent, meaning when conacted the home owner has never made the request and doesn't know what I'm talking about. Many leads have contact information that is non-working or bogus. I request credits from Home Advisor but they rarely grant them, even after explaining the bogus aspect of the lead. I think Home Advisor is generating hollow lead information from public sources and then falsly charging the contractor for that information. Multiply my experience by the thousands of contractors that Home Advisor is charging and it is substantial amount of money. | | |
| Additional | | | |
| Comments: | | | |
| Complaint | | | |
| disposition | | | |
| provided?: | | | |
| Complaint | | | |
| Disposition: | | | |
| Data | | Load Date: | 09/02/2020 11:39:39 AM |
| Reference: | | | |
| Created By: | FTCCIS-FTCUSER | Created Date: | 09/02/2020 11:39:39 AM |
| Updated By: | | Updated Date: | |
| Complaint | FTC Online Complaints | Product | Internet Information Services |
| Source: | | Service Description: | Website Content |
| Amount | | Amount Paid: | \$500.00 |
| Requested: | | Amount Paid. | \$500.00 |
| Payment | Credit Card | Agency | Internet |
| Method: | | Contact: | |
| Complaint | 09/02/2020 | Transaction | 09/01/2019 |
| Date: | | Date: | |
| Initial Contact: | Website or App | Initial | Internet/E-mail |
| | | Response: | |
| Statute/Rule: | FTC Act Sec 5 (BCP) | Law Violation: | Deception/Misrepresentation |
| Topic: | | Dispute with | |
| | | Credit | |
| | | Bureau?: | |
| Dispute with Credit Bureau - | | Dispute with Credit Bureau - | |
| Responded?: | | Resolved to | |
| neoponacain | | Satisfaction?: | |
| Member of | No | Cross Border | No |
| armed forces | | Complaint?: | |
| or dependent?: | | | |
| *************************************** | Consume | er Information | |
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| FEDERAL TRADE | COMMISSION OFFICE OF THE SECRE | TARY FILED 8/1/2022 Document No | b. 605210 PAGE Page 70 of 206 * PUBLIC *; |
|-----------------|----------------------------------|-------------------------------------|---|
| Small Business | | | |
| or | | | |
| Organization: | | | |
| First Name: | Kelly | Last Name: | Hopkins |
| Address 1: | <u> </u> | Address 2: | |
| City: | Carlsbad | State: | New Mexico |
| Zip: | | Country: | UNITED STATES |
| County: | Eddy | Federal | New Mexico |
| | | Judicial | |
| | | District: | |
| Home Number: | | Cell Number: | |
| Work Number: | | Ext: | |
| Fax Number: | | Email: | |
| Age Range: | 60 - 64 | Military | |
| | | Service | |
| | | Branch: | |
| Soldier Status: | | Soldier | |
| | | Station: | |
| | | Subject | |
| Subject: | Home Advisor | Normalized | Home Advisor |
| | | Name: | |
| Address 1: | 3601 Walnut St #81 | Address 2: | |
| City: | Denver | State/Prov: | Colorado |
| ZIP: | 80205 | Country: | UNITED STATES |
| County: | Denver | Federal | Colorado |
| | | Judicial | |
| | | District: | |
| Email: | | URL: | www.HomeAdvisor.com |
| Phone | 877-9473639 | Ext: | |
| Number: | 1 | | |
| Subject ID | | Subject ID | |
| Type: | | Issuer State: | |
| Subject ID | | | |
| Issuer Country: | | | |
| Representative: | | Title: | |

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PX0005

DECLARATION OF EVA MOSER Pursuant to 28 U.S.C. §1746

VA MOSER ORIGINAL

I, Eva Moser, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Springdale, Arkansas. My husband, Dennis Moser, and I own D & E Home Services, LLC in Springdale, Arkansas. D & E Home Services is licensed to provide residential remodeling and handyman services, primarily kitchen, bathroom and accessibility projects. Our email address is <u>dehomeservices@gmail.com</u>. Both of us use that email address for the business.

2. On or about Friday, January 4, 2019, I contacted HomeAdvisor to get information about their services for contractors. We were interested in establishing an online presence beyond what our website could provide. Most of our new business has been through referrals by prior customers. We had a lengthy conversation by phone with Mark Wehrle, a HomeAdvisor sales representative. Dennis was in the room with me and I put Mr. Wehrle on speakerphone for much of that conversation. Mr. Wehrle told me that HomeAdvisor could provide us with an online company profile to help market our business. He explained that HomeAdvisor would send us targeted leads that fit our company's service area, both geographically and in terms of the work we do, which would be described on our company's profile on the HomeAdvisor portal. Mr. Wehrle said that we could refine the types of leads we wanted by modifying the filters or options available on our company's profile on the HomeAdvisor portal. When I pressed him on the quality of leads, he told me that every customer looking for a service provider or contractor completed a multi-field contact sheet where the customer detailed their project. When I asked him what happens if the lead concerns a project that is not appropriate for our business, he said to call him and he would make sure that we were credited for any lead that was a poor match. To the best of my recollection, that was the only discussion that we had about refunds and credits.

3. I questioned Mr. Wehrle about the cost of the leads and he said that they ranged between \$40 and \$70 per lead, based on "industry averages." He also advised that we could put a "hold" or "pause" on leads through the HomeAdvisor website. We talked to Mr. Wehrle two or three times that day before we decided to sign up.

Eva Moser Declaration, p. 1 of 4

PX0005-0001
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4. On January 4, 2019, we told Mr. Wehrle that we would like to become members of HomeAdvisor. I provided Mr. Wehrle with a credit card number for our HomeAdvisor membership, which he said cost \$347.98. To the best of my recollection, Mr. Wehrle did not inform me that any parts of the membership were optional, or that I could pay a lesser membership fee by opting out of any services. Dennis and I decided to use Dennis's name for purposes of the account. His name is on the contractor's license and he handles the bidding, but I handle most of the financial side of the business. We both wanted access to the HomeAdvisor account. Later that day, we received emails from HomeAdvisor congratulating us on creating our HomeAdvisor account and notifying us that HomeAdvisor had approved our account. True and correct printouts of these two emails are included as **Attachment A**. The second email that arrived at 5:34 p.m. had a link to access our HomeAdvisor account. We downloaded the HomeAdvisor app on our cellphones.

5. We were at dinner the evening of Friday, January 4, 2019, when we received the first HomeAdvisor lead on our HomeAdvisor phone app and later by text to our cell phones. We emailed the lead, a Mr. Mike Hunter, and advised him that we would call back during our normal business hours.

6. On Saturday, January 5, 2019, at about 7:00 a.m., we received the same lead from HomeAdvisor regarding Mr. Hunter. **Attachment B** is a true and correct copy of a printout of the email informing us of the lead. I called Mr. Hunter and learned from him that the lead description relayed by HomeAdvisor—"Major Renovation – Multiple Rooms"—was a job moving a storage shed in Mr. Hunter's back yard, a service that we do not provide and that was not mentioned in our HomeAdvisor profile. At 8:53 a.m., I sent Mr. Wehrle an email informing him of the bad lead, requesting a credit, and asking additional questions about HomeAdvisor's service. **Attachment C** is a true and correct copy of a printout of that email. I also spoke to Mr. Wehrle that day by telephone and he assured me that we would be credited for the lead.

7. In the evening on Saturday, January 5, 2019, we received a second lead. This lead was from "Luke Nasty" and was for a bathroom remodel at 1429 Emma Street, Springdale, Arkansas. I'm a real estate broker and have access to real estate records in the two relevant counties. I checked those records and found that there was no owner of any real property by that name in either county. There is also no such address in Springdale. Nevertheless, I sent an email to the email address provided in the lead but received no response. When I called the

Eva Moser Declaration, p. 2 of 4

telephone number listed in the lead, my call went to voicemail with a message that was not in English. Nonetheless, I left a message that remains unanswered. The next morning, Sunday, January 6, 2019, I sent an email to Mr. Wehrle forwarding the lead notification from HomeAdvisor regarding Luke Nasty and complaining about this lead. A true and correct printout of my January 6, 2019 email to Mr. Wehrle is appended as Attachment D.

8. On Sunday morning, January 6, 2019, 1 logged in to our HomeAdvisor account and "paused" all leads. At this point, I was concerned about the quality of the company's leads and its business processes and had decided to end our relationship with the company. I was running a business and I did not have time in my day to verify or validate HomeAdvisor's leads and then contact customer service to obtain credits for mismatched leads. Later that day, frustrated with our experience with HomeAdvisor, we decided to cancel our subscription with the company. I then reviewed the HomeAdvisor service provider agreement to find the cancellation provision and learned that I had 72 hours to do so and receive a refund. I used the company's online "Live Chat" service to report that we wanted to cancel our subscription immediately, but "Priscilla," the HomeAdvisor representative on the chat session, advised that we could not cancel through a Live Chat. A true and correct transcript of that Live Chat session is included as **Attachment E**. At 11:53 a.m., I also sent an email to Mr. Wehrle notifying him that we were canceling our subscription within the 72-hour right of rescission. A true and correct printout of that email is appended as **Attachment F**.

9. On Monday, January 14, 2019, I called HomeAdvisor's customer service about the status of our refund. The customer service agent, who said his name was David, said that HomeAdvisor would refund the \$347.98 that we agreed to pay upon signing up with HomeAdvisor. I learned from David that HomeAdvisor had also charged our credit card \$76.97 for lead fees. Because Mr. Wehrle told me that I would be credited for the lead concerning Mr. Hunter, I assume that the \$76.97 was for the lead regarding Luke Nasty. I explained to David that I had done as directed by the sales representative in our initial conversation and had notified Mr. Wehrle about the lead regarding Luke Nasty on the same day that we received it. David said that once the company charges the lead fee to a credit card, the company cannot provide a refund, but would credit our HomeAdvisor account for the fee. I explained to David that, because we had cancelled our HomeAdvisor account, the credit would not benefit us. Nonetheless, David maintained that we could not receive a refund for the lead fee.

Eva Moser Declaration, p. 3 of 4

10. I subsequently disputed the \$76.97 fee with our credit card company, as I believed we should not need to pay for a useless lead. Attachment G is a true and correct copy of a notice from our credit card company acknowledging our dispute of the lead fee. When our credit card company reimbursed us for the \$76.97, HomeAdvisor forwarded our account to a collection agency, Credit Mediators, Inc. of Upper Darby, Pennsylvania. HomeAdvisor added an additional \$20 fee to their alleged balance owed for the bad lead, and CMI claimed that because of their collection fees, our account balance increased to \$154. I filed a dispute with that collection agency attaching documentation of our experience with the HomeAdvisor lead. We have received no communication from CMI since June 2019.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: October 18, 2019

ta Moser

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Dennis Moser <dehomeservices@gmail.com>

Your Enrollment with HomeAdvisor

mark.wehrle@homeadvisor.com <mark.wehrle@homeadvisor.com> Reply-To: mark.wehrle@homeadvisor.com To: dehomeservices@gmail.com

Fri, Jan 4, 2019 at 10:00 AM



Hi Dennis W Moser

Congratulations on creating your HomeAdvisor account. You've taken the first step to find homeowners looking for a pro like you. I'll call you shortly to discuss how we can help you reach new customers in your area.

In the meantime, click here to learn more about the perks of HomeAdvisor Pro membership.

Why join HomeAdvisor?

- Every 2 seconds, a homeowner visits our site to find a local service pro.
- You tell us what you want to do and where. We'll deliver prospects matching your exact needs.
- Increase your exposure and enhance your business reputation online.

Be found on HomeAdvisor, plus these sites!



I look forward to talking with you soon.

Regards,

Mark Wehrle Online Marketing Consultant HomeAdvisor 877-800-3177 ext.68652 mark.wehrle@homeadvisor.com

Reach More Customers. Win More Jobs. ™

Moser Attachment A

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Get Targeted Leads | How It Works | Success Stories | Privacy Statement | Terms & Conditions



14023 Denver West Parkway, Building 64 Golden, CO 80401

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Dennis Moser <dehomeservices@gmail.com>

Congrats! Your HomeAdvisor account has been approved!

procustomercare@homeadvisor.com <procustomercare@homeadvisor.com> Reply-To: procustomercare@homeadvisor.com To: dehomeservices@gmail.com Fri, Jan 4, 2019 at 5:34 PM



Congratulations! You've Been Approved!

Welcome to HomeAdvisor, America's largest and most trusted network of home service professionals. We're glad you've joined.

| | Important: Access your account to start winning jobs. |
|---|--|
| | Username: |
| * | Access Your Account |

By using this site you are agreeing to ourTerms & Conditions

Thank you for being a vital member of the HomeAdvisor service professional network.

> Need Help? Call Pro Customer Care:(877) 947-3639

HomeAdvisor, Inc. 14023 Denver West Pkwy, Golden, CO 80401

Terms & Conditions | Privacy Policy Change your Email Preferences

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7/15/2002 RAL TRADE COMMISSION | OFFICE OF THE BECRETARY PHILED BAD 2022 TO BUILT NO. 10082109 4 AGE Page 79 of 206 * PUBLIC *;

7/15/2012 RAL TRADE COMMISSION TO FILE OF STORES MORE TARION FOR 2012 10 - 2



Dennis Moser <dehomeservices@gmail.com>

New Customer Match: Major Renovation - Multiple Rooms - from HomeAdvisor #131909328

HomeAdvisor Lead <newlead@homeadvisor.com> Reply-To: HomeAdvisor - Pro Customer Care <newlead@homeadvisor.com> To: dehomeservices@gmail.com Sat, Jan 5, 2019 at 7:00 AM



You have a new lead! Remodel or Renovate One or More Rooms







Tips from HomeAdvisor

Are you creating a positive initial impression with your HomeAdvisor profile? Review your profile here!

For your benefit, HomeAdvisor will encourage this customer to review your performance. Your Rating & Review scores create 'online word-ofmouth' to set you apart from your competition!

Thank you for being a vital member of the HomeAdvisor service professional network.

> Need Help? Call Pro Customer Care: (877) 947-3639

HomeAdvisor, Inc. 14023 Denver West Pkwy, Golden, CO 80401

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Dennis Moser <dehomeservices@gmail.com>

Home Advisor Account

Dennis Moser <dehomeservices@gmail.com> To: +mark.wehrle@homeadvisor.com Sat, Jan 5, 2019 at 8:53 AM

Thank you for all your time an energy setting up our account. I left you a voicemail about my issues and thought it would be best to outline in an email.

