

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

CALIFORNIA REGIONAL MULTIPLE
LISTING SERVICE, INC.,

Plaintiff,

v.

COMPASS, INC.,

Defendant.

Civil Action No.:

**COMPLAINT FOR DECLARATORY AND
INJUNCTIVE RELIEF**

28 U.S.C. §§ 2201–2202

Plaintiff California Regional Multiple Listing Service, Inc. (“CRMLS”) respectfully states the following claims for declaratory and injunctive relief against Defendant Compass, Inc. (“Compass”).

PRELIMINARY STATEMENT

This case concerns the efforts of Compass—the largest real estate brokerage in the United States—to bully the real estate industry into abandoning rules designed to promote transparency, broad consumer access, and fair competition among brokerages. At issue are rules that serve a straightforward purpose: if a seller authorizes their agent to seek buyers from outside the brokerage, all brokerages participating in the multiple listing service (“MLS”) cooperative—not just one—should have the opportunity to connect their buyer clients with that property. Compass, however, seeks to dismantle these rules so that it can pursue its stated corporate strategy of controlling for-sale property inventory as a competitive weapon—publicly marketing properties to attract buyers while withholding those same properties from the MLS cooperative whose data Compass uses to service its own clients. In short, Compass wants to free-ride on the comprehensive listing contributions of thousands of cooperating brokerages while hoarding its own inventory for its exclusive financial benefit. Having already sued others in pursuit of this agenda, and having sent demand letters threatening additional litigation, Compass now threatens to sue CRMLS unless it capitulates to Compass’s demands by October 6, 2026. CRMLS brings this declaratory judgment action to establish that its Cooperation Rules are lawful under federal and state antitrust law because they cause no anticompetitive harm, and are in fact widely recognized as procompetitive.

NATURE OF THE ACTION

1. This civil action seeks declaratory and injunctive relief under the Declaratory Judgment Act, 28 U.S.C. §§ 2201–2202. CRMLS brings this action to obtain a judicial declaration that its Cooperation Rules, defined below, governing the submission, access, use, and distribution of the CRMLS listing records are lawful under Section 1 of the Sherman Antitrust Act, 15 U.S.C. § 1, and the California Cartwright Act, Cal. Bus. & Prof. Code § 16720 et seq. The Cooperation Rules ensure that CRMLS listings, which contain contributions from its subscribers, provide transparency and access for subscribers and their consumers, promote cooperation amongst participating brokerage firms in CRMLS, and create reasonable parameters to prevent free riding by recalcitrant brokers and/or agents. CRMLS’ rules provide for more vibrant competition amongst all participating brokerage firms and importantly provide for an efficient and transparent real estate marketplace that benefits all consumers, whether they are a seller or a buyer.

2. CRMLS is one of the largest MLSs in the United States, with approximately 94,000 real estate professional subscribers and an additional 50,000 agents and appraisers who participate in competing MLSs across California, who have direct access to CRMLS listing records via data share agreements between CRMLS and those competing MLSs.

3. CRMLS operates a broker cooperative that provides a real property information-sharing platform and distribution system that enables real estate brokers and agents to input and search for properties that are for sale, and to research CRMLS listing records to provide opinions (such as on the value of a home), make recommendations for their clients, and provide various consulting services to their clients. Using CRMLS listing records, subscribers can recommend information about the home selling process, including decisions on listing price which then helps

to connect home sellers with the broadest possible pool of informed and knowledgeable prospective buyers. The CRMLS broker cooperative ensures that agents and the consumers they represent have access to up-to-date, comprehensive, and transparent housing market data.

4. This action arises from a formal demand letter, dated September 8, 2026 (the “Demand Letter”), sent by outside counsel for Compass to Art Carter, CRMLS’s Chief Executive Officer. *See* Exhibit A (Demand Letter). In the Demand Letter, Compass threatened to bring a federal antitrust lawsuit against CRMLS, and unnamed other MLSs, unless CRMLS confirmed, by October 6, 2026, that it would cease enforcing its Rule 7.9. That rule governs the submission of for-sale properties to the CRMLS cooperative when the listing broker has an exclusive commission agreement with the seller preventing any *buyer agent* from accessing or communicating with that seller. Pursuant to Rule 7.9, submission of the for-sale property for cooperation to CRMLS is triggered upon the public marketing of the property. CRMLS also provides an additional seller option, Rule 7.9.1, called the “No Cooperation Listing,” which allows the exclusive agent to “not cooperate with the other subscribers of CRMLS” by withholding the for-sale property from submission for cooperation. While some mistakenly refer to such a listing as an “office exclusive” listing, this phrase is difficult to justify since virtually all listings are subject to exclusive commission agreements, and the entire dispute here concerns marketing a for-sale property *outside of the exclusive broker’s real estate office*. CRMLS Rules 7.9 and 7.9.1 are attached as Exhibit B and shall be referenced collectively as the “Cooperation Rules”.

5. In short, the Cooperation Rules are straightforward: they require that when a broker publicly markets a property for sale—through yard signs, websites, social media, flyers, or similar means—that property must also be submitted to the MLS for cooperation with other

participating brokers. At the same time, the rules preserve the option for sellers and their brokers to market properties exclusively within a single brokerage as “No Cooperation Listings” (what Compass refers to as “office exclusives”) without any obligation to submit to the MLS. The rules thus give sellers and brokers a clear choice: keep a listing entirely within one brokerage, or market it publicly to the broader world. What the rules do not permit is having it both ways—publicly marketing a property to attract buyers while simultaneously withholding that property from the MLS cooperative and the thousands of other brokers and their buyer clients who participate in it and who do actually share their listings with the MLS cooperative.

6. The practical effect of what Compass seeks is to have its “cake and eat it too.” Compass wants to access and use the comprehensive listing data that CRMLS compiles from the contributions of thousands of cooperating brokers—data Compass uses to develop comparative market analyses, advise clients, and compete for business—while simultaneously withholding its own publicly marketed listings from that same cooperative pool. In other words, Compass wants to free-ride on the listing contributions of every other participating brokerage while hoarding its own inventory to gain an unfair competitive advantage. If Compass prevails, the result would be a two-tiered marketplace: smaller brokerages that play by the rules and share their listings, and giant brokerages like Compass that take from the cooperative without giving back.

7. At the heart of this dispute is the very essence of a multiple listing service cooperative where real estate brokers share information about properties for sale so that any broker, regardless of size, can match any buyer with any available property. The MLS exists because brokers agreed to pool their listing information: each broker contributes its listings in exchange for access to everyone else’s. This “give-to-get” arrangement is what makes the MLS work. Without it, brokers and buyers would be left with what economists call a “hoot-and-holler”

system-calling around to individual brokerages one by one to find out what properties might be available-which would dramatically increase the time, effort, and cost of every real estate transaction and ultimately make brokerage services and houses less affordable for consumers. The rules at issue here simply enforce this foundational bargain: if a broker publicly markets a property to attract buyers, that broker must also share the listing with the MLS so all participating brokers and their clients can see it.

8. Compass's Demand Letter was copied to the Antitrust Division of the U.S. Department of Justice and the Bureau of Competition of the Federal Trade Commission.

9. The CEO of Compass, Robert Reffkin, backed up those threats of litigation during the recent Council of Multiple Listing Services conference, in Fort Lauderdale, Florida. On September 30, 2026, during an interview in front of a packed room of over 900 attendees, Mr. Reffkin stated unequivocally, that Compass would begin filing lawsuits against MLSs across the country in mid-October if they fail to commit by October 6, 2026, to stop fining Compass agents for publicly marketing No Cooperation Listings (which he mistakenly referred to as "office exclusives").

10. Compass's threatened claims are meritless. The CRMLS' Cooperation Rules are procompetitive and have been in effect since May 2020 and serve the fundamental purpose for which MLSs were created: ensuring that publicly marketed residential real estate listings subject to exclusive commission agreements are broadly shared and accessible to both participating agents and their consumers, and to ensure that home sellers receive maximum exposure and home buyers have access to the most comprehensive inventory of available properties. In short, the Cooperation Rules ensure transparency, access, and competition in the real estate marketplace,

and prevent free riding by brokers and agents that use the CRMLS listing records to obtain new or service existing clients.

11. The Cooperation Rules require that: “Within one (1) business day of marketing or advertising a residential property to any member of the public for sale which contains one to four units, or is a residential vacant land lot which is subject to any exclusive right to sell or seller reserved listing agreement, the Listing Broker must submit the property into the MLS for cooperation with other CRMLS participants.” (See Exhibit B, Rule 7.9).

12. Rule 7.9, however, preserves sellers’ ability to share and communicate the existence of for-sale properties publicly without submitting their property to CRMLS while protecting the seller from the negative impacts of an exclusive commission agreement which would limit that seller’s opportunity or choices to interact with a different agent that may represent an interested buyer. The Cooperation Rules also provide the additional seller choice of allowing an exclusively retained broker to communicate and share the property with that firm’s customers and clients as a “No Cooperation Listing” without any obligation to list those properties on the MLS. (See Exhibit B, Rule 7.9.1) Rule 7.9 only requires that once a seller’s broker *publicly* markets a property—through flyers, yard signs, digital marketing on public-facing websites, email blasts to consumers, multi-brokerage listing sharing networks, or similar means—the for-sale property information must also be submitted to the MLS for cooperation so that all cooperating buyer agents and their buyer consumers and clients have full and fair access to the for-sale information, and an opportunity to see and buy the home. The purpose and premise of Rule 7.9 is simple and direct: If the seller has authorized their own agent to seek a buyer from outside the seller agent’s brokerage firm, then all other brokerage firms (and their agents) participating in

CRMLS cooperative should have the opportunity to represent a buyer in pursuing a purchase of that for-sale property.

13. CRMLS responded to the Compass Demand Letter citing its concern that capitulating to Compass's demands could result in potential antitrust claims being asserted by buyers and their brokers against CRMLS. In late 2024, Compass made similar demands, to which CRMLS refused to capitulate, again citing antitrust concerns from buyers and buyer's brokers. The CRMLS response to both demands of Compass are attached as Exhibits C and E. Compass's recent public statements, as well as other lawsuits Compass has filed, demonstrate the threats are not hollow, and the dispute between the parties is ripe for judicial determination.

14. CRMLS seeks a declaration from this Court that the Cooperation Rules and its requirement that a for-sale property subject to an exclusive commission agreement be submitted to CRMLS for cooperation with the other participants of CRMLS upon public marketing are lawful under federal and California antitrust law, and an injunction preventing Compass from pursuing the threatened antitrust claims.

THE PARTIES

15. Plaintiff CRMLS is a California mutual benefit corporation with its principal place of business in Chino Hills, California. CRMLS is one of the largest MLSs in the United States, serving over 94,000 real estate professionals, including brokers and agents, across sixteen California counties. CRMLS operates a broker cooperative that provides a real property information-sharing platform and distribution system that enables real estate brokers and agents to input and search for properties that are for sale, and to research CRMLS listing and sale records so as to provide opinions and consulting services to their clients. Subscribers use the CRMLS

listing records to share real estate listing information, develop opinions and make recommendations for their clients.

16. Defendant Compass, Inc. is a Delaware corporation with its principal place of business in New York, New York. Compass is a publicly traded company, and the largest real estate brokerage in the United States. Compass employs thousands of real estate agents nationwide, including in California and New York, and is a participant in CRMLS.

JURISDICTION AND VENUE

17. This Court has subject matter jurisdiction under 28 U.S.C. § 1331 (federal question) because Compass’ threatened action presents a substantial question of federal antitrust law under Section 1 of the Sherman Act, 15 U.S.C. § 1. This Court also has supplemental jurisdiction over CRMLS’s state law claims under 28 U.S.C. § 1367.

18. An actual, justiciable controversy exists between CRMLS and Compass. Compass’s September 8, 2026 Demand Letter explicitly threatened federal antitrust litigation against CRMLS unless CRMLS capitulated to Compass’s demands by October 6, 2026. The Demand Letter set forth specific legal theories under which Compass claimed the Cooperation Rules violate the Sherman Act. On September 30, 2026, CRMLS responded citing its concerns that agreeing to the rule changes in the Compass Demand Letters would potentially cause CRMLS to be in violation of various antitrust laws. The dispute is “definite and concrete, touching the legal relations of parties having adverse legal interests.” *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118, 127 (2007) (quoting *Aetna Life Ins. Co. v. Haworth*, 300 U.S. 227, 240-41 (1937)).