We were both able to log in to the Home Advisor app last night. Now neither of us can log into the app or online to view the profile.

A lead came in last night (which is why we know we could log in on the app). We sent an email to the customer that we'd call today, during business hours, as it was later in the evening when the lead came in.

This morning at 7 am, all our phones started ringing (home office and cell). It was an unknown number so we let it go to voice mail. The home office rang a second time and it was a fax of the lead from Home Advisor. The caller ID made no reference to Home Advisor, which is why we didn't answer the call.

We reached out to the lead at approximately 8:15am (Mike Hunter, #131909328) and he does not have a remodeling project. He needs someone to move a storage shed in his back yard. Please pass that lead on to someone who may do that type of work and credit our account.

All this to say, it's a learning experience and we would like to clarify/address the following:

- Can we set business hours on the phone calls/faxes from Home Advisor? We'd prefer the lead to come via email and only a text notice for the first delivery. Our business does not operate 24/7. I'm 22 years in as a real estate broker and contrary to popular belief, real estate is NOT a 24/7 business either. Professionals keep business hours.
- Is there a way to limit the leads we receive to only what is in our profile? This is paramount to our success and the
 only way this relationship will be a win/win for both of us.
- I believe this customer didn't give details about the work needed so is there a way to only receive leads that give a
 detail?
- Is there an accept or reject option when we receive a lead? If we reject, it just goes to the next contractor.
- How do we get back in to our profile?. The user name and password we set last night, is no longer working.

Eva Moser

Dennis Moser Redacted Pursuant to 16 CF.R. § 4.2(

D&E Home Services, LLC Redacted Pursuant to 10 CLF.R. § 412(0)(3)

Springdale, AR 72762

Moser Atlachment C

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Gmail - Strike Two - Fwd: New Customer Match: Bathroom Remodel - ...

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FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 83 of 206 * PUBLIC *;



Dennis Moser <dehomeservices@gmail.com>

Strike Two - Fwd: New Customer Match: Bathroom Remodel - from HomeAdvisor #131947901

1 message

Dennis Moser <dehomeservices@gmail.com> To: Mark.Wehrle@homeadvisor.com Sun, Jan 6, 2019 at 8:13 AM

Mark,

I believe this is a bogus lead. There is no such address in Springdale, no owner of any property in the county with that name, no reply from an email and the phone number goes to a voicemail with a language I don't speak, yet a I left a message that has not been returned.

When I Googled the name, it came up with DJ Luke Nasty, a music personality and nothing in Northwest Arkansas.

Help!

Eva Moser

------ Forwarded message ------From: HomeAdvisor Lead <newlead@homeadvisor.com> Date: Sat, Jan 5, 2019 at 4:47 PM Subject: New Customer Match: Bathroom Remodel - from HomeAdvisor #131947901 To: <dehomeservices@gmail.com>



You have a new lead! Remodel a Bathroom

Customer Information Luke Nasty Construction States and States

Moser Attachment D

0 1429 Emma street, Springdale, AR 72762



Job Information

Job #: 131947901

Other HomeAdvisor Pros Matched: 2

Service Description

Extensiveness of Remodel: I plan to maintain existing bathroom floorplan

Shower / Bath: Yes - I want to move or install a new shower or bath

Toilet: Yes - I will be replacing or moving the toilet

Cabinets / Vanity: Yes - I plan to update the cabinets / vanity

Countertops: Yes - 1 plan to update the countertops

Sinks: Yes - I plan to update the sinks

Flooring: Yes - I plan to update the flooring

Request Stage: Planning & Budgeting

FTC_HOMEADVISOR0009312

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For your benefit, HomeAdvisor will encourage this customer to review your performance. Your Rating & Review scores create 'online word-ofmouth' to set you apart from your competition!

Thank you for being a vital member of the HomeAdvisor service professional network.

Need Help? Call Pro Customer Care: (877) 947-3639

HomeAdvisor, Inc. 14023 Denver West Pkwy, Golden, CO 80401

Terms & Conditions | Privacy Policy Change your Email Preferences

-Dennis Moser Redacted Pursuant to 16 C.F.R.§ 420

FTC_HOMEADVISOR0009313

Gmail - Strike Two - Fwd: New Customer Match: Bathroom Remodel - ... FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 86 of 206 * PUBLIC *;

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Springdale, AR 72762



FTC_HOMEADVISOR0009314

FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 87 of 206 * PUBLIC *; A Mente Advisor

Priscilla: Hi, my name is Priscilla. How may I help you today?

Priscilla: Hi, my name is Priscilla. How may I help you today?
 Dennis Moser: We spoke with Mark Werle (?) on Friday, Jan 4th. Signed up for a subscription as a Contract Professional. In the 2 days since, we have received 2 bogus leads.
 a day right of rescission period. This service isn't for us.
 Priscilla: Good morning, Dennis. May I have the business name and phone number?

Q Dennis Moser: D&E Home Services, LLC

Priscilla: Thank you. We are unable to completely cancel an account through Live Chat. I will place your account on hold, this will stop any charges or leads from being matched to you. Your information will be forwarded to an account specialist who will reach out to you directly to follow up on the cancellation within 1-2 business days and start the refund process.

Q Dennis Moser: I have already placed the account on hold. Please ensure this gets passed on. I will reach out and send an email to Mark as well.

S Priscilla: Okay. Is there anything else that I can assist you with today?

Homeadvisor Support Team

of I

DOOLU.

submess customer relations (1-200-867-0904 • Www.capitalone.com/sparkbusiness COLR9672 6056 1094 1921 07 181202 PAGE 00001 OF 00004 CPAD01D 0000827

PX0005-0016

Moser Attachment E

1/6/2019, 11:46 AN

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FTC HOMEADVISOR0009315

7/15/2002 RAL TRADE COMMISSION | OFFICE OF THE SECRETARMATHIEDDE/Addisor Subscription No. 605210 | PAGE Page 88 of 206 * PUBLIC *;



Dennis Moser <dehomeservices@gmail.com>

Home Advisor Subscription

Dennis Moser <dehomeservices@gmail.com> To: Mark.Wehrle@homeadvisor.com Sun, Jan 6, 2019 at 11:53 AM

Mark,

We have come to the decision to cancel the Home Advisor Subscription, within the 72 hr right of rescission. This just doesn't seem like the right fit for our business.





Springdale, AR 72762





7/15/2009 RAL TRADE COMMISSION | OFFICE OF THE SECRETARY | + Meter Warking 20 Docudientian to . 605210 | PAGE Page 89 of 206 * PUBLIC *;



Dennis Moser <dehomeservices@gmail.com>

We're working on your dispute

Capital One <capitalone@notification.capitalone.com> To: dehomeservices@gmail.com Sat, Jan 26, 2019 at 4:34 PM

Sign In



We're working on your dispute.

Re: Card ending in Confirmation Number: 10003608569891

Hi Eva M Moser,

We have all the information you gave us about the purchase from HomeAdvisor. You'll receive a temporary account credit of \$76.97, which usually shows up within a few days.

One of our agents will review your case soon, and in most cases we'll send you an update about next steps within 10 days. Be on the lookout for a mailed letter or email from Capital One[®].

There's nothing else you need to do for now.

Thanks for being a Capital One customer.

Important Information from Capital One

Contact Us | Privacy | Help Prevent Fraud

To ensure delivery add capitalone@notification capitalone com to your address book.

This email was sent to dehomeservices@gmail.com and contains information directly related to your account with us, other services to which you have subscribed and/or any application you may have submitted

If you are past due on your account view additional disclosures that may apply to you,

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Moser Attachment G

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PX0006

DECLARATION OF RICHARD PRINCE Pursuant to 28 U.S.C. § 1746

I, Richard Prince, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

 I am over 18 years of age and reside in Dallas, Texas. I am the owner of Klean Carpets, a carpet, floor, and upholstery cleaning company that serves the greater Dallas/Fort Worth area. I started this company in 2007.

2. Sometime in early 2017, I received a sales call from a HomeAdvisor sales representative. The sales representative told me that HomeAdvisor's business was providing customer leads for service contractors. She explained that HomeAdvisor gathered contact information from homeowners who were looking for various home services on the internet and that service providers were able to get jobs by calling these leads. I was not interested in HomeAdvisor's services at that time. I told the sales representative that she could try me back at a later time. I had several subsequent calls from HomeAdvisor salespeople over the next 18 months or so. They were very persistent, so I eventually stopped answering the calls.

3. In July 2018, I when I received another sales call from HomeAdvisor, I decided I was ready to learn more about HomeAdvisor's services. I took the call and spoke with a sales representative who offered to sign me up for an annual membership at half price. He said that the membership was a 12-month term, but that I could turn the leads off as necessary, such as when I was on vacation or otherwise unavailable. He also said that I could cancel the service as long as I gave them notice (either 30 or 60 days before cancellation; I don't recall for sure which it was). He said that the leads would cost between \$10 and \$35 each. He told me that the leads that I received would be exclusive to me—I would not have to worry about them being sent to multiple providers at the same time. This was important to me, because I didn't want to waste time calling people who had already been contacted by one or more other carpet cleaning providers. The sales representative said that I would "close more jobs than I would lose" with HomeAdvisor's leads. He also said, "These people [the leads] are ready to buy." This was all

Declaration of Richard Prince, page 1 of 4

PX0006-0001

PUBLIC

very convincing to me. Based on the HomeAdvisor sales representative's description of the lead quality, I decided to sign up. He told me that I would need to provide him with a credit card to keep on file for the membership and lead fees, which I did.

4. Soon after I signed up, I started receiving leads. I would call the leads within 15 to 20 minutes of receiving them from HomeAdvisor. I soon found that they were not what I had expected. In fact, many of the people I called had no idea why I was calling and insisted that they had never asked for or needed carpet cleaning services. Other individuals informed me that they had needed carpet cleaning services but had already had the work done before I even got them as a lead. Some phone numbers didn't even seem to be working. With other numbers, I would leave a message and no one would ever return it. Generally, the individuals I called seemed unhappy to be bothered with the call. Even worse, some people would be flaming mad when I called, saying things such as, "I've already been contacted by four or five other carpet cleaners and I want you to stop calling!"

5. I called HomeAdvisor customer service to try to figure out what was going on. The person I spoke with didn't have a good explanation for the people who didn't know why I was calling or the people who were angry about being called multiple times. However, the customer service representative said that I could request credit for up to four leads per month if the homeowners said that they already had the work done. The representative explained that HomeAdvisor would investigate those credit requests and, if found credible, I would get the lead money refunded. I later found that I was able to get the four lead credits per month when I requested them, but it would take a few weeks before they would credit me. Eventually, the representative told me that HomeAdvisor would send me some free leads to make up for the trouble. HomeAdvisor did send me five additional leads at no charge, but none of those panned out.

6. I did get some jobs from the leads, so even though it was not profitable to me for the first few months, I felt that I should stick with it and keep trying. Most of these jobs were small—earning me less than \$100. I put my membership on hold at times (blocking HomeAdvisor from sending me leads during these hold periods), usually when I was booked up

Declaration of Richard Prince, page 2 of 4

PX0006-0002

with work or was not going to be available for some reason. I would have to keep renewing the hold period because HomeAdvisor would only let you put your account on hold for a few weeks at a time before automatically restarting and sending more leads.

7. By the time I had used HomeAdvisor's services for about three months, I calculated that it had cost me about \$1000 in lead and membership fees but I had only generated about \$500 in jobs from those leads. I was still getting many worthless leads. I estimate that about two in five leads (where I actually reached someone by phone) were people who had no idea why I was calling them. Based on this, I decided to cancel my membership.

8. When I called HomeAdvisor customer service to give them the required amount of notice of cancellation (either 30 or 60 days), they tried to talk me into staying. I declined. I received many calls in the next month or two from representatives trying to talk me into staying with HomeAdvisor. It seemed to me that the lengthy cancellation notice period was just to give the sales representatives time to try to convince me not to cancel. Each time, I told them that I was not interested, and just wanted to cancel my membership.

9. In late summer of 2019, I received my July 2019 credit card statement and saw that HomeAdvisor had charged me another membership fee of \$287.99. I was pretty unhappy about this, because I had been careful to give the proper amount of notice and had repeatedly told HomeAdvisor representatives that I wanted to cancel. I had even sent emails to HomeAdvisor telling it to cancel my membership. I finally had to gather up my phone records showing my repeated calls to customer service and email them to HomeAdvisor. I also contacted my bank and filed a dispute against the \$287.99 charge. The bank honored my dispute and refunded the charge.

10. I didn't hear anything more from HomeAdvisor after that. However, a few weeks after I sent it proof that I had cancelled, I received a letter in the mail from a collection agency saying that I owed HomeAdvisor approximately \$350. Soon after receiving this letter, I filed a complaint with the Better Business Bureau. After I filed the Better Business Bureau complaint, I didn't get any more letters attempting to collect the \$350.

Declaration of Richard Prince, page 3 of 4

11. I filed a complaint with the Federal Trade Commission in December 2019 because I believe HomeAdvisor is operating in an unethical manner. A true and correct copy of this complaint is attached to this declaration as Attachment A. HomeAdvisor attempted to damage my credit by sending the account to collections, for something that the company was fully aware I did not owe. I wanted to expose HomeAdvisor before they did this to someone else. Not only did HomeAdvisor provide poor quality and overpriced leads, but I also had to go to a lot of trouble to cancel their service. On top of that, I feel that it's wrong and unfair that I had to write a formal letter of complaint before HomeAdvisor stopped trying to get more of my money.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: 12/27, 2021

Richard Prince

Declaration of Richard Prince, page 4 of 4

| Record #17 | 114711099 / Consumer Senti | | | |
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| Reference | 114711099 | Originator | | |
| Number: | | Reference | | |
| | | Number: | | |
| Language: | English | Contact Type: | Complaint | |
| Source: | Consumer | DNC?: | No | |
| | Home advisor provides customer leads for for various service contractors. I'm in the carpet cleaning business and originally signed a one year agreement with Home Advisor in July of 2018. The leads are we expensive and most of the customer leads provided were just people playing on the internet and not reall interested in getting any work done as a result the service never was profitable for me. I called in numeror times and explained that the ROI was less than what I was told that I could expect and I was losing more with the program and that I was not goingto renew the agreement for 2019. They require a credit card be kept on file to automatically bill you for the leads and renewals. This is what caused us to get sideways, July 2019 they automatically enrolled me even after I called in prior to the renewal date to remind them I not wish to renew. My credit card was automatically billed without my permission or knowledge therefore when I saw my credit card statement I contacted my bank and disputed the charges and my card was credited. This apparently enraged them and threatened to send the account to collections, when I contacted them by phone about this they were totally unhelpful and said I was wrong and they were right and it was nothing that they could do about it. I provided them with emails showing that I asked for them numerous times that I contacted and complained that the service was not profitable for me and that I wanted to cancel the agreement when it matured in July 2019 to no avail. The reson I'm filing this complab bagainst Home Advisors is because the are operating in an unethical manner and attempting to damage credit by sending the account to collections for something that they are fully aware I truly do not owe. | | | |
| | | - | ey are fully aware I truly do not owe. Ip nexpose this company before they do | |
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| or | | | |
| Organization: | | | |
| First Name: | Richard | Last Name: | Prince |
| Address 1: | | Address 2: | |
| | Duncanville | State: | Texas |
| City: | Duncarmie | | |
| Zip: | | Country: | UNITED STATES |
| County: | Dallas | Federal | Texas - Northern |
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| Subject: | Home Advisor | Normalized | Home Advisor |
| | | Name: | |
| Address 1: | 14023 Denver W. Pkwy. Bldg. 64 | Address 2: | Suite 200 |
| City: | Golden | State/Prov: | Colorado |
| ZIP: | 80401 | Country: | UNITED STATES |
| County: | Jefferson | Federal | Colorado |
| | | Judicial | |
| | | District: | |
| Email: | billing@homeadvisor.com | URL: | homeadvisor.com |
| Phone | 877-8003177 | Ext: | |
| Number: | | | |
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| Type: | | Issuer State: | |
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FEDERAL TRADE COMMISSION | OFFICE OF THE SECRETARY | FILED 8/1/2022 | Document No. 605210 | PAGE Page 98 of 206 * PUBLIC *;

PX0007

DECLARATION OF MARK ROTHERMEL Pursuant to 28 U.S.C. § 1746

I, Mark Rothermel, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

 I am over 18 years of age and reside in Pittsburgh, Pennsylvania. I am the coowner of a painting company called PSC Paint, which services the greater Pittsburgh area. I own this company with my wife, Tracey Giacomo. We have owned this company for approximately 20 years. Along with painting, I am responsible for calling leads and providing bids.

2. In January 2021, I received a phone call out of the blue from a sales representative of a company called HomeAdvisor. The representative told me that if I signed up as a member, I would receive leads for homeowners looking for painting work in my geographic area. He told me that HomeAdvisor had "hundreds of people" all over the Pittsburgh area who were looking for painters. The said that HomeAdvisor's phones were "literally ringing off the hook" with homeowners with painting jobs. He explained that he was contacting me because HomeAdvisor didn't have enough service providers to fill the need—he even said that HomeAdvisor had "no one to call" for some of these leads.

3. I was a little skeptical at first and asked for more information on how HomeAdvisor knew that the leads were legitimate. He explained that all leads were "vetted for quality assurance" and that they were homeowners who were "ready to hire." He said that I could have as many as I wanted sent to me—anywhere from a few leads per day to as many as I could handle. He could start sending them to me as soon as I agreed to sign up. All I would have to do is pay the \$287.99 enrollment fee and then between \$40 and \$100 per lead, based on the size of the job.

4. I knew from experience that if I had legitimate leads (people who were serious about hiring a painter), I would get jobs about 70% of the time. I'm good at what I do, and I charge reasonable prices. Based on the information the sale representative gave me about the quality of the leads, I believed that this would be a good opportunity. I agreed to sign up and

Declaration of Mark Rothermel, page 1 of 3

PX0007-0001

provided the representative with my credit card information for the enrollment fee and the lead charges.

5. During the first week after signing up, I didn't receive any leads. I was unhappy about this and I called HomeAdvisor to find out what was going on. I reached a representative who told me that he would look into why I hadn't gotten any leads. He said that in the meantime, I could check out a service called "Opportunities" that HomeAdvisor offered through their member website. He explained that I could find leads listed under the "Opportunities" tab on the website. I could select leads from that list, and I wouldn't be charged unless the customer "accepts." I understood that to mean that I would only be charged if the customer accepted my bid and I got the job.

6. I eventually received and accepted a lead from HomeAdvisor. When I called the phone number for the lead, the person who answered said, "Why are you calling me now? We contacted HomeAdvisor for information a while ago, but we don't need anything now." This was extremely disappointing to me. I immediately called HomeAdvisor to cancel the service. The representative I reached tried to talk me out of cancelling. He acknowledged that the lead was not "legitimate" and offered to credit me for that lead and give me five additional leads for free. He said I would not receive or be charged for the future leads.

7. I called the five "free" leads and didn't have any better luck. One or two were disconnected or non-working numbers, a couple of people said that they weren't looking to get any painting work done, and I left a message or two and never received a return call.

8. About a week later, I saw that HomeAdvisor had charged my card \$40 for the initial useless lead. I called HomeAdvisor back up to complain and reached a representative who told me that he could not refund me for the lead, but that if I reactivated my account he could give me five more leads as credit. I asked to be transferred to a manager. The manager told me that he felt bad about my situation, but that he was "not allowed to give people refunds – only credits." I was not thrilled with this, but I accepted the additional five leads in the hope that I would be able to get at least one or two jobs out of them.

Declaration of Mark Rothermel, page 2 of 3

PX0007-0002

9. Upon calling those leads, I had the same experience as previously: unreturned messages, non-working numbers and uninterested people. To best of my recollection, out of the total of ten free leads that I called, four were non-working numbers, four never responded to messages, and two were not currently looking for a painter. I called HomeAdvisor and told it to close my account and stop charging me for leads.

10. Upon reviewing my next credit card bill, I found that I had been charged several hundred dollars by HomeAdvisor – much more than the \$287.99 signup fee and the initial worthless \$40 lead. I did some internet research and saw several complaints from service providers who said that HomeAdvisor continued to charge them for leads after they had requested to cancel their accounts. I decided to file a formal complaint with the Pennsylvania Attorney General's office. I asked my wife to assist me in writing up a complaint based on our experience. A true and correct copy of this complaint is attached to this declaration as Attachment A.

11. In all, HomeAdvisor charged us close to \$600 and we got nothing of value for it. Not one of the leads I received from them was legitimate. It was a waste of money.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: January 17, 2022

Min

Mark Rothermel

Declaration of Mark Rothermel, page 3 of 3

| Reference Number: | 131990192 | Originator Reference Number: | WP378576 |
|--|--|--|--|
| Language: | English | Contact Type: | Complaint |
| Source: | Organization | DNC?: | No |
| Additional Comments: Comments: Complaint disposition provided?: | Note: Please note that the Consumer Se Product Service Code. The comments fit consumer Salesman from Home Adv in per day wanting service work done in providers to fulfill the consumers demand have unlimited amount of leads sent to m few as I want. As well he stated all leads it costs up front 288.00 for an enrollment NOT ONE SINGLE LEAD' nothing for the he stated "let me see what is going on" a what is going on, there is a separate ser on our website it is called an Opportuniti accepts (not disclosing 'Accepts' mean system). I proceeded to accept 1 lead ar need anything right now, we filled out infi information' we really are NOT looking to minutes the call times are recorded, and service, the whole time on the phone the leads for free. Rep stating we are 'crediti 288.00 and rep stated they would close if vetted lead and he would 'credit' me for to credit me the lead and not charge me for on the phone and escalated the claim ar lead' you are still charged for the lead bu your account/reopen your account we ca closed there is nothing we can do, the m ever refund any dollar amount the only th your account we can offer 5 additional le 40.00 for a frivolous lead I am afraid aff money as reviews I have read state for r people closing their bank accounts C for the service of 288.00. They did not gi enrollment fee to provide leads. 7 days later rep even stated it was not a good lead Purchased: Enrollment fee and payment Range: 53 Senior?: No Consumer | entinel Network cannot p end may have a descrip isor called me and told my area, and Home Ad d for Service. Salesmar ne. A minimum of 5, 10 are vetted for Quality A fee and then they will s e 288.00 enrollment cost and while he was on the vice we offer through of es tab that will only cha is accepts to talk with y nd called potential custo ormation to have some o do ANYTHING curren 5 minutes after that ca rep trying to get me no ng' you this lead and ca my account and unders he lead. 8 days later af r it. THEY charged me for an offer you additional le anager stated "in any in hing we can do is credit ads to you for free Ba fer reading reviews onl nonths Home Advisor w onsumer desired outco ve me anything for the ater not 1 lead was eve not 1. Opportunities tab Contract Signed Loca s for leads Payment | bresently categorize this data contribute tion of the good or service offered to the me they have 100's of consumers callin visor does not have enough service in stated that once I signed up I would leads per day as many as I want or as Assurance. Firstly, to provide this service send you the vetted leads. 7 days later ist. Called the salesman on the phone at e phone he also stated while I look to se ur website called opportunities, if you look rge you a lead fee if the customer ou through their app, through their oner and the customer stated 'we dont one contact us just for additional thy. The call lasted approximately 3 II I called Home Advisor and canceled to ot to cancel by offering me 5 additional an offer 5 additional leads for free. I loss tood it was NOT a legitimate lead, not a ter canceling, after being told they wou for the lead anyway! Called Home Advis that stated 'We in fact credited you for the lead and if you want to NOT cancel eads for free Since your account is no nstance-situation with a client we cannot a account". He stated if you reopen asically, 288.00 (for nothing) and another ine that they may charge even more vas charging bank account resulting in me: Reimburse myself for the "lead" ar dollar amount I spent. 288.00 was an r sent to me. I never received even 1 lead ation: Home (over the phone) Produce |

ROTHERMEL ATTACHMENT A PX0007-0004

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ROTHERMEL ATTACHMENT A PX0007-0005

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PX0008

DECLARATION OF JERALD SARGENT Pursuant to 28 U.S.C. § 1746

I, Jerald Sargent, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Orondo, Washington. I am the owner and operator of Slabjack Geotechnical, a home improvement and construction business in Wenatchee, Washington. I have owned this business for approximately 11 years. Sometime in 2012 I received a sales call from the job referral company HomeAdvisor. While my company was already well established at that time, I was familiar with the idea of lead generation for contractors and felt that HomeAdvisor was offering a useful service.

2. I have been a customer of HomeAdvisor since that time. For the first few years, I was relatively happy with their service. However, not all of the leads were of a high quality; I would estimate that out of every three leads, I might get two quality leads that were worth following up on and one lead that was no good. In other words, quality leads were jobs that fell within my line of work and where the homeowner was ready to start a project. About half of the time, I would get a job from the quality lead. The rest of the leads (approximately one out of three) were just garbage—the homeowner had no idea why I was contacting them, they had already started (or finished) the work, or they were not seriously interested in starting a project. I always made sure that one of my employees called the leads immediately upon receipt, usually within a few minutes to an hour.

3. During the first few years of my membership, HomeAdvisor charged me around \$35 per lead, on average. The charge per lead could be as low as \$25 or as high as \$50 each. I never learned why I was charged a higher fee for some leads and a lower fee for others. I use a lead tracking software program called Estimate Rocket to track the leads that come into my business. When a lead comes in, I or one of my employees enters the source of the lead. In this way, I can easily track which leads turn into jobs and which leads came from HomeAdvisor. Over time, I was able to calculate my approximate cost per job for HomeAdvisor leads as around

Declaration of Jerald Sargent, page 1 of 3

\$145/job. During this time, my HomeAdvisor membership penciled out for me. In other words, even though we had to waste some time calling the bogus leads, it was still financially beneficial to remain a member of HomeAdvisor's service.

4. Unfortunately, the quality of leads has been declining over the past two to three years. During the busiest times of the year, I spend around \$4,000 per month on about 80 to 90 leads from HomeAdvisor. Out of these, I usually get an average of one job out of every five leads. Now, my cost per job for HomeAdvisor leads is around \$225 to \$250.

5. My employees and I have tried hundreds of times to get credit for bad leads; it's part of our business practices to request refunds for bogus leads. In my experience, it is nearly impossible to get credit from HomeAdvisor for the useless leads. HomeAdvisor customer support will only call the homeowner once to confirm that they didn't want to hire a contractor (or that the project was already done or whatever other reason that they were not actually looking to hire someone for a project); if HomeAdvisor customer support doesn't reach anyone on their first attempt, HomeAdvisor will not provide any credit or refund for the useless lead. The only situation in which I am fairly certain HomeAdvisor will credit my company for a useless lead is when the phone number is non-working; in that case, HomeAdvisor is usually able to confirm the number is non-working. Overall, I estimate that my employees and I only succeed in getting HomeAdvisor to provide credit for useless leads about 30% of the time.

6. A few years ago, I began to get an unusual response during these lead calls, in which the homeowners expressed surprise or confusion because they thought they had contacted a local contractor or company (Jensen Brothers, Powell and Sons, or Ken Wilson) rather than HomeAdvisor. Since then, I have called dozens of such leads. On these calls, the homeowners would say things like, "Why are you calling me? I signed up to work with [or requested an estimate from] Jensen Brothers [or Powell and Sons, or Ken Wilson]." When this happened, it was basically like making a cold call; these leads certainly didn't have the same value as a lead who knew they had entered their information into the HomeAdvisor site and expected the call.

7. When I first noticed the pattern described in paragraph 6, I did some Google searches for "Jensen Brothers," "Powell and Sons," and "Ken Wilson" and realized that these

Declaration of Jerald Sargent, page 2 of 3

PX0008-0002

entities were not actually legitimate contracting companies. Instead, they were websites that funneled leads to HomeAdvisor. I viewed the Jensen Brothers, Powell and Sons, and Ken Wilson websites, and they appear to be sites for purportedly legitimate local contractors, with forms to fill out in order to receive a quote for a project. Someone viewing the website would have to look closely for a very small print disclaimer that discloses that their information could be sold to a marketer. I feel like this is a dishonest way to do business; it has caused a lot of confusion for homeowners and many hours of wasted time for my company.

8. I did some Google searches for different types of projects and found that one of these affiliate sites (Jensen Brothers, Powell and Sons, and Ken Wilson) usually appeared on the first page of results. I also did some searches for my own company's name and found that a HomeAdvisor lead-generating site appeared in the first page of results. I find it frustrating that homeowners searching for my company could end up on the HomeAdvisor site and come to me via a paid lead rather than directly from my website.