19. This Court has personal jurisdiction over Compass because it is incorporated in Delaware and has its principal place of business in New York, New York. Compass is therefore subject to general personal jurisdiction in this District. In addition, Compass conducts substantial

business in New York, employs agents who operate in this District, and directed its Demand Letter to CRMLS with the knowledge that the threatened litigation would affect interstate commerce, including commerce in this District.

20. Venue is proper in this District under 28 U.S.C. § 1391(b) and under section 12 of the Clayton Act, 15 U.S.C. § 22, because Compass resides in this District, a substantial part of the events giving rise to the claims occurred in this District, Compass may be found in this District and transacts business in this District.

FACTUAL BACKGROUND

A. CRMLS, the Multiple Listing Service System, and Brokerages

21. A multiple listing service is a network of real estate professionals (including agents, appraisers, and other subscribers) that agree to cooperate with each other by following the reasonable rules of the cooperative to timely and comprehensively share all the details and access to properties that are for sale or rent, including closing transactional information, resulting in an efficient, fair and equitable marketplace to benefit their clients. The MLS system has been a cornerstone of the American residential real estate market for more than a century, enabling the efficient matching of home sellers with home buyers.

22. The MLS serves an essential market-making function. As the Federal Trade Commission recognized in its 1983 study of the residential real estate brokerage industry (the “Butters Report”), “both sellers and buyers would be served best if they could reach *all potential buyers* or receive information relating to all homes for sale, through a single, convenient source.” (emphasis added) The Butters Report found that the MLS “creates [an] excellent centralized source of information regarding housing values” and that the “market-making effect of the MLSs

probably exceeded even the founders' expectations." See FTC, The Residential Real Estate Brokerage Industry (1983) , at 11, 113.

23. Even before the incredible advances in technology and the internet, the 1983 Butters Report further found that the MLS doubles the probability of a property selling and is "essential to most brokers in order to market their properties efficiently." *Id* at 128. These findings confirm that the MLS is a procompetitive institution that benefits consumers on both sides of the real estate transaction—both home sellers and home buyers.

24. In 2007, in the FTC and DOJ's joint report, entitled "Competition in the Real Estate Brokerage Industry" (the "2007 Competition Report"), the agencies both recognized that "[m]ost MLSs *require* that a member broker, upon acceptance of a listing, *enter the listing into the MLS database within a short period of time, e.g., twenty-four to seventy-two hours.*" 2007 Competition Report at 11 (emphasis added). At no point in the 2007 Competition Report did the agencies state that such a mandatory submission rule was anti-competitive or unfair to participating brokerage firms.

25. To the contrary, later in the 2007 Competition Report, the agencies acknowledged the importance of the MLS to not just sellers and their exclusive agents, but also to buyers and other brokers. Specifically, the agencies stated that buyers benefit from the MLS because they can have access to "a single source (that is, a single broker) for information regarding the vast majority of homes for sale within a given area, instead of visiting multiple brokerages to obtain such information. Access to the largest number of potentially appropriate homes for sale allows buyers to maximize their chances of finding a home that most clearly matches their shared characteristics." *Id.* at 12 (citation omitted).

26. As the agencies readily acknowledged in the 2007 Competition Report, “[t]he efficiencies associated with use of an MLS in the real estate industry are well documented in the real estate, legal, and economic literature.” *Id.* at 13 (citation omitted).

27. CRMLS values the vital market-making and efficiency enhancing role it plays in the real estate marketplace, and seeks to ensure that its rules balance the benefits for all sellers, buyers, exclusive listing brokers, and cooperating brokers representing buyers. In addition, as noted above, in addition to serving 94,000 real estate professionals across California that have subscribed, CRMLS also provides access to its full data set to a number of competing MLSs so that their additional 50,000 agents benefit from access to the CRMLS listing records. Indeed, CRMLS’s database contains tens of thousands of active listings and has over six million individual MLS listing records which constitutes the most comprehensive source of residential real estate market data in its service area. CRMLS enables its participants to provide their clients—home sellers and home buyers alike—with access to the most complete and accurate information about properties available for sale, and past transaction data. CRMLS also provides access to licensed real estate appraisers to use the timely and comprehensive MLS listing records to prepare property appraisals for both consumers and lenders—further facilitating the completion of real estate transactions. Furthermore, CRMLS licenses the CRMLS listing records for use by its participants in the operations of the brokerage’s back-end office systems, for which Compass holds such a license. The CRMLS listing records are also licensed to entities that support real estate transactions and need access to timely and accurate real estate transaction records such as lending institutions, Fannie Mae, Freddie Mac, FHA, VA, appraisal review companies, and insurance companies. The support provided by these entities is critical to the speedy due diligence and closing of sales that support those cooperating brokers that use CRMLS.

28. CRMLS operates as a cooperative venture. Its participants—competing brokerages and agents—contribute information and media about for-sale property, which is combined with real property information and the intellectual property of CRMLS to create an MLS listing record. All participating brokerages contribute their for-sale property information to the shared platform in exchange for the reciprocal benefit of access and use of those MLS listing records contributed by other cooperating participants. The value of CRMLS depends on the timeliness, breadth and completeness of its data; the greater the timeliness and accuracy of the MLS listing records shared on the platform, the more useful the platform is to every participant and every consumer those participants serve.

29. That said, CRMLS faces extensive and vigorous competition from other regional MLSs that also operate in overlapping service areas. Indeed, to the south, San Diego MLS operates a successful and competitive MLS, and in the Los Angeles and Westside areas, for decades, CLAW has also operated a competing MLS. CRMLS welcomes this competition, and even supports both SDMLS and CLAW by entering into reciprocal data-sharing agreements to provide those two MLSs with access to listings available on CRMLS. Furthermore, to the north MLSListings and BridgeMLS, which operate in the Silicon Valley and the Oakland areas of California, also receive access to all MLS listing records from CRMLS.

30. Turning to the subscribers to the MLS, residential real estate brokerage firms take on oversight and legal responsibility for agents, providing agents with training, tools, and marketing materials, among other services. Traditionally, agents are not employees of their brokerages but, instead, operate as independent contractors.

31. Compass is the largest real estate brokerage firm in the United States. It was originally founded in 2012 and, upon information and belief, grew quickly by paying highly

productive agents and teams working for competing brokers large bonuses to abandon their existing brokerage firms to join Compass. Compass' growth then continued via numerous mergers and acquisitions of their competing brokerage firms. In quarterly earnings reports Compass has continually asserted that its size and continued growth provide it a competitive advantage in the market by controlling the inventory of for-sale properties. In a Q4 2024 Earnings Call on Feb. 18, 2025 CEO Robert Reffkin stated: "Depth of inventory, not breadth" is what will set Compass apart from its competitors, and he went on to state: "By growing our unique inventory and marrying that with our end-to-end platform, which has agent-level search and consumer search at a level that no other brokerage firm in the industry has, we believe that more and more buyers will search Compass.com and use Compass agents, as it will be known that Compass has more inventory than any other website or brokerage." Compass has been a member of CRMLS since 2015, and hiding for-sale properties from CRMLS and from its cooperating brokers and agents to force their clients to instead use a Compass agent is a specific and stated goal of Compass.

32. Across the country, Compass operates real estate brokerage businesses with over 33,000 Compass real estate agents. Following Compass's January 2026 completion of its acquisition of Anywhere Real Estate Inc., Compass currently operates a brokerage firm of about 83,000 agents (Compass and Coldwell Banker combined) and a U.S. franchise business that has more than 126,000 real estate agents in their franchisee system.

33. Compass earns revenue by collecting a share of the gross sales commissions that its affiliated agents earn from home sales when representing either the buyer or seller of a home. In 2025, Compass reported closing 250,360 residential real estate transactions for a gross transaction value of \$267 billion—by far the largest brokerage firm in the country.

34. Compass is in the process of implementing a nationwide and branded “3-Phased Marketing Strategy.” The three phases include:

a. Compass Private Exclusive: In phase 1, the seller and agent privately market the property to other agents and their clients. Just as many companies test products with a smaller audience before launch, listing a home as a Private Exclusive allows a seller to test price, gain critical insights, and generate early demand before going public.

b. Compass Coming Soon: In phase 2, the listing moves to “Coming Soon” status and is publicly launched on Compass.com, showcasing it to all agents and consumers without displaying days on market, price drop history, or other negative insights. This is a signal to prospective buyers that increased competition for the listing will be coming soon when it is launched on all other sites, and it provides another chance for the seller and agent to collect valuable feedback.

c. Active on MLS and Home Search Portals: The final phase is going active on the MLS and third-party sites, now armed with the benefit of price discovery and other information gained from Phases 1 & 2. With the listing live on the MLS and third-party sites, it will, for the first time, accrue days on market, visible price drop history, and other negative insights created by platforms like Zillow.

Complaint, *Compass, Inc. v. Zillow, Inc.*, No. 25-CV-05201-JAV-SDA(S.D.N.Y.), Dkt. No. 15 ¶ 57.

B. NAR’s Clear Cooperation Policy and Its Procompetitive Purposes

35. On November 11, 2019, the National Association of Realtors (“NAR”) adopted the Clear Cooperation Policy as MLS Statement 8.0. CRMLS subsequently adopted and implemented the Cooperation Rules as part of its MLS rules implementing the NAR policy.

36. The NAR Clear Cooperation Policy provides: “Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants.” Public marketing is defined to include, among other things, “flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public.”

37. CRMLS Rule 7.9 implements NAR’s Cooperation Rules, stating similarly, “Within one (1) business day of marketing or advertising residential property to any member of the public for sale which contains one to four units, the listing broker must submit the property into the MLS for cooperation with other CRMLS participants.” According to CRMLS Rule 7.9, “Marketing and advertising includes, but is not limited to, . . . : signs, websites, social media, brokerage or franchise listing sharing networks, flyers or written material, on any applications, or by conducting an open house.” (See Exhibit B)

38. Among other key issues, the Cooperation Rules address a critical free-rider problem that threatened to undermine the entire cooperative structure of the MLS. Before the Cooperation Rules, some brokerages were accessing the comprehensive listing data provided by MLS participants while simultaneously withholding their own listings from the MLS, including many listings which were publicly marketed outside of the MLS but not accessible to all other participating brokers, as well as consumers. In 2018 alone, over 9,000 for-sale properties were marketed to the public before being submitted for cooperation to CRMLS. This practice allowed certain brokerages to benefit from the cooperative data pool without contributing to it, thereby degrading the value of the key service CRMLS provided for all other participants and the

consumers they serve. Throughout 2019, CRMLS received weekly complaints from buyer agent subscribers that inquired about for-sale properties to the non-cooperating advertising agent, but failed to receive any response. In short, those non-cooperating agents were hoarding their listings, while still benefiting unfairly from the listings of the cooperative. In some cases, the advertising listing agent would respond, but would require the inquiring buyer agent to refer the potential buyer client over to the advertising seller's agent in exchange for a referral fee, and if the buyer's agent refused, the advertising seller agent would refuse to deal. Buyer agents complained to CRMLS that their buyer clients were forced to abandon their representation and engage with the advertising seller's agent as the only way for the buyer to gain information or access to the for-sale property. These buyer agents questioned if they should continue to use the CRMLS cooperative if CRMLS failed to enforce rules that would protect the concepts and principles of cooperation in a practical and meaningful way.

39. As the *Compass v. Zillow* court recognized, such practices could “degrade [a platform’s] ability to obtain fresh, comprehensive, and accurate listings; encourage freeriding; fragment the real estate market; and limit transparency.” *Compass, Inc. v. Zillow, Inc.*, No. 25-CV-05201-JAV-SDA (S.D.N.Y.), Op. and Order, Dkt. No. 184 at 13-14.

40. The Cooperation Rules do not result in any harm to competition, which is required to bring any Section 1 claim, as *Compass* threatens.