9. In early 2021, I was frustrated enough with HomeAdvisor to file a complaint with the Washington State Attorney General's Office. Soon after I filed the complaint, I received a response letter from HomeAdvisor in which the company admitted that the companies behind the marketing websites for Jensen Brothers, Powell and Sons, and Ken Wilson are not actual contractors and are affiliated with HomeAdvisor. A true and correct copy of this complaint and the associated letter from HomeAdvisor is attached to this declaration as Attachment A.

10. I am not very happy with the way HomeAdvisor is doing business these days. The lead quality has declined significantly and it is still very difficult to get credited for the additional bogus leads.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: 12/4 , 2021

Jerald Sargent

PX0008-0003

Catalyst Complaint Summary

588620

Consumer Information

| | | | | | Relacted Fulsuant to To G.F.R. 94.2(0)(5) |
|-------------------|------------------|---------|---------|-----------------------|---|
| Name: | Slabjack Geotech | nnical, | | Day Phone: | |
| Address: | Jerald Sargent | | | Evening Phone: | |
| | | | | Email: | info@slabjackgeotechnical. com |
| City: | East Wenatchee | | | Age Group: | 59+ |
| State: | WA | Zip: | | | |
| | | | | | |
| <u>Respondent</u> | Information | | | | |
| Name: | Home Advisor | | | | |
| Address: | 14023 Denver W | / Pkwy | | Phone: | (877) 800-3177 |
| | | | | | |
| | | | | Toll-Free: | (866) 238-1240 |
| City: | Golden | | | ¥8X: | (303) 980-3003 |
| State: | CO | Zlp: | 80401 | | |
| Web Site: | homeadvisor.com | n | | | |
| Email: | Carl.butler@Hor | mcAdvis | ior.com | | |
| Contact: | Carl Butler | | | | |

Briefly explain your complaint:

Complaint about deceptive advertising practices by Home Advisor.

I have been receiving many estimate requests through fronts of Home Advisor namely: Powell and Sons Jensen Brothers Ken Wilson

Their ads placed on Facebook and google web search cause people think they are calling one contractor not being funneled into a lead generation stream which results in confusion for the customer and anger directed at us the business who is getting these "leads" from Home Advisor.

These false sites with a very small disclaimer at the bottom of the page should not be allowed.



and the

Redacted Pursuant to 16 C.F.R. § 4.2(c)(3)

SARGENT ATTACHMENT A

PAGE 4

PX0008-0004
Declaration

I acknowledge that my complaint and attachments, once submitted, become public records and may be disclosed to others in response to a Public Records Request. Complaint information received by this office will be exported into the FTC's database, Consumer Sentinel, a secure online database. This data is then made available to thousands of civil and criminal law enforcement authorities worldwide.

I declare, under penalty of perjury under the laws of the State of Washington, that the information contained in this complaint is true and accurate, and that any documents attached are true and accurate copies of the originals.

I authorize the Washington State Attorney General's Office to contact the party(ies) against which I have filed this complaint in an effort to reach an amicable resolution. I authorize the party(ies) against which I have filed this complaint to communicate with and provide information related to my complaint to the Washington State Attorney General's Office.

| Signature | Jerald Sargent |
|-----------|----------------|
| Date | 02/05/2021 |
| City | East Wenatchee |
| State | WA |

588620

SARGENT ATTACHMENT A

PAGE 5

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FTC_HOMEADVISOR0009387



March 9, 2021

VIA E-MAIL

Ruth E. Holbrook Consumer Services Unit Supervisor Consumer Protection Division Office of Attorney General of Washington 800 Fifth Avenue, Suite 2000 Seattle, WA 98104

CRC@ATG.WA.GOV

Re.: File # 588620 Jerald Sargent dba Slabjack Geotechnical

Dear Ms. Holbrook:

I am writing in response to your February 24, 2021 e-mail attaching the Consumer Complaint ("Complaint") filed by Jerald Sargent ("Sargent") dba Slabjack Geotechnical ("Slabjack'). Please direct all communications regarding this matter to my attention. HomeAdvisor strives to achieve customer satisfaction in all of its transactions and is disappointed to learn that Sargent was dissatisfied with our services.

In his Complaint, Sargent mentions three websites: Jenson Brothers (https://jensonbrothers.com/), Powell and Sons (https://powellandsons.com/), and CARS Home Improvement Cents/Kenneth Wilson ("CARS/Kenneth Wilson") (https://www.facebook.com/Kenneth-Wilson-11682429716823/and https://homeimprovementcents.com/bathroom-remodel-leads-01/). Jenson Brothers, Powell and Sons, and CARS/Kenneth Wilson are affiliate partners of HomeAdvisor and other companies, and their websites are owned and managed by those affiliate partners (and not HomeAdvisor).

HomeAdvisor partners with certain companies, such as Jenson Brothers, Powell and Sons, and CARS/Kenneth Wilson to increase its online exposure and find consumers who may need its service professionals' assistance but who do not initially visit HomeAdvisor's website. HomeAdvisor monitors the quality of leads coming from its partners and believe that the quality is great and that many leads turn into won jobs for HomeAdvisor's service professionals. Additionally, HomeAdvisor's partners are contractually obligated to mention HomeAdvisor on their websites, and HomeAdvisor requires all of its partners to be clear and transparent about the process that matches consumers to HomeAdvisor service professionals and their agreement to HomeAdvisor's Terms of Service and Privacy Policy.

As can be seen below, Jenson Brothers and Powell and Sons' websites explain their relationships with HomeAdvisor and their other partners and prominently display the fact that HomeAdvisor or other trusted partners might contact the consumer regarding the consumers' service request.

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HomeAdvisor

REQUEST A QUOTE

REQUEST SERVICE



HOME

Contact Us

CONTACT US





By submitting your info on this form, you are agreeing to be contacted regarding your service request by means of telephone, email, or text including using pre-recorded or airto dialed phone calls or text messages to the phone number you have provided, including your wireless number, if provided Consent to content doesn't require you to purchase service Please note you may be matched to one of our trusted pertners such as CraftJack, HomeAdvisor or Networx

By using this service, you agree to our Terms Of Service as well as to HomeAdvisor Terms of Service and Privacy Policy and CraftJack Terms of Service

Jenson Brothers:

By submitting your info on this form, you are agreeing to be contacted regarding your service request by means of telephone, email, or text including using prerecorded or auto dialed phone calls or text messages to the phone number you have provided, including your wireless number, if provided. Consent to content doesn't require you to purchase service. Please note you may be matched to one of our trusted partners such as CraftJack, HomeAdvisor or Networx. By using this service, you agree to our Terms Of Service as well as to HomeAdvisor Terms of Service and Privacy Policy and CraftJack Terms of Service. (emphasis added)

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Contact Us

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| * Phone Num | | | |
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| SEN By submitting your info o contacted regarding you telephone, email, or text auto dialed phone calls number you have provide if provided. Consent to purchase service. Please r | DIT in this form, you are agreeing to our service request by means o including using pre-recorded or text messages to the phone d, including your wireless num contact doesn't require you to ote you may be matched to on | b be f or e ber, o e o | |
| SEN By submitting your info o contacted regarding yo telephone, email, or text auto dialed phone calls number you have provide if provided, Consent to purchase service. Please r our trusted partners such | DIT O this form, you are agreeing to bur service request by means o including using pre-recorded or text messages to the phone d, including your wireless num contact doesn't require you to | o be f or e ber, o r e of By | |

Powell and Sons:

By submitting your info on this form, you are agreeing to be contacted regarding your service request by means of telephone, email, or text including using prerecorded or auto dialed phone calls or text messages to the phone number you have provided, including your wireless number, if provided. Consent to content



doesn't require you to purchase service. Please note you may be matched to one of our trusted partners such as CraftJack or HomeAdvisor. By using this service, you agree to our Terms Of Service as well as to HomeAdvisor Terms of Service and Privacy Policy. (emphasis added)

However, when reviewing Sargent's Complaint, HomeAdvisor became aware of an issue with CARS/Kenneth Wilson's website. Subsequent to partnering with HomeAdvisor, CARS/Kenneth Wilson modified its website by removing all mention of HomeAdvisor. Additionally, the disclaimer was relocated and was no longer easily accessible to consumers.



130 E. Washington Street | Indianapplis, IN 46204 | 317-297-5478 | Fax: 866-670-5478 SARGEOMEAdVisor.com

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On February 25, 2021, HomeAdvisor contacted CARS/Kenneth Wilson and demanded that it change the webpages to include full disclaimer language on the landing page and to include HomeAdvisor in that language. On or about March 1, 2021, CARS/Kenneth Wilson updated its TCPA flow so that the language below is expanded and always shown to the consumer:

By submitting this form, you are giving your consent to be contacted at the phone number you inputted (including wireless number if provided). Contacting you is for the purpose of confirming and scheduling your home improvement project request and multiple contractor bids from our partners which may include Homeadvisor / Craftjack. You understand that automated phone technology, by voice or text messages, may be used to reach you. Please note that providing consent does not obligate you to purchase or use any product or service.

HomeAdvisor denies any wrongdoing and trusts that the above explanation resolves the issues raised in Sargent's Complaint. Please do not hesitate to contact me should you have any questions or concerns.

Sincerely,

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CARL W. BUTLER Vice President, Associate General Counsel Legal Department | HomeAdvisor email: carl.butler@homeadvisor.com

CWB/dja

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PX0009

DECLARATION OF DAVID R. SMITH Pursuant to 28 U.S.C. § 1746

I, David R. Smith, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Danville, New Hampshire. I am the owner and operator of D.S. Builders, a home remodeling business in Danville, New Hampshire. I have been in the home remodeling business since 1985. On June 20, 2018, after receiving numerous emails from HomeAdvisor promoting their job referral service, I answered a telephone call from a HomeAdvisor sales agent. I wanted to expand my business and thought the HomeAdvisor lead service might help with that. The sales agent explained that the leads were from people who contacted HomeAdvisor in search of a contractor for a job they wanted to have done. He explained that HomeAdvisor vetted its leads and that the prospective clients were "project-ready," which I understood to mean that the prospective clients had actual projects and were looking for a contractor. He repeatedly assured me that HomeAdvisor screened its leads and determined them to be legitimate quality leads with actual kitchen or bath remodeling projects. I asked follow-up questions, explaining that I regularly received calls from people who find my business listing in the phone book and are looking for pricing information and quotes. I explained that I did not want to waste time on those sorts of leads. The sales agent again assured me that the HomeAdvisor leads were from people with actual jobs in my area who were looking for a contractor. The sales agent said that each HomeAdvisor lead would include a short description of the job and the town where the job prospect was located, but no street address.

2. The sales agent explained that I would receive leads by email and text on the HomeAdvisor mobile app, but that HomeAdvisor would charge me only for leads that I attempted to contact using the access code provided with the lead. This made sense to me, and I didn't ask for further details. I had previously worked with a similar lead-generating company that required me to enter an access code to contact a lead. In that agreement, the access code triggered the fee charge. With HomeAdvisor, based on the sales agent's comments, I assumed

Declaration of David R. Smith, page 1 of 6

that it was a similar system. To the best of my recollection, the sales agent said that HomeAdvisor would charge me between \$75 and \$100 per lead that I contacted, depending on the size and type of job involved. I also believe that the sales agent told me that I could cancel my HomeAdvisor membership at any time. All in all, it seemed like a relatively low risk offer, especially because the sales agent had stated that I wouldn't be charged if I didn't contact the lead.

3. I told the sales agent that I was interested in signing up, but that I was going on a vacation in a few days and would not be able to respond to any leads while I was away. The sales agent explained that once I signed up, HomeAdvisor would perform a credit check and implied that it could take one or two weeks before my application review and credit check were completed. He did not mention anything about doing a background check. Given the statements about the application and credit check, along with the sales agent's claim that HomeAdvisor would not charge for a lead unless I took affirmative action and attempted to contact the lead using the HomeAdvisor access code, I decided to sign up with HomeAdvisor that day rather than wait until after I returned from vacation. The sales agent initially wanted to set me up in a tier where I would receive 100-1000 leads monthly. I explained that was far too many, but he said that I could be selective about which jobs I wanted to contact. Based on the sales agent's claims that the HomeAdvisor leads constituted prospects with legitimate jobs and that HomeAdvisor would only charge me for those leads that I attempted to contact using the HomeAdvisor access code, I provided my credit card number to the sales agent and he emailed me something agreeing to the membership.

4. About one week later, while I was on vacation, I received several emails from HomeAdvisor, but did not read them carefully because I was on vacation. I also received five or six leads from HomeAdvisor by email, but I did not attempt to contact them because I was on vacation and believed that HomeAdvisor would not charge me unless I attempted to contact the lead using the HomeAdvisor access code. At some point, I turned my phone off because I kept receiving texts from HomeAdvisor and I did not want to be disturbed.

Declaration of David R. Smith, page 2 of 6

5. Sometime after mid-July, after I returned from vacation, I reviewed my emails and saw that HomeAdvisor had sent me dozens of leads during my vacation. I was not able to call these leads since they had expired. I didn't worry about that, because I didn't think I would have been charged for all those leads since I never tried to contact any of them. In the meantime, I had received additional leads that were not yet expired. I called some of the new leads and most of them were bogus—either the lead had no intention of doing the project or had already been contacted by other service providers. A few of the leads were promising. I was able to schedule appointments with two of those leads that week, but neither job panned out. I provided an estimate for one and never heard back; the second was a small demolition project that wouldn't have worked for my company. In that case, the homeowner planned on doing part of the job, and if I did the rest of the work my company would be responsible for insurance for the whole project even though I was only doing a small part of it.

6. Later that same week, I received my credit card bill for the period from mid-June through mid-July. I learned that HomeAdvisor charged my credit card \$287.99 on June 21, which included the signup fee. In addition, HomeAdvisor charged my credit card \$152.41 on June 29, \$254.09 on July 6, and \$148.28 on July 13. All these charges were for leads, but I had not attempted to contact any leads at the time I was charged. Initially, I thought this was an error and that maybe HomeAdvisor had mixed up my account with that of someone else.

7. I called HomeAdvisor's customer service to try to resolve this problem. Eventually I talked to a customer service agent, who told me that the sales agent's claim that HomeAdvisor would charge me only for leads that I attempted to contact using the HomeAdvisor access code was incorrect. The customer service agent said that HomeAdvisor charges for every lead, regardless of whether they are contacted. The customer service agent told me that the sales agent who sold me the HomeAdvisor membership was no longer with the company.