41. In fact, the Cooperation Rules serve several important procompetitive purposes:

a) Market Transparency and Information Quality. By requiring that publicly marketed listings be promptly submitted to the MLS, the Cooperation Rules reduce hidden inventory and improves the completeness, accuracy, and timeliness of market information available to all participants and consumers. This transparency benefits both buyers, who gain

access to a fuller picture of available properties, and sellers, who benefit from the most efficient pricing mechanism. In addition, sellers also benefit by ensuring the broadest potential access to their property and providing assurance that they are likely receiving the best possible price for their property—as even the Butters Report confirmed over 40 years ago. In addition, this market transparency and information quality benefits brokers representing (or seeking to represent) sellers, and buyers. First, competing selling brokers can access the MLS comprehensive database of listing information and determine the most accurate potential pricing and marketing plan for a property, thus helping them obtain potential seller representations. While brokers representing buyers (as noted in the 2007 Competition Report) can compete effectively for buyers knowing that they can provide access to the full complement of MLS listing information and advise their potential buyers knowing that they have access to the vast majority of available listings in the MLS. By accessing the MLS, even a sole proprietor brokerage can obtain access to the entire inventory of listings in the same way that agents at the largest brokerage can, thus ensuring consumers have choice of which brokerages they want to employ.

b) Increased Output and Broader Access. The Cooperation Rules increase the output of the MLS by ensuring that publicly marketed listings are available to all participants. This broader access means more buyers see more listings, leading to more efficient matches between buyers and sellers and ultimately to more completed transactions.

c) Preservation of the Cooperative Product. The MLS depends on the broad, prompt contribution of listing data by its participants—indeed, like many other efficiency enhancing products, the MLS depends on the network effect of having all participating brokers submitting their listings in accordance with the established rules and regulations of the MLS. Without the Cooperation Rules, the value of the MLS would degrade as participants withhold publicly

marketed listings, transforming the MLS from a comprehensive marketplace into an incomplete and unreliable data source.

d) Prevention of Free-Riding. Brokers who access MLS data to identify buyers while withholding their own publicly marketed listings from the MLS are free-riding on the contributions of other participants. The Cooperation Rules prevent this free-riding by requiring that the benefits of the cooperative system flow in both directions. Thus, the Cooperation Rules prevents a brokerage from obtaining access to all other cooperating brokerages listing information, while at the same time refusing to share their listing information to the balance of the cooperative. For example, brokers access CRMLS data to develop and create comparative market analyses (CMA) for potential sellers by using the MLS listing records of past sales and current for-sale properties (including access to on average 34 photos per listing), and detailed sales information (like closed sale price, dates related to marketing time, and information about provided concessions to compare to the home that they trying to value). Brokers then use the CMA to convince a seller to retain their services and recommend pricing and advice on timing and other transactional elements impacting the seller. The Cooperation Rules thus prevent non-cooperating brokers from benefitting from the fruits of the labor of the cooperative, but refusing to submit their own listing information, which those other brokers then cannot incorporate into their CMAs—in short, the non-cooperating broker has an unfair information advantage by refusing to abide by the Cooperation Rules.

e) More vigorous competition amongst competing, participating brokerage firms. Regardless of the size of the firm, brokers participating in the MLS are able to service any potential buyer because they maintain access to the vast majority of inventory in a service area. As a result, brokers representing buyers are forced to compete on the quality of their skills,

experience and, critically, *on pricing*, rather than buyers being forced to use a specific broker just to gain access to information or to gain access to see a specific property. Moreover, because of the Cooperation Rules, brokers participating in the MLS reduce the costs of matching a potential buyer to a potential seller, and can market their services to a large set of potential customers.

f) Consumer protection from superior knowledge, information and influence of broker. Hiding a for-sale property from the MLS allows a seller agent to use an exclusive commission agreement to prevent any other competing buyer brokers with interested clients from accessing the for-sale property or its seller. This practice also allows the seller's agent to control advertising, marketing and buyer leads exclusively, which the seller's broker may leverage for their own financial benefit, and to the detriment of the seller. One example is Compass has an exclusive marketing agreement with Redfin.com, where, upon information and belief, Redfin/Rocket provides financial benefits and favored benefits to their horizontal competitor Compass, in exchange for Compass providing any for-sale property advertisements exclusively to Redfin.com. Compass only receives these financial incentives for properties that are not sent by Compass, or the MLS to Zillow.com, Realtor.com, Homes.com or any of the CRMLS distributed websites which total over 22,000. The value Compass extracts come from hiding the for-sale property from these competing sites. The potential buyer views of the for-sale home advertisements are many times greater on the excluded sites than having the for-sale property only available on Redfin.com or Compass.com causing the seller to lose valuable marketing opportunities just so the listing broker can generate additional revenue from hiding the for-sale property from the MLS and competing websites.

42. The procompetitive nature of the Cooperation Rules have been recognized by the market itself. Anywhere Real Estate, Inc., which was the nation's largest real estate holding

company for many years, *and is now also owned by Compass*, warned in its 10-K for fiscal year 2024 that changes to the Cooperation Rules “could, among other things, reduce the availability of broadly listed properties, leading to more unlisted inventory and potentially limiting access to comprehensive housing market data.” This acknowledgment by a major industry participant, which is now part of Compass, confirms that the Cooperation Rules serves to maintain market transparency and data quality—core procompetitive values.

43. The MLS is a legitimate cooperative venture, and the Cooperation Rules are internal rules governing the core product of that venture. Under *Texaco Inc. v. Dagher*, 547 U.S. 1 (2006), internal decisions of a legitimate joint venture regarding its core product are not subject to *per se* antitrust condemnation. The Cooperation Rules govern the terms on which participants contribute to and benefit from the MLS’s cooperative data pool—a quintessential internal venture decision.

C. Non-Exclusive Listing, “No Cooperation Listings,” and Limited Marketing Options

44. Importantly, CRMLS Rule 7.9 which requires for-sale property submission for cooperation upon public marketing, is limited to only properties subject to an exclusive commission agreement. An exclusive commission agreement prevents any competing agent from interacting with or communicating with a seller under the National Association of Realtors, Code of Ethics Article 16, Standard of Practice 16-13. Under an exclusive agreement it is the fact that a seller’s agent will be paid, even if that seller’s agent fails to procure the buyer, which provides the necessary incentive and protections for that seller’s agent to submit the for-sale property to the MLS cooperative.

45. Brokers may also enter into non-exclusive agreements, where they are only paid compensation from their seller if they procure a buyer for the property. Public marketing of a for-

sale property subject to a non-exclusive agreement protects the seller from an unethical agent that may hide interest and/or inquiries from potential competing buyer agents. With a non-exclusive agreement in place the seller and the seller's agent are subject to the open marketplace, so if the seller's agent refuses to cooperate, refuses to deal or hides the interests of the buyer agent's inquiry from the seller, then the buyer's agent may go to the seller directly and may deal directly with the seller to show the property and present an offer from the buyer agent's client. Rule 7.9 presents a fair balance between exclusive agreements restraining access to the seller being paired with mandatory submission to the MLS for cooperation, and preserving the opportunity if the seller wishes to not use the MLS to market their home, then the seller and their property will not be restrained in the free marketplace.

46. A "No Cooperation Listing" (Rule 7.9.1) is one that is shared entirely within a single brokerage firm, without any public marketing, and without submission to the MLS. A seller who wishes to limit the access of his or her property to a single brokerage, and still wants to sign an exclusive commission agreement, may do so without triggering any obligation under the Cooperation Rules.

47. The existence of both the non-exclusive agreement and No Cooperation Listing options are critical features of the Cooperation Rules. These options ensure that the Cooperation Rules do not compel any seller to list on the MLS. Rather, the Cooperation Rules require that if a seller and broker have an agreement that restrains buyer agents from accessing the seller while choosing to publicly market a property—reaching beyond the brokerage's own agents to the general public—the listing must also be shared on CRMLS so that all participants and their buyer clients can benefit from that information and opportunity.

48. The Cooperation Rules are integral to preventing free riding by agents that want to hoard for-sale inventory for their own profit. If as Compass now demands, a brokerage was permitted to publicly market a No Cooperation Listing (what Compass mistakenly calls an “office exclusive”), without submitting it for cooperation in the MLS, the public marketing of the No Cooperation Listing would swallow the Cooperation Rules, and defeat their procompetitive purposes. Indeed, Compass seeks to have its “cake and eat it too” by claiming that it should be allowed to withhold a No Cooperation Listing from submission to the MLS, but then be free to “publicly market” that listing outside the cooperative—in direct contravention of CRMLS rules.

49. In order to try and accommodate a seller’s potential request for non-CRMLS methods of advertising and marketing a property, CRMLS has developed alternative marketing options for sellers.

50. For example, CRMLS has a “Coming Soon” status as an additional option to sellers, which includes submitting the listing to CRMLS for cooperation, but no “days active on the MLS” are accrued. During the Coming Soon status, the property may be publicly marketed, and it is displayed to other participants in CRMLS, but the listing broker volunteers to not show the property to any potential buyers. The “Coming Soon” status allows a seller to market a property, to create buzz and energy around its full access while the seller or listing agent prepare the property for viewing by the public. Since there are no tours or showings to potential buyers, the listing does not accrue “Days Active in MLS.” In addition, a property may stay in the “Coming Soon” status for a period of 21 days. Importantly, *all CRMLS users* can see “Coming Soon” listings and are aware that the property may be coming to the marketplace shortly, so the for-sale property is part of the cooperative process.

51. In addition, the “Coming Soon” status provides listing brokers with additional optionality designed to accommodate a potential seller’s wishes for limited CRMLS dissemination to third party advertising websites. In fact, a seller instructing their broker to opt for “Coming Soon” status can fill out a form which “limits exposure” of the property on third-party portals, such as Zillow, Realtor.com, Homes.com, Google Mobile App Search, and other public broker and agent websites like Redfin.com and other such sites. As a CRMLS member, Compass is well aware of this option, which allows for “public marketing” that its Demand Letter seeks, but for whatever reason, Compass finds this alternative unsatisfactory, despite the fact *that they previously demanded the status, and then was implemented by the CRMLS board.*

52. Furthermore, CRMLS provides listing brokers with the option of making the listing fully “Active,” meaning: the listing is displayed fully in the CRMLS database and fully distributed through IDX and VOW data feeds; “Days Active on the MLS” are counted; and showings of the property are taking place both by the listing broker and any other participant representing a buyer. As expected, all CRMLS users can see “Active” listings.

D. Compass’s Threatened Litigation

53. On September 8, 2026, Nathan P. Eimer, of Eimer Stahl LLP, acting as counsel for Compass, sent the Demand Letter to Art Carter, the Chief Executive Officer of CRMLS.

54. In the Demand Letter, Compass demanded that CRMLS “stop fining and/or punishing agents for publicly marketing Office Exclusive listings.” CRMLS rules have no “office exclusive” category, but CRMLS understood this to mean No Cooperation Listings per Rule 7.9.1. Compass further demanded that CRMLS confirm by October 6, 2026 that it would cease the enforcement of its rules, threatening a federal antitrust lawsuit if CRMLS did not capitulate.

55. Compass’s Demand Letter asserted that CRMLS’s prohibition on public marketing of No Cooperation Listings (mistakenly referred to by Compass as “office exclusive listings”) constitutes a “horizontal agreement among competitors—a group boycott” in violation of the federal antitrust laws. Compass contended that MLS membership is “not voluntary” but rather “a requirement of trade,” and argued that CRMLS is “controlling how real estate professionals and homeowners act off of your platform.”

56. In the Demand Letter, Compass cited the FTC’s Fourteen Points antitrust policy and argued that CRMLS had “returned to the days before the Fourteen Points.” Compass further referenced its lawsuit against NWMLS and identified several MLSs that it claimed allow public marketing of office exclusives, including Bay Area REIS, Bright MLS, Garden State MLS, and MetroList.

57. The Demand Letter was copied to the Antitrust Division of the U.S. Department of Justice and the Bureau of Competition of the Federal Trade Commission, and included a document preservation notice—further underscoring Compass’s intent to pursue litigation if CRMLS did not accede to its demands.

58. CRMLS responded to the Compass demand letter on September 30, 2026. (See Exhibit C).

59. In addition, CRMLS operates a compliance department that processes reports of all manner of CRMLS Rule violations to keep the MLS data as accurate as possible with an average of 25,000 reports annually. Only a small percentage of those reports relate to Rule 7.9-failure to submit a listing upon public marketing. In 2025, CRMLS issued 89 fines for violation of Rule 7.9, with only 8 of those going to a Compass agent. For context, CRMLS had over 271,000 listings enter the system in 2025. To date in 2026, CRMLS has processed approximately

300 cases related to violations of Rule 7.9, with about 75 of those involving a Compass for-sale property. CRMLS has noticed a significant increase in reports against Compass since the spring. As of the date of filing, CRMLS has ten open cases involving Compass agents with eight of those having been appealed by the violating Compass agent. CRMLS had approximately 25 cases where Compass violated Rule 7.9, and for which CRMLS did not issue a fine to Compass. This was in the time period where CRMLS was implementing its new Coming Soon Limited Exposure process, so CRMLS did not issue citations or fines in an effort to assist Compass in the education of their agents to use the new option CRMLS created at Compass's request. Additional reports of Compass advertising for-sale properties while failing to submit those same properties to CRMLS for cooperation continue to be received for future processing.

60. Compass's threatened litigation against CRMLS is part of a broader pattern. Compass had previously demanded that CRMLS remove the Cooperation Rules entirely in 2024. Specifically, in November 2024, Compass demanded that CRMLS remove the Cooperation Rules or face an antitrust lawsuit in January of 2025. (See Exhibit D.) CRMLS evaluated the antitrust claims made by Compass and concluded that removing the Cooperation Rules and implementing the rule modifications Compass demanded could subject CRMLS to potential antitrust liability from buyer agents, buyers and to potential intentional misrepresentation claims from sellers. In a lengthy email, dated December 3, 2024, CRMLS rejected Compass's demand to modify the Cooperation Rules and detailed its antitrust concerns arising from CRMLS' potential participating in agreeing to create rules for the benefit of giant brokers and their preferred business model. (See Exhibit E.)

61. The reality and immediacy of this controversy are underscored by Compass's pattern and practice of bringing antitrust claims against MLSs and other parties that maintain rules

similar to CRMLS's Cooperation Rules. Compass recently sued the Northwest Multiple Listing Service ("NWMLS"). See *Compass, Inc. v. Nw. Multiple Listing Serv.*, No. 2:25-cv-00766, 2026 WL 776138 (W.D. Wash. Mar. 19, 2026). NWMLS and Compass ultimately entered a settlement whereby NWMLS agreed to change certain of its rules related to for-sale listing distribution, but not its requirement that before a real estate listing could be publicly marketed, it had to be provided to NWMLS for inclusion for cooperation in its database of available properties. Compass's Demand Letter expressly cited the NWMLS litigation as precedent for its threatened action against CRMLS, but neglected to mention this key provision in its settlement with NWMLS.

62. Additionally, in *Compass, Inc. v. Zillow, Inc.*, No. 25-CV-05201-JAV-SDA (S.D.N.Y.), Compass brought antitrust claims against Zillow, Zillow Group, Inc., and Trulia, LLC, alleging that Zillow's Listing Access Standards violated Sections 1 and 2 of the Sherman Act. Compass sought a preliminary injunction to enjoin Zillow's implementation of display standards that excluded from Zillow's platform listings that had previously been advertised and marketed before submission to the local MLS in violation of the Cooperation Rules. That court denied Compass's motion for a preliminary injunction on February 6, 2026, finding that Compass had failed to demonstrate a likelihood of success on the merits of its Section 1 claim and had not made a clear showing that Zillow possessed monopoly power in the online home search market. Compass subsequently dismissed the action.

63. Taken together, these cases and CRMLS' concerns arising from Compass's demands to create rules favorable to giant brokers demonstrate a broad pattern of conduct whereby Compass is engaged in a ceaseless campaign to limit access to residential real estate listings and to force both consumers and brokers to use a Compass-affiliated agent simply to gain access to

information about a for-sale property. In the NWMLS litigation, Compass sought to prevent an MLS from enforcing rules requiring that publicly marketed listings be shared on the MLS. And in the *Compass v. Zillow* litigation, Compass sought to prevent Zillow from implementing listing standards that promoted transparency and access that violated the same principles as the Cooperation Rules. In each case, Compass’s conduct was directed at undermining rules or policies designed to ensure transparency and broad access to listing information, and to benefit itself—a giant brokerage with a large inventory of for-sale properties. This pattern underscores the credibility of Compass’s threat to bring similar claims against CRMLS and likely other MLSs that received copies of the Demand Letter.

64. In addition, Compass’s CEO has recently made public statements and published social media posts—including one stating unequivocally that Compass intended to file a lawsuit against CRMLS concerning the issues raised in this declaratory judgment action.

65. Compass has publicly signaled its intent to pursue similar litigation against other MLSs, including CRMLS. The Demand Letter makes clear that Compass is contemplating litigation against other MLSs across the country. Moreover, upon information and belief, similar Demand Letters were also sent to numerous other MLSs across the country. Upon information and belief, those other Demand Letters included the same threat that each of those MLS cease the enforcement of its rules relating to the submission of “office exclusives” that are publicly marketed, and threatening those MLSs with a federal antitrust lawsuit if they failed to capitulate.

E. History of Antitrust Enforcement Regarding MLS Rules

66. The federal government has a long history of engagement with competition issues in the residential real estate industry. The FTC’s Fourteen Points, first articulated in 1971, established a framework for evaluating the antitrust implications of MLS rules. The Fourteen

Points addressed concerns that mandatory listing submission rules could restrict the competitive freedom of broker-members, and provided, among other things, that MLSs should not prohibit office exclusives, which CRMLS rules do not prohibit.

67. Published in 1983, the FTC's Butters Report provided a comprehensive analysis of the residential real estate brokerage industry. The Butters Report recognized the procompetitive benefits of the MLS system while also noting that "office exclusives" allowing sellers to withhold listings from the MLS "may have ameliorated any competitive injury which would otherwise have resulted from 'mandatory' submissions of listings." The Butters Report at 130. The Cooperation Rules' preservation of the "office exclusive" exception is consistent with this insight. CRMLS' specific adoption of "No Cooperation Listings" and the non-exclusive commission agreement options it offers participating brokers implements these policy decisions.

68. The FTC's 1983 Butters Report also highlighted the exact problem with "vest-pocket" listings, which is exactly what Compass now demands of CRMLS by stating: "While there may be cases where a seller does not want his or her listing submitted to the MLS, the MLS remains the most efficient method of maximizing exposure of property in large markets. Historically, however, a common problem for sellers and for the MLSs has been 'vest pocket' listings. An ability to easily withhold underpriced listings may increase the incentives of some brokers to undervalue listings initially. Thus, one rationale for mandatory listing requirements traditionally has been that it helps in suppressing a practice which can do substantial injury to consumers." *Id.* at 130.

69. In 2007, the DOJ and FTC jointly published a report on competition and real estate, further documenting the federal government's engagement with these issues. As noted above, the 2007 Competition Report examined various MLS rules and practices and their effects on

competition, reaffirming the government’s recognition that MLS rules can serve procompetitive purposes when properly structured.

70. Indeed, as the *Zillow Group, Inc. v. Midwest Real Estate Data, LLC*, court recently noted, the DOJ’s 2008 consent judgment with NAR established an “‘objective criteria’ requirement” for MLS data feeds, and subsequent DOJ enforcement has focused on ensuring that “NAR’s policy requiring listings to be placed immediately into an MLS” does not “restrict competition from alternative brokerage and listing models.” No. 1:26-cv-5451 (N.D. Ill. Sept. 16, 2026), Memo. Op. and Order, Dkt. No. 141 at 44. The DOJ’s approach confirms that federal enforcement has sought to refine the Cooperation Rules, not eliminate them.

71. Finally, in the Supplemental Statement of Interest it filed in the action, *Nosalek v. MLSpin, et al.*, 1:20-cv-12244-PBS, Dkt. No. 358 at 7 n.2, the DOJ clarified that: “Of note, industry participants have made public statements about the Division’s purported position on clear cooperation policies that are misleading and out of context. The Division has not taken a position that such policies standing alone (i.e., without mandated MLS publication of offers of compensation or exceptions benefitting primarily large brokerages) are anticompetitive” (emphasis omitted). CRMLS is informed and believes that this statement from the DOJ was directed at public statements made by Compass. Importantly, CRMLS eliminated “mandated MLS publication of offers of compensation” years ago, and as noted above CRMLS’ rules seek to balance the interests of all brokerage firms, large or small, as well as the interests of sellers and buyers. Thus, CRMLS’s Rules do not contain the feature surrounding compensation that would raise the stated concerns set forth by the DOJ in the *Nosalek* Statement of Interest.

F. Prior Judicial Consideration of Transparency Rules

72. In *Zillow Group, Inc. v. Midwest Real Estate Data LLC*, No. 1:26-cv-5451 (N.D. Ill. Sept. 16, 2026), the court similarly denied a preliminary injunction to Zillow, which had challenged restrictions on its access to MLS listing data. Significantly, the court held that “the Seventh Circuit has evaluated restrictions associated with multiple listing services under the rule of reason.” 26-cv-5451, Dkt. No. 141 at 33. The court further found that where an MLS enforces its own rules and “the record [does] not show that the rules were intended solely to suppress competition,” *per se* treatment is inappropriate. *Id.* at 33. The court emphasized that “[*p*]er se treatment is therefore appropriate only where the restraint is ‘manifestly anticompetitive’ and experience permits the Court to condemn it without a detailed examination of its anticompetitive effects.” *Id.* at 31 (citation omitted). Importantly, the court also found that the relationship between an MLS and brokerages is *vertical*—“a supplier to recipient of inputs”—not *horizontal*. *Id.* at 32. The court further held that “the existence of these plausible alternative explanations . . . prevents the Court . . . from characterizing the alleged agreement as a ‘naked restraint of trade with no purpose except stifling of competition.’” *Id.* at 33 (citation omitted).

73. Recently, federal courts considering antitrust claims involving Cooperation Rules-related policies have denied preliminary injunctions to plaintiffs challenging those policies, further supporting the Cooperation Rules’ procompetitive character. In *Compass, Inc. v. Zillow, Inc.*, No. 25-CV-05201-JAV-SDA (S.D.N.Y.), the court denied Compass’s motion for a preliminary injunction challenging Zillow’s Listing Access Standards, which excluded from Zillow’s platform listings that had been privately marketed. The court found that NAR had implemented its Clear Cooperation Policy “due to concerns about the proliferation of ‘pocket listings’ and certain marketing techniques that could result in ‘less complete and consequently

less useful property data’ and ‘increasingly fractionalized and less efficient residential real estate markets.’” 25-cv-5201, Dkt. No. 184 at 9 (citation omitted). The court further noted that NAR implemented the Clear Cooperation Policy “to bolster MLSs’ ability to ‘create[] an efficient marketplace.’”

74. These recent holdings strongly support the conclusion that not only are the Cooperation Rules not a *per se* unlawful group boycott, but are critical to the procompetitive impact that MLSs have on the residential real estate marketplace.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

DECLARATORY JUDGMENT THAT THE COOPERATION RULES DO NOT VIOLATE SECTION 1 OF THE SHERMAN ACT (15 U.S.C. § 1)

75. CRMLS incorporates by reference each of the foregoing paragraphs as though set forth fully herein.

76. An actual, justiciable controversy exists between CRMLS and Compass regarding whether the Cooperation Rules violate Section 1 of the Sherman Act, 15 U.S.C. § 1. Compass has expressly threatened to bring federal antitrust claims against CRMLS on this basis. Moreover, CRMLS has to decide right now whether to continue to enforce its Cooperation Rules, and worse, as an MLS affiliated with NAR, if it elects to stop enforcing the Cooperation Rules, it faces potential penalties from NAR, including loss of its charter.

77. The Cooperation Rules do not violate Section 1 of the Sherman Act under the rule of reason. The rule of reason, not *per se* condemnation, is the appropriate framework for evaluating the Cooperation Rules because the Cooperation Rules are rules governing the internal operations of a legitimate cooperative venture—the MLS. *See Texaco Inc. v. Dagher*, 547 U.S. 1, 3 (2006) (internal pricing decisions of legitimate joint venture not *per se* unlawful); *see also*

Nat'l Collegiate Athletic Ass'n v. Bd. of Regents of the Univ. of Okla., 468 U.S. 85, 101 (1984) (rule of reason applies where restraint is essential to the product's availability). Indeed, the Seventh Circuit "has evaluated restrictions associated with multiple listing services under the rule of reason." *Zillow Grp., Inc. v. Midwest Real Est. Data LLC*, Case No. 1:26-cv-5451 (N.D. Ill. Sept. 16, 2026), Dkt. No. 141 at 33.