8. I also asked the HomeAdvisor customer service agent for an itemization of the leads for which HomeAdvisor had billed me. It took several calls and a fair amount of wasted time on hold before I reached an agent who agreed to give me names and telephone numbers for

Declaration of David R. Smith, page 3 of 6

approximately 17 expired leads for which HomeAdvisor had charged me. She refused to send me anything in writing, so I had to take handwritten notes.

9. I proceeded to call each of these leads. Attachment A includes a copy of my records from those calls. The first page of Attachment A is a cover statement that I wrote at a later date for my credit card issuer, when I was trying to dispute the charges. The remaining pages of Attachment A are my handwritten notes. They reflect the names and telephone numbers of the 17 leads provided by the HomeAdvisor customer service agent, which I wrote during the call described in paragraph 8, as well as my notes from my conversations with the leads, which I took at the time of each conversation. Two of the leads were disconnected numbers. Some of the leads told me they had no idea how HomeAdvisor had gotten their number, including one person who lived in a rented trailer and another who said he was renting the house he lived in. Neither of these people even own a home. Another lead (Drinker) said that her job had been completed in June—a month before I received the lead in July—and asked me why HomeAdvisor was still sending her name to contractors. Another lead (DeLeon) told me that his project was already underway at the time that I received the lead. I was also charged for a lead to a realtor (Currivan) who was price shopping a job for her client. Another person (Carey) had decided to do the work himself. In addition, some of the leads that I called did not answer, return my voice message, or call back. I received two different lead codes for a single person twice (Currivan and Raciot). I also received a lead for company (Emerson) that was out of business.

10. Once I had called these leads, and realized how many of them were bogus, I decided to cancel my HomeAdvisor membership. When I called HomeAdvisor to cancel my account, I was transferred to different people and was placed on hold for long time periods. Over the course of the next several weeks, I called many times and was on hold for up to 45 minutes on some calls. I would just have to set my phone down and try to get some work done while I was waiting for a representative to pick up. This was during my business hours and it was frustrating how much time I had to waste just to try to cancel my account. All this time, the company was still sending me and charging me for new leads.

Declaration of David R. Smith, page 4 of 6

11. By the time two months had passed from my first attempt to reach a resolution with customer service, I had been billed approximately \$2,000 for additional leads I never called. I wanted to get at least some of that money refunded. I continued to try to reach someone at HomeAdvisor who could help me with that, but I just kept getting the runaround. I also sent HomeAdvisor multiple emails advising it that I wanted to cancel and get a refund, but nobody responded to my emails. At one point, a customer service agent told me the company does not respond to email communications from contractors. I thought that was odd, given how many emails I received from HomeAdvisor.

12. Eventually I was able to cancel my account, but I continued to try to reach someone at HomeAdvisor who would process a refund. I finally disputed the illegitimate HomeAdvisor charges on my credit card account with my credit card issuer. The letter in Attachment A details why I was disputing the charges. Eventually, Chase Cardmember Services credited my account for the disputed charges. However, HomeAdvisor then forwarded my information to a debt collection agency called CMI Credit Mediators, Inc. ("CMI"), of Upper Darby, Pennsylvania. Attachment B is a true and correct copy of a collection notice that I received from that company. A CMI collector has verbally threatened to put a lien against my home. I provided CMI with a detailed description of my dispute of the HomeAdvisor charges and have repeatedly asked for an itemization of the charges, all to no avail. I have since learned that there is a lien on my home for approximately \$2,700. This has all been a frustrating and time-wasting ordeal. I have spent hours of wasted time calling bogus leads and calling HomeAdvisor trying to cancel and get a refund. I've also spent thousands of dollars of unfair charges. I wish I had never signed up with HomeAdvisor.

Declaration of David R. Smith, page 5 of 6

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I declare under penalty of perjury that the foregoing is true and correct to the best of my

knowledge.

, 2021 Dated: 11/17

David R. Smith

Attached is a copy of my notes during the time HomeAdvisor was sending me leads.

Some of these were duplicates, some were Renters. Some were Realtors. Some had already had the work completed or never called me back. A few were duplicate leads-different phone numbers for the same person and some phone numbers were simply nonworking.

In total, I called an estimated 17 leads. IF all were legitimate the total charge from HomeAdvisor should have come to no more than \$850. since they were to charge me \$50 for each lead that I contacted. Also, HomeAdvisor claimed that I contacted leads by email or text which I never did.

SMITH ATTACHMENT A

PAGE 7

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| CMI and HOMEADVISOR have extended to you every amicable fashion. Despite numerous attempts to bring financial responsibility. | manufal and and the | | |
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Check here if your address or phone number has i changed and provide the new information below.

_____ STATE _____ ZIP _____

CONTACT NAME

STREET ADDRESS

BUSINESS PHONE_____ OTHER_____

EMAILADORESS __

Certificate Payment

IIII 715 SMITH ATTACHMENT A

PAGE 11 2947-715-15

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MAKE PAYMENT TO: CMI Credit Mediators, Inc.

CMI Credit Mediators, Inc.

Upper Darby, PA 19082-0458

P.O. Box 456

FTC_HOMEADVISOR0009416

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PX0010

DECLARATION OF DANIEL WADE Pursuant to 28 U.S.C. § 1746

I, Daniel Wade, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

 I am over 18 years of age and reside in Boise, Idaho. I am co-owner of Solomon's Arbor, a custom tile and stone installation company that serves the greater Boise area.
 I own this business with my wife, Julianna Wade.

2. In early February 2020, I received a sales call from a representative of HomeAdvisor. The sales representative explained that HomeAdvisor could provide me with leads to homeowners that were looking for tile work in my area. He explained that HomeAdvisor offered a "pro" account that was professionally verified. If I signed up with this account for a fee of \$287.99, HomeAdvisor would verify my identification, license, and credentials and also do a background and criminal check. This would increase my appeal to homeowners—or as he described it, put my business in a "higher bracket." He said that with this pro membership, I would receive only high-quality leads. He explained that these were homeowners who were serious about getting work done immediately. I understood, from the way he described the leads, that these were verified homeowners who were actively looking to hire a contractor immediately. He told me that the cost to me per lead would vary based on the value of the job, up to about \$40. He further explained that HomeAdvisor would "vet the leads just as seriously" as they vetted the pro members, and that these homeowners were "serious about starting jobs." Although he didn't specify what percentage of leads would turn into actual jobs, I understood from everything he said that I could expect a pretty good ratio to turn into actual jobs.

3. I decided to sign up for the pro membership. I gave him the information on the specific services I offered and the geographic area I was interested in. I gave him my credit card information to pay for the membership fee and told him I was ready to start receiving leads.

Declaration of Daniel Wade, page 1 of 4

4. Within a few days, I received my first lead from HomeAdvisor. I tried to call the number provided, but it was a wrong number. I contacted HomeAdvisor customer support and was given the correct number, but when I contacted the homeowner I was surprised to hear that he was upset. He was unhappy with me because he thought he had an appointment scheduled for me to show up and give him an estimate, and then I never showed up for my appointment. After speaking with him for a couple of minutes it became clear that he (the homeowner) had scheduled an appointment with me through HomeAdvisor's website. The problem was, no one from HomeAdvisor had ever notified me about this appointment—I didn't even have the correct phone number for the homeowner at the time. Luckily, I was able to salvage the lead and it actually turned into a job, but I was unhappy that HomeAdvisor had made the appointment without telling me.

5. This was the first of several problems with HomeAdvisor. Despite what the sales representative had told me about the maximum lead price of \$40, some of the leads were priced at over \$100. One lead cost \$163.

6. Over the course of my membership, I received around a dozen leads. Out of these leads, only two resulted in jobs. I couldn't even contact the homeowner on five of the leads I received: two of these were non-working numbers and I left messages via phone and text for the other three, with no response. When I tried to get credit for those bogus leads, I only received credit for the two that were non-working numbers. The HomeAdvisor representative initially refused to credit me for the other three leads, saying that I "didn't get in touch with them fast enough." I don't believe this was true. Some of the leads were sent to me on a Sunday morning, when my business was closed, but I called them on Monday morning when we opened. I was finally able to convince the representative to credit me around \$100, which covered four new leads. I was only able to reach one of those leads.

7. Of the rest of the leads I received, two were people looking for services I didn't even offer; in one case, they were looking for a painter. Three of the leads were homeowners who were looking for cut-rate, subpar work—the price and the type of job they were looking for were not even reasonably feasible.

Declaration of Daniel Wade, page 2 of 4

8. It soon became clear to me that the service was not worth the money. I called HomeAdvisor to cancel my account and asked it not to send me any more leads, effective immediately. It turned out that canceling the account was nearly impossible. It took me several weeks, and multiple conversations with different HomeAdvisor representatives. Representatives tried to offer me credit, instead of refunds, for the bad leads, but that would have been worthless to me since I was determined to cancel the account. Even weeks after I was told that my account was cancelled, I kept getting calls begging me to sign back up and offering me hundreds of dollars' worth of leads to do so. I had to change my credit card number, because even after canceling the account, HomeAdvisor continued to charge the card on file.

9. I did not think much about HomeAdvisor for the next couple of months, since I believed that my account was closed, and I was not getting charged for anything. About two months after I called to cancel my membership, I received a collections notice from HomeAdvisor. This notice stated that I owed them for additional leads—leads that I had previously informed them were no good. They had already acknowledged that these leads were bad and had offered to credit them towards my account. I did not feel that I should have to pay for these useless leads. My attorney wrote a Cease-and-Desist letter to HomeAdvisor, and I did not get any further collection notices.

10. At some point after I had cancelled, I noticed one additional problem with HomeAdvisor. I discovered that if I Googled "Solomon's Arbor," the first search result that came up was a HomeAdvisor site advertising my company. The link was broken, so if anyone tried to reach my company by clicking on that first result, they would end up at a static page with a list of other tile and flooring service providers – essentially, directing them to my competition. This was the case for over six months.

11. Overall, I found my experience with HomeAdvisor to be frustrating and timewasting. I had a loss of about \$500, plus wasted time spent calling worthless leads and dealing with HomeAdvisor's customer service regarding credit and cancellation requests.

Declaration of Daniel Wade, page 3 of 4

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: Tebruary 3, 2022

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Daniel Wade

Declaration of Daniel Wade, page 4 of 4

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PX0011

DECLARATION OF RONDA WINFIELD Pursuant to 28 U.S.C. § 1746

I, Ronda Winfield, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Bellevue, Washington. I am the owner of Kellen Kole Designs, a home staging business. I have owned this business since 2014.

2. In July 2019, I signed up with the lead referral company HomeAdvisor. I was already familiar with HomeAdvisor from seeing advertisements (via pop up ads, emails, and social media) and from receiving several sales calls over the years.

3. I received a sales call on July 12, 2019 from a HomeAdvisor sales agent named Matthew Hearn. Matthew explained to me that, if I signed up for its lead referral service, HomeAdvisor would send me leads (homeowner contact information) for people who were looking for home staging services and ready to have a stager come by and give an estimate. He told me that the leads would all be local homeowners within the zip codes that I specified. He said that the job conversion rate was 50% to 60%. Based on this, I understood that the leads would be good quality leads and that I could expect to book actual home staging jobs with at least 50% of the leads provided by HomeAdvisor. Matthew told me that I could customize my membership to receive as few or as many leads as I wanted. I understood that I would be charged for each lead sent to me, but he also explained that I could get a refund for a "dead lead," which he described as any lead that "didn't work out." I understood that this meant that I would be refunded if I couldn't contact a lead.

4. Based on Matthew's statements, what I had seen in the advertising, and what I heard from other sales representatives over the years, I felt that HomeAdvisor's services would be a good fit for my staging business. During my call with Matthew, I decided to finally move forward with a membership and agreed to sign up. The membership fee was \$287.99, which HomeAdvisor charged to my credit card. I received a confirmation email from HomeAdvisor. A true and correct copy of this email is attached to this declaration as Attachment A.

Declaration of Ronda Winfield, page 1 of 4

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5. The same day I signed up with HomeAdvisor, I received my first lead. I knew from the sales call that I would need to contact the leads within an hour of receiving them, so I made sure to call the lead right away. The person I reached had no idea why I was calling. They told me they were not looking for staging services and claimed that they had never requested information or referrals regarding staging services from HomeAdvisor or any other site. I suspected that HomeAdvisor had sent me the wrong contact information, perhaps due to a data entry error, so I decided to call HomeAdvisor customer support to see if I could get the correct phone number. It didn't occur to me that the lead was a worthless "dead lead," I simply thought that there was actually someone that was waiting to be contacted regarding home staging services and that I just needed to get the right phone number.

6. When I called customer service, the HomeAdvisor representative initially thought I was trying to get a refund for the lead and was very defensive. I explained that I was not trying to be refunded or credited; rather, I was trying to tell HomeAdvisor that the telephone number provided was wrong and to get the correct number. The representative's response was that maybe they "changed their mind" about needing staging services. The representative stated that HomeAdvisor would charge me for the lead because the lead was legitimate—in other words, that the homeowner had reached out to HomeAdvisor for staging services. I was not happy with this response, but I didn't feel like I had any recourse.

7. Within a day, on July 13, 2019, I received another lead. I called the phone number provided and the same thing happened. The person answering had no need for staging services and no idea why I was calling them. I called customer service again and asked for either a clarification/correction of the phone number or a refund for the dead lead. I received the same sort of response as before: defensiveness, excuses, and a refusal to refund or credit me for the lead. I also sent an email to HomeAdvisor Customer Care advising it that the customer answering the call was not seeking home staging. A true and correct copy of my email is attached to this declaration as Attachment B. On July 16, 2019, I received a generic reply in response stating that HomeAdvisor would not honor my request for a refund. A true and correct copy of HomeAdvisor's reply is attached to this declaration as Attachment C.

Declaration of Ronda Winfield, page 2 of 4

8. I later received a third lead from HomeAdvisor and once again received the same sort of response when I called the number provided for the lead. At that point, the lightbulb came on—it appeared that HomeAdvisor was simply sending me worthless, apparently random, leads. I called HomeAdvisor customer service and told them to cancel my membership and immediately halt sending me any leads.

9. Even after I canceled my membership, I continued to receive leads from HomeAdvisor. I looked at some of them and noticed that some didn't even match my service criteria. I had no interest in trying to call the leads, since I was fairly certain they were worthless leads based on my experience with HomeAdvisor and because they didn't match my service criteria.