78. Critically, the Cooperation Rules do not produce any anticompetitive effects. The rules do not raise prices, reduce output, exclude competitors from the market, or diminish innovation. To the contrary, the Cooperation Rules increase the output of the MLS by ensuring that publicly marketed listings are shared with all participants, thereby expanding the pool of available properties for buyers and the pool of potential buyers for sellers. The rules do not restrict any broker's ability to compete; they simply require that brokers who wish to benefit from the cooperative's data also contribute to it. Sellers retain complete freedom to choose whether to publicly market their properties, to use "No Cooperation Listings," or to enter into non-exclusive agreements that do not require MLS submission. And brokers of all sizes—from sole proprietors to the largest national firms—compete on a level playing field because they all have access to the same comprehensive listing data. In short, the Cooperation Rules promote competition rather than restrain it.

79. Under the rule of reason, the Cooperation Rules are lawful because they have substantial procompetitive justifications that outweigh any anticompetitive effects. The Cooperation Rules enhance market transparency, increase the output of the MLS, preserve the cooperative product, prevent free-riding, and ensure that consumers on both sides of the marketplace—home buyers and home sellers—benefit from comprehensive and accurate listing information. Courts have recognized that MLS rules serve the legitimate purpose of maintaining

“fresh, comprehensive, and accurate listings,” and that alternatives to the Cooperation Rules risk “fragment[ing] the real estate market” and “limit[ing] transparency.” *Compass, Inc. v. Zillow, Inc.*, No. 25-CV-05201-JDA-SDA (S.D.N.Y.), Dkt. No. 184 at 13-14.

80. The Cooperation Rules do not constitute a group boycott. A group boycott requires an agreement to exclude competitors from the market. The Cooperation Rules do not exclude anyone from the market; they require only that participants who publicly market listings also share those listings on the MLS. Participants remain free to operate as No Cooperation Listings, or to use non-exclusive commission agreements, or to choose not to publicly market listings at all. The Cooperation Rules impose no restriction on any participant’s ability to compete in the real estate brokerage market. Moreover, “antitrust law does not permit the application of the *per se* rule in the boycott context in the absence of a horizontal agreement.” *Zillow Grp., Inc. v. Midwest Real Est. Data LLC*, No. 1:26-cv-5451 (N.D. Ill. Sept. 16, 2026), Dkt. No. 141 at 32 (citation omitted). As that court recognized, the relationship between an MLS and its participating brokerages is vertical—“a supplier to recipient of inputs”—not horizontal. *Id.*

81. No less restrictive alternative to the Cooperation Rules exists that would achieve its procompetitive objectives. The non-exclusive commission agreement not requiring submission for cooperation because access to the property and seller remain unrestrained by an exclusive commission agreement already provides a balanced accommodation that allows sellers the option to never place their for-sale property into the MLS while still conducting any marketing or advertising activity they desire. The CRMLS Coming Soon status provides a delay to broad MLS exposure while still ensuring that publicly marketed listings are ultimately shared. Eliminating the Cooperation Rules altogether would reintroduce the free-rider problem and degrade the quality and comprehensiveness of the MLS’s cooperative data pool.

82. CRMLS is concerned that submitting to the Compass demands to hide for-sale properties from the MLS and the marketplace, while the seller is prevented from interacting with any competing buyer agents because of the restraints of the exclusive commission agreement, will cause buyers, or buyer agents to bring creditable antitrust claims against CRMLS.

83. Moreover, unlike in prior situations with Compass, the threat of litigation is imminent—it has provided a fixed timeline for purported compliance (October 6, 2026) and its CEO made public statements at the CMLS Conference, on September 30, 2026, stating Compass would file suit. Moreover, the Demand Letter was copied to the DOJ and FTC, contained a litigation-hold notice, and Compass recently initiated litigation against NWMLS seeking similar relief.

84. In sum, the dispute is ripe, and CRMLS is entitled to a declaration that the Cooperation Rules do not violate Section 1 of the Sherman Act.

SECOND CAUSE OF ACTION

DECLARATORY JUDGMENT THAT THE COOPERATION RULES DO NOT VIOLATE THE CALIFORNIA CARTWRIGHT ACT (CAL. BUS. & PROF. CODE § 16720)

85. CRMLS incorporates by reference each of the foregoing paragraphs as though set forth fully herein.

86. An actual, justiciable controversy exists between CRMLS and Compass regarding whether the Cooperation Rules violate the California Cartwright Act, Cal. Bus. & Prof. Code § 16720 et seq.

87. Claims under the Cartwright Act are analyzed under the same standard as claims under the Sherman Act. *See Cnty. of Tuolumne v. Sonora Cmty. Hosp.*, 236 F.3d 1148, 1160 (9th Cir. 2001) (“The analysis under California’s antitrust law mirrors the analysis under federal law

because the Cartwright Act, Cal. Bus. & Prof. Code § 16700 et seq., was modeled after the Sherman Act.” (citation omitted)).

88. For the same reasons set forth in the First Cause of Action, the Cooperation Rules do not violate the Cartwright Act. The Cooperation Rules are procompetitive rules that are lawful under the rule of reason, do not constitute a group boycott, and for which no less restrictive alternative exists.

89. CRMLS is entitled to a declaration that the Cooperation Rules do not violate the California Cartwright Act.

PRAYER FOR DECLARATORY AND INJUNCTIVE RELIEF

WHEREFORE, Plaintiff CRMLS respectfully requests that this Court enter judgment in its favor, and grant the following relief:

A. A declaration, pursuant to 28 U.S.C. §§ 2201–2202, that the Cooperation Rules do not violate Section 1 of the Sherman Act, 15 U.S.C. § 1;

B. A declaration, pursuant to 28 U.S.C. §§ 2201–2202, that the Cooperation Rules do not violate the California Cartwright Act, Cal. Bus. & Prof. Code § 16720 et seq.;

C. An injunction permanently enjoining Compass from bringing or pursuing any claim against CRMLS alleging that the Cooperation Rules violate the federal or state antitrust laws;

D. An award of CRMLS’s reasonable attorneys’ fees and costs incurred in this action; and

E. Such other and further relief as this Court deems just and reasonable, including preliminary and temporary relief, and fees and costs as may be requested or required.

Dated: October 5, 2026

Respectfully submitted,

/s/ Claude G. Szyfer

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EXHIBIT A

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September 8, 2026

VIA E-MAIL

Art Carter, Chief Executive Officer
California Regional Multiple Listing Service
artc@crmls.org

Re: Formal Legal Demand to Stop Fining/Punishing Agents for Public Marketing

Dear Mr. Carter:

We represent Compass, Inc. in potential antitrust litigation against California Regional Multiple Listing Service.

Following on the August 27 email from Ethan Glass, to which you did not respond, this letter is formal notice that CRMLS is violating the U.S. antitrust laws by fining real estate professionals “1% of list price, no less than \$500 and not to exceed \$2,500” for publicly marketing an office exclusive listing and by threatening further punishment, such as suspension or expulsion from the MLS.¹

To avoid being named as a defendant in a federal antitrust lawsuit, CRMLS must provide written confirmation to me by 5:00 PM ET on October 6, 2026, that **CRMLS will not fine or punish a real estate professional for publicly marketing office exclusive listings**. If you confirm, Compass will waive and release CRMLS from the Compass claims described in this letter.

An antitrust case against CRMLS would be straightforward and compelling. MLSs are inherently vulnerable to antitrust claims because they are combinations of direct competitors dictating how other competitors are allowed to compete. It is thus not surprising that MLSs and NAR have lost virtually every antitrust suit and government investigation challenging their mandatory rules over the last 60 years.

Our antitrust claim against CRMLS is even stronger than those prior cases. CRMLS has a rule requiring real estate professionals to submit listings to the MLS and consequently market their clients’ homes only as allowed by CRMLS. Since 1971, as recognized by the FTC in its landmark study, for an MLS with a mandatory submission rule to comply with the antitrust laws, it must give real estate professionals and homeowners true alternatives to the MLS limitations and restrictions on selling a home—alternatives that existed for over 50 years, that the industry called “office exclusive” listings by the industry.² That means consumers are entitled to a choice: market a home using the MLS (e.g., its distribution services) under the MLS’s limitations and restrictions; or market a home, as an office exclusive, without MLS distribution and without the its limitations and restrictions. Despite attempts last year to change the definition of “office exclusive,” for over 50 years, this is exactly how those listings worked—they were not subject to the MLS limitations and restrictions, and were publicly marketed however the real estate professional and homeowner legally wanted. As the FTC wrote, this choice is critical to antitrust compliance because, “[w]here ‘office exclusives’ are allowed, that is, where the seller can specify that his or her listing not be placed on the MLS, the broker and seller appear to be free to contract as they see fit.”³ On the other hand, without the freedom to use office exclusives, CRMLS’s mandatory submission rule violates the antitrust laws, as detailed below.

Moreover, at a time when government regulators and public interest organizations have been advocating for listings to be marketed more publicly, CRMLS's fines and punishments for public marketing make listings *less available*. CRMLS punishes a real estate professional for any public marketing of an office exclusive, including on public facing websites available to everyone. This hurts competition and consumers. We are sure that there is not a single real estate professional who wants to be fined by an MLS for following their client's lawful marketing instructions, which is their fiduciary and statutory duty to their clients. We are sure that real estate professionals want to compete for clients with creative marketing strategies. Homeowners lose the benefits of the loyalty of their real estate professional, the competition between real estate professionals, and the choice of how to publicly market their own homes. And, of course, buyers would benefit if all office exclusive listings were allowed by CRMLS to be publicly marketed.

CRMLS has a simple choice: (a) stop fining and punishing real estate professionals for publicly marketing office exclusives; or (b) defend, in a federal antitrust case, the choice to block competition, force office exclusives to be less accessible to buyers, undertake discovery burdens, pay your costs of litigation, pay us triple our damages, and reimburse us all of our attorneys' fees and costs.⁴

A. Restrictive MLS rules have created antitrust liability for over 75 years.

MLS rules have been the target of federal antitrust enforcement for decades. The legal battles began in the 1940s when the DOJ brought civil *and criminal* charges for rules that enforced a 6% commission rate.⁵ More recently, a federal appeals court held that a challenge to an MLS policy limiting public marketing conduct, as characterized by the plaintiff, "shares all the hallmarks of a group boycott" that stated a valid antitrust claim.⁶ The DOJ noted that the same policy "restricts the choices available to home sellers and listing brokers who want to market homes outside the NAR-affiliated MLS systems"⁷ In a case brought by the FTC against a Michigan MLS, a federal court of appeals held that the MLS's website policy—which limited the public distribution and display of limited-service property listings based on the nature of the listing contract—"unreasonably restrained competition."⁸ And, in a case led by Compass Chief Legal Officer, Ethan Glass, when he was at the DOJ, a federal court ordered that an MLS "shall not adopt, maintain, or enforce any Rule . . . that directly or indirectly . . . prohibits, restricts, or impedes any truthful advertising or marketing activities of any home seller or discriminates against or disadvantages any Member or Licensee for any truthful advertising or marketing activity in which any home seller is engaged."⁹

Most recently, Compass sued the Northwest Multiple Listing Service. There, the Court rejected every legal argument CRMLS might make, and more: Compass did not state a plausible Section 1 claim; the rules were necessary to stop free-riding; MLSs cannot be sued because of the "two-sided-market" and "refusal-to-deal" doctrines; and NWMLS was simply enforcing rules that Compass agreed to.¹⁰ Within 5 months of the Court's decision, NWMLS agreed to change its rules.¹¹

In short, over 60 years, MLSs have spent time and money in court defending their unreasonably restrictive practices, with the same result in almost every case: those practices end.

B. CRMLS is repeating the same illegal acts from before the "Fourteen Points."

As the FTC described in its seminal report,

By the late 1960's and early 1970's, MLSs had been named in a number of private antitrust actions and Justice Department investigations. Justice Department investigations culminated in 15 consent orders banning price fixing and other alleged anti-competitive activities. In response to these legal problems, the National Association of Realtors developed and enforced a list of policy points. The NAR's November 15, 1971 statement,

setting out and mandating these policies on the Realtor MLSs, is referred to in the industry as the “Fourteen Points.”¹²

Specifically, the Fourteen Points antitrust policy addressed the fact that, “[o]n its face, requiring that MLS members submit all of their listings of a designated type restricts the competitive freedom of the broker-members. Alternative methods of selling houses are effectively foreclosed.”¹³ To address this antitrust violation, Points 10 and 11 of the “Fourteen Points” antitrust policy provide:

10. MLS shall not: Make any rule regulating the advertising or promotion of any listing.

11. MLS shall not: Prohibit or discourage a member from accepting a listing from a seller (owner) preferring to give [an] “office exclusive.”¹⁴

The FTC found that the Fourteen Points antitrust policy in general, and Point 11 in particular, “may have ameliorated any competitive injury which would otherwise have resulted from ‘mandatory’ submissions of listings. Where ‘office exclusives’ are allowed, that is, where the seller can specify that his or her listing not be placed on the MLS, the broker and seller appear to be free to contract as they see fit.”¹⁵

The recent attempt to change the definition of an office exclusive only increases the exposure for MLSs. From 1971 to 2025, mandatory submission rules complied with the antitrust laws because real estate professionals and homeowners had a true alternative: they could use office exclusives *without any limit to public marketing*. MLS rules simply provided “[i]f the seller refuses to permit the listing to be disseminated by the service, the participant may then take the listing (office exclusive) and such listing shall be filed with the service but not disseminated to the participants.”¹⁶ The DOJ and a federal judge similarly defined “Office Exclusive” to be “a listing in which the owner refuses to grant permission for distribution of the listing to the MLS.”¹⁷ None of these definitions of office exclusive limited public marketing. In fact, Bright MLS, one of the largest MLSs in the country, defines “Office Exclusive/Limited Marketing” as “Properties *being marketed* on a limited basis outside the MLS and not shared within the MLS for cooperation with all subscribers.”¹⁸ However, in August 2025, right after Compass started publicly marketing office exclusives, NAR started using a definition of office exclusives that conflicts with 50 years of history: a listing “where the seller has directed that their property not be disseminated through the MLS *and not be publicly marketed*.”¹⁹ Such attempts to block public marketing by wordplay subjects CRMLS to the antitrust risk that it has avoided for decades.

Simply stated, fining and punishing real estate professionals for publicly marketing office exclusives has returned CRMLS to the days before the Fourteen Points. In doing that, CRMLS is violating the antitrust laws.

C. Compass has a strong antitrust claim against CRMLS.

In addition to this compelling history, straightforward antitrust analysis shows that fining or punishing real estate professionals for publicly marketing office exclusives violates the antitrust laws and is illegal.

First, CRMLS’s prohibition on public marketing of office exclusives is a horizontal agreement among competitors—a joint restraint adopted and enforced by competing brokers acting through the MLS. By definition, an MLS is a combination of competitors that dictates how other competitors are allowed to compete. (Some MLSs also conspire with other MLSs through the Council of Multiple Listing Services.) The public marketing prohibition unreasonably restrains trade by eliminating an entire method of competition that homeowners demand and that brokers would otherwise provide: the public marketing of office exclusives. CRMLS forces homeowners to forfeit their preferred marketing strategy or their

preferred listing type; and CRMLS blocks real estate professionals from competing on marketing strategies.

Second, real estate professionals cannot leave CRMLS to avoid fines and punishments. As is common knowledge, and as courts have almost universally found under the antitrust laws, MLS membership is not voluntary. Membership in CRMLS is not a choice, it is a requirement of trade.

Third, CRMLS is not just controlling what real estate professionals do on the MLS platform, but is explicitly and intentionally controlling how real estate professionals and homeowners (who are not even members) act off of your platform. As an example, CRMLS fines real estate professionals for marketing an office exclusive on public websites.

Fourth, CRMLS might seek to blame NAR and say that CRMLS is just following mandatory NAR policy, but CRMLS is responsible for the fines and punishments you impose against real estate professionals. In fact, NAR has expressly stated that, even for mandatory MLS policy, “[e]nforcement is the responsibility of the local MLS.”²⁰

* * *

Today, many successful MLSs allow public marketing of office exclusives, including Bay Area Real Estate Information Services, Bright MLS, Garden State MLS, MetroList Services, Inc., MLS Property Information Network, Miami Realtors MLS, RealTracs, and West Penn Multi-List. These MLSs collectively cover 12 states plus Washington, D.C., representing about 350,000 real estate professionals (about 25% of the U.S.). After all, the purpose of the MLS is not to tell real estate professionals and homeowners how to market properties; instead, it is “the orderly correlation and dissemination of listing information to participants so they may better serve the buying and selling public.”²¹

Let there be no confusion about our objectives: Compass is advocating for more public marketing of listings, expanded consumer choice, and increased market competition, and we will spend millions of dollars to sue CRMLS and other MLSs to accomplish those goals.

In light of imminent litigation, CRMLS, its officers, directors, committee members, and employees are hereby placed on notice to suspend all automatic deletion policies and to preserve all documents and electronic data relating to (1) office exclusives, (2) marketing of listings on and off-MLS, (3) competition between MLSs and real estate professionals, and (4) your business strategies.

Sincerely,



Nathan P. Eimer

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¹ CRMLS, *MLS Citation Policy*, at 3 (July 10, 2026).

² FTC, *The Residential Real Estate Brokerage Industry*, at 129 (Dec. 1983); *see also* Final Judgment, *United States v. Multiple Listing Serv. of Hilton Head Island, Inc.*, Case No. 9:07-cv-03435-SB (D.S.C. May 28, 2008), ECF No. 16, at 5 (defining “Office Exclusive” as “a listing in which the owner refuses to grant permission for distribution of the listing to the MLS.”).

³ FTC, *The Residential Real Estate Brokerage Industry*, at 129 (Dec. 1983).

⁴ 15 U.S.C. § 15(a) (“[A]ny person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefor . . . and shall recover threefold the damages by him sustained, and the cost of suit, including a reasonable attorney’s fee.”).

⁵ *See United States v. Nat’l Ass’n of Real Est. Bds.*, 339 U.S. 485, 487 (1950).

⁶ *PLS.com, LLC v. Nat’l Ass’n of Realtors*, 32 F.4th 824, 834 (9th Cir. 2022).

⁷ Final Br. Of Appellants United States of America, et al., *Nat’l Assn of Realtors v. United States*, No. 23-5065 (D.C. Cir. Aug. 18, 2023), ECF No. 2013267, at 10.

⁸ *Realcomp II, Ltd. v. FTC*, 635 F.3d 815, 819 (6th Cir. 2011).

⁹ Final Judgment, *United States v. Consolidated Multiple Listing Serv., Inc.*, Case No. 3:08-cv-01786-SB (D.S.C. Aug. 27, 2009), ECF No. 68, at 4.

¹⁰ *Compass, Inc. v. Nw. Multiple Listing Serv.*, No. 2:25-cv-00766-JNW, 2026 WL 776138 (W.D. Wash. Mar. 19, 2026).

¹¹ <https://www.compass.com/newsroom/press-releases/a7Jxi0oJq1JansK7dBFWO> (Aug. 31, 2026).

¹² FTC, *The Residential Real Estate Brokerage Industry*, at 109 (Dec. 1983).

¹³ *Id.* at 130.

¹⁴ *Id.* at 134 n.354.

¹⁵ *Id.* at 130.

¹⁶ Nat’l Ass’n of Realtors, *Handbook on Multiple Listing Service Policy*, § 1.3 (2024).

¹⁷ Final Judgment, *United States v. Multiple Listing Serv. of Hilton Head Island, Inc.*, Case No. 9:07-cv-03435 (D.S.C. May 28, 2008), ECF No. 16, at 5.

¹⁸ Bright MLS, *Rules Governing Use of Bright’s Services*, at 6 (July 22, 2026) (emphasis added).

¹⁹ Compare FTC, *The Residential Real Estate Brokerage Industry*, at 129 (Dec. 1983), with Nat’l Ass’n of Realtors, *Handbook on Multiple Listing Policy*, Policy Statement 8.14 (2025) (emphasis added).

²⁰ <https://www.nar.realtor/about-nar/policies/mls-policy/office-exclusive-listings/pre-marketing-guidance>.

²¹ Nat’l Ass’n of Realtors, *Handbook on Multiple Listing Policy*, Antitrust Compliance Policy (2026).

EXHIBIT B



CRMLS Rules & Policies

Effective July 10, 2026

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1. AUTHORITY.

The Associations of REALTORS® (AOR)/Multiple Listing Service may maintain a Multiple Listing Service (“MLS”) or other “Services” for the use of licensed real estate Brokers and Salespersons and licensed or certified Appraisers under the terms of these rules as from time to time amended.

2. PURPOSE.

CRMLS as a Multiple Listing Service is in the business of operating a broker cooperative by providing information and services to real estate brokers, agents, or appraisers for use in their professional activities by:

- a) Collecting from real estate agents, brokers or appraisers real-estate information and data, including but not limited to listing information.
- b) Enhancement and organization of that information and data with other property information to create property records.
- c) Distribution and display of those collected property records to real estate brokers and appraisers for their use in listing, selling, leasing, and valuing real estate for the benefit of consumers.
- d) Distribution of those collected property records to non-broker entities that use the property records to support real estate transactions or the real estate industry.
- e) Providing services, rules and systems that facilitate the cooperation between different brokers, and agents to represent clients in real estate transactions.

3. THE AOR/MLS COMMITTEE.

The AOR/MLS shall be governed by its board of directors (hereinafter “Board of Directors”) in accordance with its articles of incorporation and its bylaws. Committees may be established to perform such functions as may be delegated, but all actions of committees shall be subject to the approval and confirmation of the Board of Directors.

4. PARTICIPATION AND AUTHORIZED ACCESS.

- 4.1 Participant.** A Participant is any individual who applies and is accepted by the MLS, and meets and continues to meet all of the following requirements of either a Broker Participant or an Appraiser Participant as defined below in Sections 4.1.1 and 4.1.2.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

- 4.1.1 Broker Participant.** A Broker Participant is a Participant who meets all the following requirements:

- a) The individual or corporation, for whom the individual acts as a Broker/officer, holds a valid California Real Estate Broker’s license;
- b) The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c) The individual or corporation for whom the individual acts as a Broker/officer

agrees to cooperate with other Participant Brokers in the capacity of a Real Estate Broker;

- d) The individual has signed a written agreement to abide by the rules of the MLS in force at that time and as from time to time amended;
- e) The individual pays all applicable MLS fees; and

4.1.2 Appraiser Participant. An Appraiser Participant is a Participant who meets all the following requirements:

- a) The individual holds a valid California Appraiser's certification or license issued by the Bureau of Real Estate Appraisers ("BREA") (also referred to as "Office" of Real Estate Appraisers or OREA);
- b) The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c) The individual has signed a written agreement to abide by the rules of the MLS in force at that time and as from time to time amended;
- d) The individual pays all applicable MLS fees; and

4.1.3 Redundant Participant Qualifications. Participant type (Broker or Appraiser) must be selected during application for participation. A Participant with both a California Real Estate Broker's license and a California Appraiser's certification or license must join as a "Broker Participant" to be a Listing Broker (see Section 4.7), or Buyer Broker (see Section 4.8).

4.2 Subscriber. A Subscriber is an individual who applies and is accepted by the AOR/MLS, and meets and continues to meet all of the following requirements of either a R.E. Subscriber or Appraiser Subscriber as defined below in sections 4.2.1 and 4.2.2:

4.2.1 R.E. Subscriber. A R.E. Subscriber is a Subscriber who meets all the following requirements:

- a) The individual holds a valid California real estate salesperson's or broker's license;
- b) The individual is employed by or affiliated as an independent contractor with a Broker Participant;
- c) The individual agrees to cooperate with other Subscriber Agents and Participant Brokers in the handling of any real estate transaction;
- d) The individual has signed a written agreement to abide by the rules and regulation of the service in force at that time and as from time to time amended;
- e) The individual pays all applicable MLS fees; and

4.2.2 Appraiser Subscriber. An Appraiser Subscriber is a Subscriber who meets all of the following requirements:

- a) The individual holds a valid California real estate appraiser's certification or license issued by the BREA;
- b) The individual is employed by or affiliated as an independent contractor with an Appraiser Participant;

- c) The individual has signed a written agreement to abide by the rules and policies of the service in force at that time and as from time to time amended;
- d) The individual pays all applicable MLS fees; and

4.2.3 Redundant Subscriber Qualifications. Subscriber type (R.E. or Appraiser) must correlate to the participant type. A Subscriber who is both a California Real Estate Licensee and a California certified or licensed Appraiser must join as a “R.E. Subscriber,” unless the employing or affiliated Participant is an Appraiser Participant.

4.3 Clerical Users. Individuals (whether licensed or unlicensed) under the direct supervision of an MLS Participant or Subscriber that perform only administrative and clerical tasks that do not require a real estate license or an Appraiser’s certificate or license. Each Participant and Subscriber shall provide the AOR/MLS with a list of all Clerical Users employed by or affiliated as independent contractors with the Participant or Subscriber and shall immediately notify the AOR/MLS of any changes, additions, or deletions from the list.