10. I felt that I had gotten nothing of value for my money. I made several calls to HomeAdvisor customer service but was not able to get anyone to agree to any refund or credits. The situation was frustrating and disappointing, so I decided to contact Matthew Hearn, the sales agent who sold me the membership. I was hoping to at least get a refund for my membership fee, even if I couldn't get any money back for the worthless leads. I explained to Matthew that HomeAdvisor's leads were no good. I told him what I had already told customer service: that I wanted to cancel their services, and that I expected to be refunded for the leads and the membership. I also sent this request as an email. Matthew told me that he was sure there was some mistake and that he could get me some better leads. I told him I wasn't interested. His manager called me soon after and offered me more leads at no additional cost, but I told him that I no longer wanted HomeAdvisor's services.

Despite my requests to cancel, HomeAdvisor continued to send me leads. I repeatedly called HomeAdvisor customer service to tell them to stop sending leads. Eventually, I canceled my credit card in order to avoid continuing charges. I received a few more leads after that, but soon HomeAdvisor stopped sending me new leads.

12. Sometime after I canceled my credit card, I was called by someone who claimed to be from HomeAdvisor's collections department. She was very rude and aggressive, claiming that I owed HomeAdvisor hundreds of dollars. I explained that I had canceled my membership,

Declaration of Ronda Winfield, page 3 of 4

and that I had confirmed the cancellation in writing via email. She reluctantly said that she would make a note of my cancellation.

13. Around this same time, I filed complaints with the Better Business Bureau and the Attorneys General of Washington and Colorado. A true and correct copy of the complaint I filed with the Better Business Bureau is attached to this declaration as Attachment D. Eventually, I received an email from HomeAdvisor stating that it would refund my money. However, HomeAdvisor never provided me with any refund.

14. In total, I spent \$622 on the membership and leads and I have nothing to show for it. By the time I gave up on getting any resolution from HomeAdvisor, it was already near the end of September 2019; I estimate that I had wasted at least ten to twenty hours on the whole situation. All in all, my experience with HomeAdvisor was a waste of time and money.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: Alecember 9, 2021

Ronda Winfield

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Sent from Mail for Windows

From: <u>HomeAdvisor</u> Sent: Friday, July 12, 2019 2:21 PM To: Subject: Thanks for Your HomeAdvisor Purchase



Thanks for your order, Ronda Winfield!

Congratulations on your decision to become a HomeAdvisor Screened and Approved Professional

Billing Information

Billing Address: Ronda Winfield Kellen Kole Design

Bellvue, WA 98006

Order Information

Order: Membership Fee: Annual Membership (20% Off Monthly Fee) \$287.99

Notes: Membership fees are non-refundable and are charged automatically on each renewal date until canceled

Payment Method:

Mastercard

| Order: | Targeted Leads |
|------------------------------------|----------------|
| Current Market Match Spend Target: | \$275 00 |
| Current Exact Match Spend Target: | \$325.00 |

Notes: Lead fees vary, see the Lead Fee Schedule

Taxes applied where applicable. See Terms & Conditions

Thank you for being a member of the HomeAdvisor network. We appreciate your business.

Regards.

Customer Care Team HomeAdvisor (877) 947-3639

WINFIELD ATTACHMENT A

Page 5

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| Reach More Customers. Win More Jobs. ™ | | |
|--|-----------|--|
| Leads Ratings Account Privacy Statement Terms & Conditions | Go Mobile | |
| You are receiving this email because you have a HomeAdvisor Pro account. You may <u>UNSUBSCRIBE</u> from newsletters, surveys and special offers. | | |

14023 Denver West Parkway, Building 64 Golden, CO 80401

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WINFIELD ATTACHMENT A

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Sent from Mail for Windows

From: Kellen Kole Design Sent: Saturday, July 13, 2019 2:25 PM To: HomeAdvisor - Pro Customer Care Subject: Re: New Exact Match Lead

I made three sattempts to connect with this lead. The man answering the call is not seeking home staging.

Ronda Winfield | Design Consultant KELLEN KOLE DESIGN kellenkoledesign.com

Get Outlook for Android

From: HomeAdvisor Lead <newlead@homeadvisor.com> Sent: Saturday, July 13, 2019 1:16:09 PM To: Redacted Pursuant to 16 C.F.R. § 4.2(c)(3) Subject: New Exact Match Lead

HomeAdvisor

You have a new lead! Stage or Showcase a Home for Sale

| Customer Information | | |
|----------------------|----------|--|
| <u> </u> | ext 1001 | |
| | ext 1002 | |
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WINFIELD ATTACHMENT B

Page 7

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| Job #: 147462452 Dither HomeAdvisor Pros Matched: 3 Service Description Comments: We want to stage our condo to sell it. Project Description: Staging fumiture & accessories Listing date: When the staging is complete Approximate Budget: I don't know Request Stage: Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: | | |
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| Staging fumiture & accessories Listing date: When the staging is complete Approximate Budget: I don't know Request Stage: Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | We want to stage our condo to sell it. | |
| Listing date: When the staging is complete Approximate Budget: I don't know Request Stage: Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | Project Description: | |
| When the staging is complete Approximate Budget: I don't know Request Stage: Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | Staging fumiture & accessories | |
| Approximate Budget: I don't know Request Stage: Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | Listing date: | |
| I don't know Request Stage: Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | When the staging is complete | |
| Request Stage: Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | Approximate Budget: | |
| Planning & Budgeting Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | I don't know | |
| Desired Completion Date: Timing is flexible What kind of location is this?: Home/Residence | Request Stage: | |
| Timing is flexible What kind of location is this?: Home/Residence | Planning & Budgeting | |
| What kind of location is this?: Home/Residence | Desired Completion Date: | |
| Home/Residence | Timing is flexible | |
| | What kind of location is this?: | |
| View Lead at HomeAdvisor | Home/Residence | |
| | View Lead at HomeAdvisor | |
| | | |
| | | |
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| | | |

WINFIELD ATTACHMENT B

Page 8

Are you creating a positive initial impression with your HomeAdvisor profile? Review your profile here!

4

For your benefit, HomeAdvisor will encourage this customer to review your performance. Your Rating & Review scores create 'online word-of-mouth' to set you apart from your competition!

Thank you for being a vital member of the HomeAdvisor service professional network.

Need Help? Call Pro Customer Care (877) 947-3639



HomeAdvisor, Inc. 14023 Deriver West Pkwy, Golden, CO 80401

Terms & Conditions | Privacy Policy Change your Email Preferences

WINFIELD ATTACHMENT B

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Sent from Mail for Windows

From: <u>HomeAdvisor</u> Sent: Tuesday, July 16, 2019 1:35 PM To: Subject: HomeAdvisor Lead Replacement Request Update



Dear Ronda,

We have reviewed your lead replacement credit request regarding the contact information for this lead. Based on our research, we are unable to issue a credit at this time.

A word on measuring your marketing success:

- While it's a common tendency to want to evaluate our services based on the outcome of your most recent homeowner contact experience, we encourage you to evaluate HomeAdvisor on the basis of your total marketing investment and your total revenue generated from the service.
- If you find that your return on investment is not positive with our service, please contact us. We will help you make the necessary modifications to ensure you are getting value out of your investment, because it's only when you succeed that we succeed!

HomeAdvisor is committed to helping you grow your business, one homeowner at a time.

Thank you for being a member of the HomeAdvisor network. We appreciate your business.

Regards,

Customer Care Team HomeAdvisor (877) 947-3639

Reach More Customers. Win More Jobs. ™



You may UNSUBSCRIBE from newsletters, surveys and special offers.

14823 Deriver West Parkway, Building 64 Golden, CO 80401

WINFIELD ATTACHMENT C

Page 10

#147462452

View Details

Email Customer

Click to Change

07/13/2019

for Sale

1001

Stage or Showcase a Home

ext:

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HomeAdvisor

Case #: 13872454

Consumer Info: Winfield, Ronda Bellevue, WA 98006 Business Info:

HomeAdvisor 14023 Denver West Pkwy Bidg 64 Lakewood, CO 80401 (303) 963-7200

Date Filed: 9/28/2019 4:55:05 PM

Nature of the Complaint: Service Issues Consumer's Original Complaint:

HomeaAdvisor solicited me with the promise of using their services to enhance my small business. After the initial joining fee, they sent me my first lead which when I contacted that lead, the person had no idea why I was contacting the. That person I formed me that he had never contacted HomeAdvisor for services. Because I thought the contact information was incorrect, I called HomeAdvisor customer service. I was immediately told O would not receive a refund. I thought the response was off center which raised a red flag for me. I explained that I was clarifying contact information for a lead. The csr's disposition changed and she assisted me as needed. The contact information was indeed bogus. A HomeAdvisor manager later contacted me to explain that "some folks just change their minds about what they want." Red flag #2. For the remainder of the week I was sent another lead that was bogus. HomeaAdvisor began sending lead information and charging me for leads that did not exist, or leads that did not match my service criteria. When I discovered they were a scam I called to cancel. They would not cancel the membership, instead they kept sending me leads and charging me for them. These were leads that I did not respond to. I cancelled the credit card they were using and after a few weeks they stopped sending leads. Their Collections Dept. contacted me for an outstanding bill with them. I explained to the very aggressive unprofessional person who called me that I had canceled the service. She reluctantly made a note to the account that I requested cancellation months prior. I researched consumer complaints and found a trove of small business owners with nearly identical experiences as mine. I filed a complaint with the Colorado Attorney General as well as with the Attorney General of my own state. This is a conglomerate that preys on the unsuspecting small business owner siphoning dry our hard earned money. Most if us do not have attorneys on retainers and to HomeAdvisor's advantage we just go away with a huge loss. The BBB should not continue to accept money from HomeAdvisor for A+ ratings for a company with F- practices.

Consumer's Desired Resolution:

Cancel the service as I requested in July. Refund the \$289 enrollment fee/any paid leads. Clear any all subsequent charges for leads I did not askfor.

Complaint Timeline

09/28/2019

Automation: Auto Process Complaint Form

WINFIELD ATTACHMENT D

Page 11

| 09/29/2019 | Pending initial Business response: Action Taken Threshold Application |
|------------|---|
| 10/02/2019 | Business Responded to Complaint: Action Taken: Extranet mrussell@homeadvisor.com |
| 10/02/2019 | Pending consumer Response: Action Taken: Direct Connect mrussell@homeadvisor.com |
| 10/10/2019 | Answered: Action Taken Threshold Application |

Complaint Messages

10/02/2019 - Molly Russeli

Respond to Complaint

We are in the process of reviewing this customers account and we will be following up with them shortly on a resolution. We do apologize for any inconvenience that this has caused the customer.

Complaint Notes

9/28/2019 4:55:05 PM Business (as entered) HomeAdvisor 14023 Denver West Pkwy Bldg 64 LakewoodCO, 80401 (303) 963-7200 Initial Submission

9/28/2019 4:55:05 PM Complaint (as entered)

Problem Description:

HomeaAdvisor solicited me with the promise of using their services to enhance my small business. After the initial joining fee, they sent me my first lead which when I contacted that lead, the person had no idea why I was contacting the. That person I formed me that he had never contacted HomeAdvisor for services. Because I thought the contact information was incorrect, I called HomeAdvisor customer service. I was immediately told O would not receive a refund. I thought the response was off center which raised a red flag for me. I explained that I was clarifying contact information for a lead. The csr's disposition changed and she assisted me as needed. The contact information was indeed bogus. A HomeAdvisor manager later contacted me to explain that "some folks just change their minds about what they want." Red flag #2. For the remainder of the week I was sent another lead that was bogus. HomeaAdvisor began sending lead information and charging me for leads that did not exist, or leads

WINFIELD ATTACHMENT D

Page 12
that did not match my service criteria. When I discovered they were a scam I called to cancel. They would not cancel.the membership, instead they kept sending me leads and charging me for them. These were leads that I did not respond to. I cancelled the credit card they were using and after a few weeks they stopped sending leads. Their Collections Dept. contacted me for an outstanding bill with them. I explained to the very aggressive unprofessional person who called me that I had canceled the service. She reluctantly made a note to the account that I requested cancellation months prior. I researched consumer complaints and found a trove of small business owners with nearly identical experiences as mine. I filed a complaint with the Colorado Attorney General as well as with the Attorney General of my own state. This is a conglomerate that preys on the unsuspecting small business owner siphoning dry our hard earned money. Most if us do not have attorneys on retainers and to HomeAdvisor's advantage we just go away with a huge loss. The BBB should not continue to accept money from HomeAdvisor for A+ ratings for a company with F- practices.

Desired Outcome:

Cancel the service as I requested in July. Refund the \$289 enrollment fee/any paid leads. Clear any all subsequent charges for leads I did not askfor.

Initial Submission

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PX0012

DECLARATION OF ELENA DUNNE Pursuant to 28 U.S.C. § 1746

I, Elena Dunne, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Arvada, Colorado. I worked as a sales representative for HomeAdvisor from June 2019 through October 2019, in the company's Denver location. I did not have prior sales experience when HomeAdvisor hired me.

2. My initial training consisted of four weeks of classroom training, during which time we watched videos, studied and practiced scripts, learned about HomeAdvisor's service and role in the industry, and participated in team building exercises. We also learned about common objections during the sales pitch and how to overcome them.

3. After the classroom training, my group transitioned to the sales floor to listen in on sales calls and eventually begin making our own calls. This training period lasted two weeks. The trainers, who were also sales managers, explained that we were expected to make at least three sales during this period. We would receive a bonus upon our third sale. If we didn't meet the goal of three sales, it would be up to our manager to decide if they wanted to keep us on.

4. When we transitioned to the sales floor, our sales managers/trainers went over the scripts with us again, including additional instructions on overcoming the objections of reluctant prospects. For example, the trainers taught us to tell the service providers that the homeowners were "ready to go" and the work was immediately available. If the prospective service provider member asked us how we would know that homeowners were actually ready to hire, we would explain that the homeowners went through an online application process which required them to provide details about when they wanted the work done, and the job leads were all for projects with homeowners who indicated they were ready to hire immediately. We role-played practice "calls" with our coworkers and then made our own calls. We were able to overhear the calls of all the trainees, and afterwards we would all discuss what worked well and what didn't. When

Declaration of Elena Dunne, page 1 of 3

PX0012-0001

we made these sales calls as trainees, a manager would often pick up another line to connect to the call. This usually happened when someone got close to closing a sale, and the manager would mouth to us what we should say to overcome the prospect's objections. I felt that the managers during these "beat the objections" calls were close to becoming overly aggressive -I was not entirely comfortable with some of these calls, as I felt that we were being trained to be argumentative in our sales pitch. It felt like it was very close to the line in terms of acceptable behavior for me.

5. One of the objections that we were trained to overcome was when a prospect asked if we sent our leads to more multiple services provider at the same time. This was absolutely true; each lead could go out to several contractors. But we were trained to avoid directly answering this – the managers instructed us to tell the service providers that the leads would go to perhaps one or two other contractors, but that "if you jump on it right away," as soon as it was posted, and had a competitive bid, then "it's yours." The script also emphasized that the leads were right in their geographical area, using terms such as "in your neighborhood" or "just down the street."

6. If a prospect asked about credits or refunds to leads that didn't work out, the managers advised us to be vague, and say things like "we could look at refunding" but to not make any promises. The managers told us to try to avoid mentioning anything too specific about the lead credit or refund policy.

7. One part of the sales script that concerned me was the "free marketing" pitch. We told the prospects that HomeAdvisor would include their business contact information in a list of local contractors that appeared on HomeAdvisor's website, available to homeowners who were searching for service providers. We explained that if a homeowner called the service provider member directly, it wouldn't be considered a lead and wouldn't cost the member anything. We were told to ask the prospect if they would like to appear high on the list of contractors. This was presented as a way to get jobs without having to pay for leads. The pitch made it sound as if this was some valuable part of the membership package, but I learned later (I tested it myself by calling some of the numbers) that the phone numbers listed for the member service providers all went to HomeAdvisor operators.

Declaration of Elena Dunne, page 2 of 3

PX0012-0002

8. I don't recall hearing that our calls would be monitored, or about any particular words or phrases that we were not allowed to say, except that we could not ever promise a prospect a job. However, we were trained to imply that the jobs were there for the taking, and that all the member would have to do is contact the homeowner quickly with a competitive bid, and the jobs would be rolling in.

9. I started to have doubts about working for HomeAdvisor within the first several weeks of my employment there. I would hear from new service provider members that they tried to call the leads and never got return calls, or that the project was already completed. At the end of the day, I felt that I was hurting, not helping, these service providers' businesses. That, along with low pay and an alcohol-heavy "party" sales room culture, were the reasons that I began to look for new employment opportunities.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: October 19, 2021

Elena Dunne

Declaration of Elena Dunne, page 3 of 3

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PX0013

DECLARATION OF JEFFREY HOPPIS Pursuant to 28 U.S.C. §1746

I, Jeffrey Hoppis, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Denver, Colorado. From early February 2018 to mid-January 2019, I worked as a sales representative with HomeAdvisor at its Golden, Colorado sales office. My primary responsibility at HomeAdvisor was to call home services professionals ("HSPs") and try to sell them memberships to HomeAdvisor's lead service platform. I am currently employed as a U.S. mail carrier.

2. I spent the first week of my HomeAdvisor employment in training class with about 25 other recently hired sales representatives. The HomeAdvisor trainers gave each of us a notebook and training materials that included information on the company and its business. In the training, we learned that HomeAdvisor was established to connect homeowners with HSPs. We learned that homeowners completed a 5-7 page form on HomeAdvisor's website in which they detailed their job. The trainers referred to this form as a "work order" or an "application." We also learned that once the homeowner submitted the "work order" or "application" it was immediately sent out to the relevant HSPs in the homeowner's area. In fact, in training we were encouraged to go to the HomeAdvisor website and view the form that homeowners completed, though we were told not to hit the submit button.

3. During the training, we were given a script for speaking with HSPs, which we memorized. We learned about making telephone sales, including overcoming objections. We also engaged in role-playing exercises making sales pitches to improve our presentations and ability to overcome objections. We also learned how to enter data into and work on the company's sales platform. Starting the second week, we made calls while trainers listened in and assisted with suggestions to improve our sales presentations. After that, we were assigned to a sales team and we began working on the sales floor.

4. In the training class, the trainers said that we would not call anyone who did not expect to be called by HomeAdvisor. That turned out not to be true. I learned that HomeAdvisor had staff who reviewed state licensing websites to find lists of licensed contractors

Jeffrey Hoppis Declaration, p. 1 of 4

and created lead lists of prospects from those websites. Most prospects hung up when I introduced myself and explained why I was calling.

5. All of my sales calls were outbound calls to HSPs. I observed that sales representatives who were most successful at making sales were assigned to receive inbound calls from HSPs interested in learning about HomeAdvisor's services. Inbound calls were generally better leads and easier to sell. On an average day, I made 200-300 dials, but on bad days, I made more than 500 dials. I was required to have three to four hours of talk time daily. I was lucky if I had five actual conversations in a day and of those five calls, I might get two sales. Many people hung up – all day, every day. The people on my sales team were each budgeted to make five sales weekly; if we hit that goal, my manager stopped shouting demands that we needed to "make some sales" and that reduced my stress levels. If the sales team as a whole made budget, which meant somewhere between 25 and 35 sales in a week, the company provided breakfast or took us out to happy hour.

6. We called the same people multiple times. We annoyed some HSPs by calling them multiple times. I tried to establish repertoire with prospects and initially asked them questions about their business. On average, a prospect that resulted in a sale required two to five conversations, but I had as many as 30 calls in cases where the HSP was always busy or had limited time when I called.

7. Sales representatives made calls from adjacent workstations and I regularly overheard what other sales representatives said during their sales calls to HSPs. During training, my manager gave me access to listen to the sales presentations of the top sellers among the sales representatives on our sales team.

8. In sales presentations, we always described the leads as homeowners who were ready to hire HSPs for existing jobs. For example, we referred to the leads as "homeowners" who were "project ready," "looking to hire," and "ready to hire." I also remember that we referred to the leads as "work orders." No manager or supervisor ever reprimanded me for describing the leads in this way, and I am not aware of any other sales representative being reprimanded for describing the leads in this way.

9. Managers advised us that in most HSP trade classifications, 3.2 of 10 leads from HomeAdvisor resulted in jobs. I did not have any information on what the rate was for any

Jeffrey Hoppis Declaration, p. 2 of 4

given trade classification. I regularly told prospects, regardless of the trade in which they specialized, that it was likely that 3 to 5 of every 10 leads would result in a job.

10. In sales pitches, we followed the advice that managers gave us and described the HomeAdvisor lead service in general terms, following HomeAdvisor's guidance that we not provide too much information to HSPs during sales calls. We told HSPs that they could pause their leads and turn them back on at any time, even though we learned during training that pausing leads on the HomeAdvisor app worked for a short period of time, after which the lead service automatically reactivated. However, HomeAdvisor managers and supervisors trained us not to provide this information unless the prospect asked a question about it.

11. In general, the only monitoring that I witnessed involved coaching to make sales representatives more successful at making more sales. As I recall, on one occasion I had two sales calls reviewed and scored. I received an email about those two calls. One of the calls received a perfect score and the other included notes about something I said in that sales presentation.

12. In the course of making sales calls, I often spoke to former HomeAdvisor HSPs. They often complained about the poor quality of the leads that they received from HomeAdvisor. In particular, the HSPs complained that they were unable to contact the leads, sometimes because the telephone numbers were wrong or no one answered. The HSPs also complained that the leads did not respond to emails and phone messages. The HSPs also told me that they received leads that turned out to be people who were price shopping and not ready to hire. They also complained that it was difficult to receive credits for what they thought were bad leads. For example, according to former HSPs with whom I spoke, if an HSP is able to leave a voice message for a lead, or leaves multiple voice messages for a lead without any response, HomeAdvisor considers that a good lead for which they would not issue a credit.

13. The culture as a sales representative at HomeAdvisor was largely about hitting the sales mark. I know that some of the HSPs to whom I sold the HomeAdvisor service were successful with the service and I know of other instances in which I doubted that the HomeAdvisor lead service was going to benefit the HSP. I remember signing up prospects who told me they had very little money, and it seemed unlikely to me that they would be able to afford even the smallest lead budget. I remember one prospect who used his mother's credit card to sign up because he did not have a credit card. The company seems to spend a lot of time and

Jeffrey Hoppis Declaration, p. 3 of 4

money hiring and training sales representatives and selling the HomeAdvisor lead service to HSPs, but spends much less effort retaining those sales representatives and HSPs.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: 10.28.2021, 2620

All Settrey Hopps

Jeffrey Hoppis Declaration, p. 4 of 4

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PX0014

DECLARATION OF JOHN J. SACK III Pursuant to 28 U.S.C. §1746

I, John J. Sack III, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Costa Mesa, California. I worked as a sales representative for HomeAdvisor from early to late October 2018 in the company's Lodo Downtown Denver location. This was my first job after graduating from college, and my first job as a telephone sales representative. I had a couple of weeks of training prior to beginning to work on the sales floor.

2. I called home service professionals ("HSPs") and tried to sell them HomeAdvisor's lead service. In training, the trainers explained that homeowners looking for contractors completed an online application at the HomeAdvisor website. When the homeowner submitted the application, HomeAdvisor's system sent that lead, which the trainers called a 'service request,' to a small group of HSPs qualified to do the job in the homeowner's geographic area. HomeAdvisor then charged the HSPs for that lead.

3. I made an hourly wage and was also paid on commission. The culture among sales representatives was to quickly sign up as many HSPs as possible, and thereby make as much money in commissions as fast as possible. On the sales floor, I and other sales representatives told HSP prospects that the leads were from people looking for contractors to do their jobs right away. We told prospects that if they joined HomeAdvisor, they would receive high quality leads from homeowners who visited the HomeAdvisor website looking for a contractor and completed a form that required detailed information about the job or project that they wanted completed. I know that other sales representatives also said these things because we worked very closely together.

4. Nobody at HomeAdvisor ever explained to me HomeAdvisor's lead credit policy, and I do not know anything about it.

Declaration of John J. Sack III, p. 1

PX0014-0001

5. I left HomeAdvisor because I did not like the "wolf on wall street," testosteronefueled, partying atmosphere. I also did not like being yelled at by the HSP prospects that I called, which happened constantly.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: <u>12///6/21</u>, 2020

John J. Sack III

Declaration of John J. Sack III, p. 2

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PX0015

DECLARATION OF CHRISTINA WILSON Pursuant to 28 U.S.C. § 1746

I, Christina Wilson, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I was hired by HomeAdvisor in April of 2019. I had some previous experience as a phone agent with a logistics company but I had not previously worked in sales.

2. I worked in HomeAdvisor's offices in Chicago, Illinois. I began my training as one of a group of eight new hires. We had one week of classroom training during which we learned about HomeAdvisor's services and its role in the industry. We were taught that HomeAdvisor was a "matchmaking service" between homeowners and service providers. We also went over the employee handbook and discussed different sales scenarios. We were also trained to use HomeAdvisor's customer relationship management ("CRM") system.

3. During the second week, we spent time on the sales floor with trainers. The trainers walked through the sales script with us and discussed how to overcome common objections from potential service provider members. In general, I was trained to stick closely to the script, with a few exceptions. For example, when confronting specific objections that a prospect might have, the trainers told us to come up with answers to address their concerns however necessary. The trainers explained that we could refer to leads as "jobs" and make up a pending "job" that was waiting to be matched to a service provider with the expertise and geographic preferences of the prospective member to whom we were talking. In the event that the service provider did sign up for a membership and subsequently asked about this job, the trainers instructed us to say that it had just been filled.

4. At the end of the second week, we began to make our own sales calls with the assistance of the trainers. They would listen in and advise us as we proceeded through the call. There was about a week or so of this close monitoring and coaching. After the training, the trainers would continue to be available, walking around the call room to assist new agents as needed.

5. The sales floor was in an open room where we all sat fairly close together, so we could sometimes overhear the conversations of the sales representatives near us. When I spoke with potential new service provider members, I tried to convey that the leads were projects ready

Christina Wilson Declaration, p. 1 of 2

PX0015-0001

PUBLIC

to start. We referred to the leads as "jobs in your area," or "a job just down the street" that required the service provider's trade. Our managers approved of us referring to homeowners as serious and actively looking to start a project.

6. I found the sales calls difficult. We were expected to make around 140 calls per day. Many people wouldn't even answer the phone. As new agents, we were exclusively assigned the prospects that had been contacted by HomeAdvisor before, including many who were former HomeAdvisor members. The rest were service providers who had already declined to sign up for HomeAdvisor's services on previous sales calls. The "fresh" leads went to more experienced sales reps. Prospective members often said they had all the work they needed or wanted and we had been trained to respond to that objection by telling the prospect that they could grow their business, hire more people, and make more money by using HomeAdvisor's service. Many of the prospects I spoke with were former HomeAdvisor members and they complained that the leads had not resulted in jobs, and that they had ended up losing money.

7. I did not feel good about how often we had to call the same prospects. We were initially told that the prospects must state a specific phrase before they could be added to the company's Do Not Call list. In the last part of my tenure at HomeAdvisor, I added people to the Do Not Call list if they complained about the numerous calls they'd received from HomeAdvisor, even if they did not make that specific, required phrase.

8. Sales agents were expected to make five sales during the training period. I was not able to close a sale for the month that I was on the sales floor. Having been hired in a "sales development role" and failing to make sufficient sales, I was let go from HomeAdvisor after a little over a month.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: October 12,2021

Maitin Wilson

Christina Wilson

Christina Wilson Declaration, p. 2 of 2

PX0015-0002

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PX0016

DECLARATION OF GERALD LEE Pursuant to 28 U.S.C. § 1746

I, Gerald Lee, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Brooklyn, New York.

2. On Memorial Day weekend of 2020, during the Covid-19 pandemic, I received at least nine unsolicited telephone calls from home service professionals. Some of the callers claimed that they had received my contact information from HomeAdvisor. In some cases, when I answered the telephone, I spoke to a live person, including someone from a carpet or flooring company that had "Empire" in its name. The man from this business had my current phone number and email address, but an outdated residence address. When I asked where he got my information, he said that HomeAdvisor provided him with the information just a few minutes prior to their call to me. I explained that I had not had any contact with HomeAdvisor and was not interested in speaking to him. This man responded that I could expect to receive at least two more calls from other carpeting or flooring companies.

3. I received calls, including voice messages, from carpeting and flooring companies as well as roofing companies and solar panel installers. In some cases I called back to ask that the caller remove my name from their calling list.