4.4 Registered Assistant Access. Individuals (whether licensed or unlicensed) that use the MLS for clerical tasks such as entering listings and/or searching the database and are under the direct supervision of a Participant, Subscriber or Appraiser, may be given access to the MLS by a unique and individual passcode. The Assistant passcode will be directly linked to the Assistant’s employer and will be terminated if said employer should become inactive in the MLS. An Assistant must adhere to the following requirements:

4.4.1 Assistant Fees. The Assistant fees will be up to date as set forth by the service center or AOR/MLS that the Assistant’s employer participates at;

4.4.2 Assistant Written Agreement. The Assistant will have signed a written agreement to abide by the rules and policies of the service center or AOR/MLS and will be required to either attend MLS orientation or pass a standardized test administered by staff covering the service center or AOR/MLS rules and policies;

4.4.3 Assistant Information. The Assistant will only relay MLS information to his/her employer and not to members of the public, other service centers, and/or other AOR/MLS participants, subscribers or appraisers (this does not prohibit licensed assistants from performing duties of a real estate licensee or appraiser licensee outside of the MLS as long as the duties performed do not involve data retrieved from the service center or AOR/MLS database);

4.4.4 Assistant Identification. The Assistant may not be identified as an agent or contact person for a property listed with the service center or AOR/MLS;

4.4.5 Assistant Eligibility. Assistants may be eligible for lockbox access services, unless otherwise prohibited, and are prohibited from using any other Participant, Subscriber or Appraiser’s access device.

4.5 Notification of Licensees. Each Participant shall provide the AOR/MLS with a list of all real estate licensees or certified or licensed Appraisers employed by or affiliated as independent contractors with such Participant or with such Participant’s firm and shall immediately notify

the AOR/MLS of any changes, additions, or deletions from the list. This list shall include any licensees under any Broker associate affiliated with the Participant.

- 4.6 Participation Not Transferable.** Participation in the MLS is on an individual basis and may not be transferred or sold to any corporation, firm, or other individual. Any reimbursement of MLS fees is a matter of negotiation between those transferring the business or determined by internal contract arrangement within the firm. However, providing the first Participant consents, the AOR/MLS shall allow a firm to designate a different person as a Participant within the firm without additional initial participation fees. The AOR/MLS may charge an administrative fee for this service of reassigning Participants within a firm.
- 4.7 Listing Broker Defined.** For purposes of these MLS rules, a Listing Broker is a Broker Participant who is also a listing agent in accordance with California Civil Code Section 1086, et. seq., who has obtained a written listing agreement by which the Listing Broker has been authorized to act as an agent to sell or lease the property or to find or obtain a buyer(s) or tenant(s). Whenever these rules refer to the Listing Broker, the term shall include a Subscriber in addition to the Participant or a licensee retained by the Listing Broker but shall not relieve the Listing Broker of responsibility for the act or rule specified.
- 4.8 Buyer Broker Defined.** For purposes of these MLS rules, a Buyer Broker is a Broker Participant who is also a buyer's agent as defined in California Civil Code Section 1086, et. seq., who acts in cooperation with a Listing Broker to find or obtain a buyer(s) or tenant(s) for a listed property. The Buyer Broker may be the agent of the buyer(s) or, if subagency is offered and accepted, may be the agent of the seller(s). Whenever these rules refer to the Buyer Broker, the term shall include a Subscriber in addition to the Participant or licensee retained by the Buyer Broker but shall not relieve that Broker Participant of responsibility for the act or rule specified.
- 4.9 Appraiser Defined.** For purposes of these MLS rules, an Appraiser is an Appraiser Participant, Appraiser Subscriber, or a licensed or certified Appraiser acting for the Appraiser Participant or Appraiser Subscriber. Whenever these rules refer to the Appraiser, the term shall also include the Appraiser Subscriber, or a licensed or certified Appraiser employed by or affiliated as an independent contractor with the firm that employs the Appraiser but shall not relieve that Appraiser Participant of responsibility for the act or rule specified.
- 4.10 Authorization for Mandatory Training.** Participants and Subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize Participants and Subscribers with system changes or enhancements, and/or changes to MLS rules or policies. Participants and Subscribers must be given the opportunity to complete any mandated additional training remotely.
- 4.11 Subject to MLS Rules.** By becoming and remaining a Participant, Subscriber or Clerical User, each Participant, Subscriber and Clerical User agrees to be subject to these MLS Rules and Policies.

5. MLS FEES AND CHARGES.

5.1 Service Fees and Charges. The AOR/MLS Board of Directors shall establish a schedule of MLS fees applicable to the MLS, which may include the following service fees and charges:

5.1.1 Initial Participation and/or Application Fee. Applicants for MLS services may be assessed initial participation and/or application fees.

5.1.2 Recurring Participation Fee. The recurring participation fee of each Broker Participant shall be an amount equal to the fee set for each individual times the total number of (1) the Broker Participant, plus (2) the number of Salespersons who have access to and use of the MLS, whether licensed as Brokers or as Salespersons, who are employed by or affiliated as independent contractors with such Participant or the Participant's firm. If more than one principal Broker in the same firm elects to be a Participant, the number of Salespersons in the firm will only be used once in calculating the recurring participation fees. A Broker Participant is not obligated to pay recurring participation fees or other MLS fees and charges for real estate licensees affiliated with the Participant or the Participant's firm if such licensees work out of a branch office of the Participant or the Participant's firm that does not participate in or otherwise use the MLS.

The recurring participation fee of each Appraiser Participant shall be an amount times the total number of (1) the Appraiser Participant, plus (2) the number of Appraisers who have access to and use of the MLS, who are employed by or affiliated as independent contractors with such Participant or the Participant's firm. If more than one principal Appraiser in the same firm elects to be a Participant, the number of Appraisers in the firm will only be used once in calculating the recurring participation fees. An Appraiser Participant is not obligated to pay recurring participation fees or other MLS fees and charges for licensed or certified Appraisers affiliated with the Participant or the Participant's firm if such Appraisers work out of a branch office of the Participant or the Participant's firm that does not participate in or otherwise use the MLS.

5.1.3 Listing Fee. A listing fee may be charged for each listing submitted to the MLS.

5.1.4 Computer Access Fees. The recurring computer access fee for each Participant shall be an amount established and approved by the AOR/MLS Board of Directors equal to the total number of Subscribers and Salespersons licensed or certified as Appraisers, Brokers, or Salespersons, who are employed by or affiliated as independent contractors with such Participant.

5.1.5 Certification of Nonuse. Participants may be relieved from payment under Sections 5.1.2 and 5.1.5 hereunder by certifying to the AOR/MLS that a licensed or certified person in the office is engaged solely in activities that do not require a real estate license or certification (clerical, etc.), or that the real estate Licensee or licensed or certified Appraiser will not use the MLS or MLS compilation in any way. In the event a real estate Licensee or Appraiser is found in violation of the nonuse certification, the Participant shall be subject to all MLS fees dating back to the date of the certification. The Participant and Subscriber may also be subject to any other sanction imposed for violation of MLS rules, including, but not limited to, a citation and

suspension or termination of Participation rights and access to the MLS.

5.1.6 Other Fees. Other fees that are reasonably related to the operation of the MLS may be adopted.

5.2 Responsibility for Fees. In the event the AOR/MLS allows for direct billing or payment by a Subscriber for fees under these rules, such fees shall be the exclusive obligation of that Subscriber regardless of whether such Subscriber becomes affiliated with a different Participant. If the MLS does not allow for direct billing or payment by a Subscriber for MLS fees, such fees shall be the responsibility of the Participant with whom the Subscriber was affiliated with at the time the MLS fees were incurred. This section does not preclude in any way the ability of Participants to pursue reimbursement of MLS fees from current or past Subscribers or to establish agreements with Subscribers regarding payment or reimbursement of MLS fees.

6. REGIONAL AND RECIPROCAL AGREEMENTS.

The AOR/MLS Board of Directors may approve and enter into regional or reciprocal agreements with AORs or MLS corporations owned or governed solely by AORs or licensed real estate brokers to allow the other MLS participants and subscribers access to the MLS in exchange for comparable benefits to the Participants and Subscribers of this MLS. In the event of such agreements, the Participants and Subscribers agree to abide by the respective rules of the other MLSs receiving and publishing a listing pursuant to such agreements and to abide by such rules when accessing the other databases or datasets.

7. LISTING PROCEDURES.

7.1 Listings Subject to Rules and Policies of the MLS. Any listing filed with the MLS by a Listing Broker are subject to the rules of the MLS.

7.2 Property Already Listed by Another Agent/Broker. The MLS allows one listing per property type for a specific property. There may be situations where more than one Broker believes they have a valid listing agreement for the same property. The MLS and/or Association cannot determine the validity of claims of competing contracts. It is the responsibility of the Brokers and seller to resolve the validity question prior to entering a listing into the MLS. Entering a listing into the MLS without a valid listing agreement is a violation of MLS Rules. Failure to remove a listing from the MLS following cancellation or expiration is a violation of MLS Rules.

7.3 Listing and Co-Listing Agents/Brokers. Only the listings of Participants and Subscribers will be accepted by the MLS. Inclusion of co-listings where the co-listing broker/agent is not a Participant or Subscriber in the MLS, or a Participant or Subscriber of a datashare partner MLS, is prohibited.

7.4 Range Pricing. If a listing is specified as a Range Price Listing, the Listing Agent or Broker must enter a valid range for the list price of that listing. In all cases, the default List Price shall be the high end of the range and the low end of the range can be no less than 85% of this price.

7.5 Types of Listings; Responsibility for Classification. The MLS shall accept exclusive right to sell, seller reserved, open, and probate listings in accordance with California Civil Code Section 1086, et seq., and auction listings that satisfy the requirements of these MLS rules. As used in these rules, “probate” includes conservatorships, guardianships, and similar protective proceedings in the Superior Court of California. Exclusive right to sell listings that contain any exceptions whereby the owner need not pay a commission if the property is sold to particular individuals shall be classified for purposes of these rules as an exclusive right to sell listing, but the Listing Broker shall notify all of the exceptions. It shall be the responsibility of the Listing Broker to properly classify the type of listing, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of listing, the Listing Broker certifies that the listing falls under the legal classification designated. The MLS shall have no affirmative responsibility to verify the listing type of any listing filed with the MLS. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the listing type, and if the Listing Broker does not reclassify it accordingly, the MLS shall have the right to reject or remove any such listing that the MLS determines falsely represents the classification of listing type.

7.5.1 Scope of Service; Limited Service Listings. Limited Service listings are listings whereby the Listing Broker, pursuant to the listing agreement, will not provide one, or more, of the following services:

- a) Provide Buyer Brokers with any additional information regarding the property not already displayed in the MLS, but instead gives Buyer Brokers authority to contact the seller(s) directly for further information;
- b) Accept and present to the seller(s) offers to purchase procured by Buyer Brokers, but instead gives Buyer Brokers authority to present offers to purchase directly to the seller(s);
- c) Advise the seller(s) as to the merits of offers to purchase;
- d) assist the seller(s) in developing, communicating, or presenting counter-offers; or
- e) Participate on the seller’s(s’) behalf in negotiations leading to the sale of the listed property.

Said Limited Service listings will be identified with an appropriate code or symbol (e.g., “LS”) in MLS compilations so potential Buyer Brokers will be aware of the extent of the services the Listing Broker will provide to the seller(s), and any potential for Buyer Brokers being asked to provide some or all of these services to Listing Broker’s clients, prior to initiating efforts to show or sell the property.

7.5.2 Scope of Service; MLS Entry-Only Listings. MLS Entry-Only listings are listings whereby the Listing Broker, pursuant to the listing agreement, will not provide any of the following services:

- a) Provide Buyer Brokers with any additional information regarding the property not already displayed in the MLS, but instead gives Buyer Brokers authority to contact the seller(s) directly for further information;
- b) Accept and present to the seller(s) offers to purchase procured by Buyer Brokers, but instead gives Buyer Brokers authority to present offers to purchase directly

- to the seller(s);
- c) Advise the seller(s) as to the merits of offers to purchase;
- d) Assist the seller(s) in developing, communicating, or presenting counter-offers; or
- e) Participate on the seller's(s') behalf in negotiations leading to the sale of the listed property.