4. I have not recently contemplated any home projects concerning carpeting, flooring, roofing, or solar panels. Similarly, I have not recently submitted any request to be contacted by a home service professional. I have no idea how my contact information made its way to HomeAdvisor. Prior to Memorial Day weekend, I had no knowledge that HomeAdvisor existed and I had never visited the company's website.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

14 Dated: ,2022 Gerald Lee

Gerald Lee Declaration, p. 1 of 1

PX0016-0001

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PX0017

DECLARATION OF JOANNA SAWICZ Pursuant to 28 U.S.C. §1746

ORIGINAL I, Joanna Sawicz, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

I am over the age of 18 and reside in Pompton Lakes, New Jersey. 1. Beginning in late April 2019, I began receiving unsolicited telephone calls from various tradespeople and contractors who claimed that they received my contact information from HomeAdvisor.

I received the first of these calls on or about Monday, April 22, 2019. On 2. that day, I answered unsolicited telephone calls and received text messages from at least four different people who said they were contractors. These contractors told me they had expertise in masonry, stucco, blind installation, landscaping and security systems. One of them sent me two text messages. True and correct pictures of those text messages from Vivint Systems, a security company, are appended as Attachment A. A couple of these callers asked for my husband. While my husband and I have separate mobile phone numbers, my number is listed on his account, so that may explain why they were asking for my husband. All of the callers said that HomeAdvisor had sent them my telephone number. According to these contractors, HomeAdvisor told them that I had placed a request via HomeAdvisor for contractors in their specialty areas. I had not. I had never contacted HomeAdvisor and had no need for contractors. I told each of these people that I did not place a request via HomeAdvisor and was not interested in their services.

Declaration of Joanna Sawicz, page 1 of 3

3. The landscaping contractor told me that I should call HomeAdvisor and ask them to remove my supposed request from their database. She gave me the HomeAdvisor telephone number to call. I decided that was a good idea so I called HomeAdvisor.

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On or about April 22, 2019, I called the HomeAdvisor telephone number 4. that the landscaping contractor had given me and spoke first to a woman who denied that I was in the HomeAdvisor database. She transferred me to another woman who was able to find a listing for me. She said she found my "project." which listed my telephone number. She said that she would place a note on my account indicating that I did not want further calls or texts.

11 The next Monday, April 29, 2019, I received four additional calls from 5. people who told me they were contractors with the same areas of expertise as the 12 13 earlier callers. When I asked these contractors where they got my number, they said that HomeAdvisor referred them to me. I explained that this had happened 14 15 before, but that it was a mistake. I was not looking for a contractor.

16 6. One evening when I was on my way home, I received a call from a man, Eric, with a window covering and blind company. He thought that I was interested in having blinds installed in my home. However, we realized right away that I am far outside of his service area. I also told him that I never placed a request via 19 HomeAdvisor and was not interested in hiring a contractor. He said that I was not the first person he had called or talked to who told him that they had not placed a request or had any contact with HomeAdvisor or its website. We talked for about 30 minutes.

Joanne Sawicz Declaration, page 2 of 3

7. While I was on the phone with Eric, I received four other unsolicited telephone calls from persons I believe were contractors referred by HomeAdvisor. The calls came in on different telephone numbers that I did not recognize, one after the other and during a short period of time, as if the callers had recently been provided with my contact information and were trying to reach me at the same time.

8. The only explanation I can think of for why I have been receiving these phone calls is from my use of the internet, which I do with some regularity. For example, during the same period in which I received these calls from contractors and service professionals, I was on the Facebook Marketplace looking at pictures of items that people were selling, sort of like an online garage sale. Between the pictures of the advertised items there are sponsored advertisements. On occasion, I accidentally clicked on a sponsored advertisement by mistake. I think that may have been how my contact information wound up with HomeAdvisor. However, I never filled out any form or request indicating I was interested in a contractor contacting me.

9. A true and correct copy of a text that I received from HomeAdvisor on Thursday, May 2, 2019, is appended as **Attachment B.** I received this after the representative with HomeAdvisor told me she had placed a note on my account that I did not want further contact. I have no idea why HomeAdvisor sent me this text message.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: MAY 28

. 2019

Joanna Sawicz

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Text Message Tue, Apr 23, 4-10 PM +

Excited for your future Vivint System? Us too! Free Install upon signup today with Code: WHYWAIT Call us at <u>1 (866)</u> <u>955-9616</u>. Text STOP to unsubscribe from SMS.

Hi, it's Vivint. We missed you again. Call us at <u>1</u> <u>866-955-9616</u> & use Promo: FREESMS for free installation upon sign up! Text STOP to unsubscribe from SMS.

ATTACHMENT A



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Text Message Tue, Apr 23, 4-26 FM

Frank with Vivint here. I gave you a call in regards to the form you submitted on our Vivint website. I can help. Office: <u>800-583-1670</u> Opt 1, Ex 0143, Cell Redaced Pursuant o 16 C F R § 4.2(o)(3) , E:



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Text Message Thursday 3.35 PN

Hello from HomeAdvisor! A1 Infinity ... is interested in your project! View details to accept their invite: <u>http://</u> www.smgc.co/ s4c7d

Thanks for using HomeAdvisor! Reply STOP to end. Reply HELP or call 800-266-8722. Msg&data rates may apply.



This message confirms that you have unsubscribed from text alerts. Reply START to resubscribe.



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DECLARATION OF BILL NASH Pursuant to 28 U.S.C. § 1746

I, Bill Nash, hereby state that I have personal knowledge of the facts set forth below and am competent to testify about them. If called as a witness, I could and would testify as follows:

1. I am over 18 years of age and reside in Derby, Kansas. I am a certified home inspector. I have owned my business, Fidelity Property Inspections LLC, for about five years. I signed up as a member of HomeAdvisor soon after starting my business.

2. For the first several years, I was generally happy with the company and the quality of the leads they sent me. Around a year ago, I began receiving leads from HomeAdvisor for structural engineering work, which I do not perform. When I received these inappropriate leads, I would request lead credits from HomeAdvisor. In some cases, I did this by phone. The rest of the time I would fill out a form on the HomeAdvisor members' website. I received credits a few times, but my lead credit requests were usually denied.

3. Over the next several months I noticed an increasing number of these bogus structural engineering leads. Each of these leads cost me around \$18 and it was cutting into my profit margin. In addition to this, I had to waste time calling these leads and then calling or getting online with HomeAdvisor to try to get credits.

4. I began asking the homeowners some questions when I called them, to try to figure out why they were being sent to me as leads when they obviously didn't need home inspection services. I soon learned that they had all visited a website for a company called Powell & Sons. I looked at the website <u>powellandsons.com</u>, which appears to be a site for a small, locally-owned contractor. I did some internet research and learned that the website for Powell & Sons is actually run by HomeAdvisor. My understanding from this research is that there is no actual company called Powell & Sons – instead, the website collects leads for HomeAdvisor. I also read about another website, jensenbrothers.com, that appears to be for a local small contractor but was actually run by HomeAdvisor. On approximately March 15, 2022, I saved a PDF of the website <u>powellandsons.com</u>, which is attached to this declaration as Attachment A.

Declaration of Bill Nash, page 1 of 3

5. Most of the homeowners I spoke with who said they had visited the Powell & Sons website told me they believed that Powell & Sons was a legitimate local contractor who did structural engineering work. They said that they had submitted a request for a quote to Powell & Sons and were surprised when I told them that I had received their information from HomeAdvisor. I was not happy to hear this – I did not expect that I would be receiving leads that were obtained through what I feel is a fraudulent method.

6. I explained this to HomeAdvisor's representatives on several phone calls. Every time I would get one of the structural engineering leads and the homeowner mentioned Powell & Sons, I would list that information in my online lead credit request form, or I would specifically tell the HomeAdvisor phone representative. They would still refuse to credit me for the leads most of the time. When I would explain that the leads were for homeowners looking for structural engineering services, the representatives would state that HomeAdvisor policy required them to speak with the homeowner to verify that they truly hadn't been looking for home inspection services, and that HomeAdvisor had been unable to reach the homeowner by phone to verify the information. I don't believe that this was always true, since I had no trouble reaching the homeowners myself when initially following up on the lead.

7. This went on for several months. I wasted a great deal of time making calls on useless leads, and then going to the HomeAdvisor website to request credits. Sometimes I would be able to convince a phone representative to connect me with a supervisor, and more than once a supervisor assured me that the problem would be taken care of and I would stop receiving and being charged for the Powell & Sons structural engineering leads. But it just felt like I was getting the runaround. No matter how many times I called, or how many times I was told that the problem would be resolved, I continued to receive the leads. It reached a point where I was receiving two or three of these bad leads every week. The lead costs were adding up to hundreds of dollars.

8. Near the end of December of 2021, I decided that I had had enough and called HomeAdvisor to cancel the membership. I spoke with a supervisor and explained why I wanted to cancel. She was very apologetic and tried to convince me to stay. She promised me that she

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would make sure that the problem was resolved and would even give me credit for the Powell & Sons leads. She looked in their system and told me that she could only go back for a few months, but that she would give me credit for all of the leads during that time where I had mentioned Powell & Sons. This turned out to be around \$300 worth of credit. It was nowhere near the total amount I had been charged for the bad leads, since they went back for several months and also because I had not known about Powell & Sons when I first started receiving the structural engineering leads. But it was enough for me to give them another chance, so I decided not to cancel.

9. It wasn't long after this call that I started once again to receive the Powell & Sons structural engineering leads. HomeAdvisor is still refusing to credit me for most of these leads. An email from HomeAdvisor declining to credit me for one of these leads is attached to this declaration as Attachment B. I find this extremely frustrating. I had been happy with HomeAdvisor's services for a long time and have gotten work through their legitimate leads, so I have been reluctant to give up on the company entirely. However, the return on investment has declined a great deal. On March 9, 2022, I called to complain to the Federal Trade Commission.

10. I am very disappointed with how HomeAdvisor has handled this situation. I did not expect that I would be sent leads from people who had not intentionally contacted HomeAdvisor, nor did I expect to be charged for leads that involved work that I do not even perform. I would estimate that I am out a few hundred dollars in uncredited lead costs, and I have spent many wasted hours following up on these useless leads and pursuing credits for them.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Dated: 22 MAR, 2022

Declaration of Bill Nash, page 3 of 3

Home

Request Service

Request a Quote

Contact Us

Find Services Offered By Professionals

Find the help you need to get your project done right with Powell and Sons. If you are searching for home services, we can quickly get you connected. Tell us about your project and we will get you in touch with our professionals.

Why Us?

- We get you connected fast
- Find specialists in your area
- Get a quote
- Residential and Commercial Service

Tell us about your project in the form and we will get you connected with specialists in your area.

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well as to Angl Terms of Service and Privacy Policy

About Us



At Powell and Sons, we are proud to provide our customers with the best possible home services experience. We believe in showing up on time and getting the job done right the first time, at a good value for your hard-earned money. Our contractors cover a wide range of services and look forward to helping you improve or repair your home. Contact us today for a no obligation, free quote!

Please contact us if you have any questions at 980-880-0615.

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Tell us about your project, service address, and how to get in touch.

How It Works



We connect you with our trained service professionals to help with your job. If we can't serve you due to market availability or capacity, we will connect you with a vetted partner.



will contact you about your project.

NASH ATTACHMENT A

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LEAD DESCRIPTION #233253203

Inspect a Home

CUSTOMER INFO

Email Customer

INITIAL

Click to Change

DATE 02/23/2022

STATUS

View Details

From: Sent: To: Subject: HomeAdvisor <billing@homeadvisor.com> Monday, February 28, 2022 1:46 PM kshomeinspector@gmail.com Angi Lead Replacement Request Update



Dear Billy,

We have reviewed your lead replacement credit request regarding the consumers understanding of the work they want done. Based on our research, we are unable to issue a credit at this time.

A word on measuring your marketing success:

- While it's a common tendency to want to evaluate our services based on the
 outcome of your most recent homeowner contact experience, we encourage you to
 evaluate Angi Leads on the basis of your total marketing investment and your total
 revenue generated from the service.
- If you find that your return on investment is not positive with our service, please contact us. We will help you make the necessary modifications to ensure you are getting value out of your investment, because it's only when you succeed that we succeed!

Angi Leads is committed to helping you grow your business, one homeowner at a time.

Thank you for being a member of the Angi Network. We appreciate your business.

All the best,

Pro Customer Care Angi Leads (877) 947-3639

Reach More Customers. Win More Jobs. **

| Leads Ratings Account Privacy Statement Terms & Cor | ditions G | Go Mobile 🚺 | 0 |
|---|-----------|-------------|---|
| You are receiving this email because you have an Angi Leads account. You may UNSUBSCRIBE from newsletters, surveys and special offers. | | | |

14023 Denver West Parkway, Building 64 Golden, CO 80401

NASH ATTACHMENT B

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CERTIFICATE OF SERVICE

I hereby certify that on August 1, 2022, I caused the foregoing document to be filed electronically using the Administrative E-File System (AEFS), which will send notification of such filing to:

April Tabor Office of the Secretary Federal Trade Commission Constitution Center 400 Seventh Street, SW, Suite 5610 Washington, D.C. 20024 ElectronicFilings@ftc.gov The Honorable D. Michael Chappell Administrative Law Judge Federal Trade Commission 600 Pennsylvania Ave., NW, Rm. H-110 Washington, D.C. 20580 OALJ@ftc.gov

I further certify that on August 1, 2022, I caused the foregoing document to be served via email to:

Sophia H. Calderón Colin D. A. MacDonald Breena M. Roos M. Elizabeth Howe Federal Trade Commission, Northwest Region 915 Second Ave., Suite 2896 Seattle, WA 98174 scalderon@ftc.gov cmacdonald@ftc.gov broos@ftc.gov mhowe@ftc.gov

Counsel Supporting the Complaint

April Tabor Office of the Secretary Federal Trade Commission Constitution Center 400 Seventh Street, SW, Suite 5610 Washington, D.C. 20024 ElectronicFilings@ftc.gov

The Honorable D. Michael Chappell Administrative Law Judge Federal Trade Commission 600 Pennsylvania Ave., NW, Rm. H-110 Washington, D.C. 20580 OALJ@ftc.gov I further certify that the electronic copy sent to the Secretary of the Commission is a true and correct copy of the paper original and that I possess a paper original of the signed document that is available for review by the parties and the Commission.

Dated: August 1, 2022

By: <u>/s/ George T. Phillips</u> George T. Phillips Counsel for Respondent HomeAdvisor, Inc.