Said MLS Entry-Only listings will be identified with an appropriate code or symbol (e.g. "EO") in MLS compilations so potential Buyer Brokers will be aware of the extent of the services the Listing Broker will provide to the seller(s), and any potential for Buyer Brokers being asked to provide some or all of these services to Listing Broker's clients, prior to initiating efforts to show or sell the property.

7.5.3 Scope of Service; Legal Obligations. The scope of service classifications set forth in these Rules do not alter any obligations otherwise imposed on real estate licensees under California law, including Department of Real Estate Policies, statutory law and/or common law. The MLS's acceptance or publication of listings eligible for MLS submission in no way constitutes a validation that said obligations have been met.

7.6 Types of Properties; Responsibility for Classification. The MLS shall accept listings that satisfy the requirements of these rules on the following types of property:

- a) Residential
- b) Residential Lease
- c) Residential Income
- d) Lots and Land
- e) Mobile Home
- f) Commercial
- g) Commercial Lease
- h) Business Opportunity

It shall be the responsibility of the Listing Broker to properly classify the type of property listed, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of property listed, the Listing Broker certifies that the listing falls under the classification designated. The MLS shall have no affirmative responsibility to verify the property type of any listing filed with the MLS. However, the MLS shall have the right to have legal counsel decide as to the classification of the property type, and if the Listing Broker does not reclassify it accordingly, the MLS shall have the right to reject or remove any such listing that it determines falsely represents the classification of property type listing.

7.7 Compliance with California and Federal Law. Notwithstanding any other provision of these MLS rules to the contrary, the MLS shall accept any listing that it is required to accept under California or federal law.

7.8 Mandatory Delivery of Listing Agreement. Listing Broker shall input into the MLS all properties located in the MLS Service Area within two (2) Days of the Effective Date of any listing agreement on any exclusive right to sell/lease or seller reserved listing agreement on one to four-unit residential property and vacant lots. The Effective Date of a listing agreement

is the later of all necessary signatures of the seller(s) have been obtained, or at the beginning date of the listing as specified in the contract. All necessary signatures are those needed to create an enforceable listing, which generally means all named signatories to the listing agreement. In the event there are known additional property owners not made a signatory to the listing, the Listing Broker shall disclose said fact to the MLS and state whether the listed seller will make the sale contingent on the consent of the additional property owners. In the event the listing agent is prevented from complying with the 2-day time period due to seller's delay in returning the signed listing agreement, the Listing Broker must deliver the listing to the MLS within 2 days of receipt back from seller. The AOR/MLS may require the Listing Broker to present documentation to the AOR/MLS evidencing the seller's delayed transmission. Only those listings that are within the service area of the MLS must be input. Open listings or listings of property located outside the MLS's service area (see Section 7.10) are not required by the MLS but may be input at the Broker Participant's option. Violations of this Rule may result in modifications being made to the DAM count of any listing at issue as provided for in Rule 14.5.

7.8.1 Registered Listings. Listings that are subject to the above identified listing agreements, but which have not been placed in the MLS for cooperation must be Registered with the MLS in accordance with the requirements of Rule 7.8. Registered listings shall not be made available for viewing, or cooperation in the MLS database to cooperating Participants and DAM shall not calculate on a Registered listing. Registered listings are by definition subject to the requirements of Rule 7.9.

7.9 Mandatory Submission upon Marketing. Within one (1) business day of marketing or advertising a residential property to any member of the public for sale which contains one to four units, or is a residential vacant land lot which is subject to any exclusive right to sell or seller reserved listing agreement, the Listing Broker must submit the property into the MLS for cooperation with other CRMLS participants. Marketing and advertising includes, but is not limited to, any information about the property or its availability for sale displayed on any: signs, websites, social media, brokerage or franchise operated websites, communications (verbal or written), multi-brokerage or franchise listing sharing networks, flyers or written material, on any applications, or by conducting an open house. Any individual or entity that has signed, within the previous year a Disclosure Regarding Real Estate Agency Relationship form in compliance with CA Civil Code section 2079.16 that identifies the Listing Broker shall not be considered a "member of the public" under this rule.

7.9.1 No Cooperation Listing. If the seller in writing refuses to permit the property listing to be marketed or advertised as defined by Rule 7.9, and also instructs the Listing Broker to not disseminate the listing in the MLS, the Listing Broker shall obtain a written instruction from the seller instructing the Listing Broker to do no marketing or advertising and refuses to authorize the listing to be disseminated by the MLS. The instruction shall include an advisory to seller that, in keeping the listing off the MLS, (1) No marketing or advertising of any kind will occur, (2) real estate agents and brokers from other real estate offices, and their buyer clients, who have access to the MLS may not be aware seller's property is for sale, (3) seller's property will not be included on any real estate Internet sites or applications that are used by the public to search for property listings, (4) real estate agents, brokers and members of the public may be

unaware of the terms and conditions under which seller is marketing the property, and (5) the reduction in exposure of the listing may lower the number of offers made on the property and may adversely impact the overall price.

- 7.10 Service Area.** The MLS shall service the area which shall include the entire county that contains any of the territorial jurisdiction of (1) any member association, or (2) any data share partner AOR/MLS. At the option of the AOR/MLS, the MLS may adopt a policy to accept listings of properties located outside the territorial jurisdiction of the AOR/MLS. At the option of the AOR/MLS, the MLS may adopt a policy to accept listings of properties located outside the territorial jurisdiction of the AOR/MLS. If the AOR/MLS have entered into regional MLS agreements or a regional MLS corporation with other MLSs and have enlarged the service area as part of the agreement, submission of listings is mandatory for the enlarged service area covered by the combined territorial jurisdictions of the AOR's signatories to the regional MLS agreement or part of the regional MLS corporation.
- 7.11 Change of Listing Information.** Listing Brokers shall submit any change in listing information, including the listed price or other change in the original listing agreement, to the MLS within 2 days after the authorized change is received by the Listing Broker. By submitting such changes to the MLS, the Listing Broker represents that the listing contract has been modified in writing to reflect such change or that the Listing Broker has obtained other legally sufficient written authorization to make such change.
- 7.12 Withdrawal of Listing Prior to Expiration.** Listings of property must be withdrawn from the MLS by the Listing Broker before the expiration date of the listing agreement if the Listing Broker has received written instructions from the seller to withdraw the listing from the MLS. Listing Broker may withdraw any listing from the MLS 48 hours after providing seller with written notice of the broker's intention to withdraw the listing based on a dispute with the seller regarding the terms of the listing agreement. The MLS may require the Listing Broker to provide a copy of any notice of dispute or any written instructions from the seller. Sellers do not have the unilateral right to require the MLS to cancel any listing. However, the MLS reserves the right to remove a listing from the MLS data base if the seller can document that his or her listing agreement with the Listing Broker has been terminated or is invalid. Withdrawal from the MLS with the seller's consent does not relieve the obligation of the Listing Broker to report the sale and sales price if it closes escrow while the seller is represented by the Listing Broker.
- 7.13 Contingencies.** Any contingency or condition of any term in a listing shall be specified and noticed to the participants.
- 7.14 Detail on Listings Filed With the MLS.** Electronically input data or a property data form, when filed with the MLS by the Listing Broker, shall be complete in every detail as specified on the property data form, including full gross listing price, termination date, , and any other item required to be included as determined by the AOR/MLS Board of Directors. Property data forms may be returned if incomplete, and if not completed and returned within 2 days from the day the incomplete property data form was returned to the Listing Broker, the Broker Participant and R.E. Subscriber may be subject to penalties for failure to submit the completed property data form in a timely manner.

7.15 No Offers of Compensation in the MLS. For all Property Types, a Listing Broker may not input, or otherwise use the MLS in any capacity, in any field, media, or document uploaded to the MLS, to offer or convey any willingness to offer or consider, any type of compensation to a Buyer/Tenant Broker. This prohibition on compensation in the MLS applies whether any actual amount or specific type of compensation is offered, and regardless of how the offer or willingness is expressed or characterized.

7.15.1 Offers of Concessions in the MLS. A Listing Broker may input in the MLS any information, amount, offer, invitation to offer, or expression of willingness to provide or consider concessions to a Buyer/Tenant from the Seller/Landlord in a transaction on the listing, so long as any such communication of a concession does not limit or condition the concession on being used to pay any Buyer/Tenant Broker or other Buyer representative. Listing Brokers must place any such information regarding Seller concessions in the Public Remarks/Property Description field.

7.16 Disclosure of Compensation. Listing Broker must disclose to prospective sellers or landlords that broker compensation is not set by law and is fully negotiable. This must be included in conspicuous language as part of any listing agreement. Listing Broker must conspicuously disclose in writing to sellers, and obtain seller's authority, for any payments or offer of payment that the Listing Broker or seller will make to another broker, agent or other representative (e.g., real estate attorney) acting for buyers. The disclosure must include the amount or rate of any such payment and be made in writing in advance of any payment or agreement to pay.

7.17 Consent to Act as Dual Agent. By listing a property and offering to cooperate with Buyer Broker, the Listing Broker is not automatically representing that the seller(s) have consented to the Buyer Broker acting as a dual agent representing both the buyer(s) and the seller(s). No Buyer Broker shall act as both an agent of the buyer(s) and the seller(s) without first contacting the Listing Broker and ascertaining that the seller(s) have consented to such dual agency.

7.18 Auction and New Construction Listings.

7.18.1 Auction Listings. Only auction listings which comply with these MLS Rules and Policies, including, but not limited to Sections 7.12 and 7.13, may be submitted to the Service. Auction listings entered into the MLS system shall have listing contracts as required under these Rules, be clearly labeled as auction listings, and provide all the terms and conditions of the auction. Reserve auctions are not permitted on the MLS. Auction listings shall further specify the following:

- a) The list price, which shall be seller's minimum acceptable bid price;
- b) The date, time and place of the auction;
- c) All required procedures for Buyer's Broker to register their representation of a potential bidder;
- d) The amount of the buyer's premium, if any;
- e) The time or manner in which potential bidders may inspect the listed property;
- f) Whether or not the seller will accept a purchase offer prior to the scheduled auction; and
- g) Any other material rules or procedures for the auction, and;

- h) Upon acceptance of any bid that concludes the auction such that no additional bids are accepted, the listing status shall be changed to Pending.

Subsections (b) through (g) above shall not appear in a listing's Public Remarks.

7.18.2 New Construction Listings.

- a) Any Residential Property listed in the MLS that requires the disclosure of a Final Public Report pursuant to the Subdivided Lands Law prior to a sale of the property, or that requires a new construction building permit, shall be designated a NEW CONSTRUCTION LISTING (NCL). All MLS Rules shall apply to an NCL except as modified as follows:
- b) Submitting an NCL shall cause to be exempted from the Mandatory Delivery Rule 7.8 each individual lot within the subdivision covered by the same Final Public Report as the NCL.
- c) NCL's may remain in a Coming Soon status until such time as a certificate of occupancy is issued.

Upon final closing of any property subject to the same Final Public Report as the NCL, Listing Broker shall report or input in the MLS as "sold" and report the selling price within 2 days of the final closing date.

7.19 No Disclosure of Listing Broker or Total Commission. Listing Broker may not in any field, media or document inputted into the MLS disclose the Listing Broker's commission or the total amount of commission charged by the Listing Broker to the Seller. Nothing in this rule shall limit the ability of the Listing Broker to report the fact that a Seller has paid an amount either directly to or through the Listing Broker to a Buyer's Broker for a specific property. MLS will not collect the total amount charged or collected by a Buyer Broker but will only collect the amount paid by a Seller to a Buyer's Broker.

7.20 Broker Participant or R.E. Subscriber as Principal. If a Listing Broker, including any Subscriber has any interest in a property, the listing which is disseminated through the MLS shall contain a disclosure of that interest on the MLS.

7.21 Multiple Unit Properties. All properties which are to be sold or which may be sold separately must be indicated individually in the MLS and will be published separately. When part of a listed property has been sold, the Listing Broker shall input the appropriate changes on the MLS within 2 days.

7.22 Expiration, Extension, and Renewal of Listings.

- a) Listings shall be changed to the appropriate off-market status on the expiration date specified on the listing unless the listing is extended or renewed by the Listing Broker.
- b) The Listing Broker shall obtain written authorization from the seller(s) before filing any extension or renewal of a listing.
- c) The Listing Broker may modify the status of an expired listing within seven (7) days of the Expiration date. At any time and for any reason, the MLS has the right to request a copy of the seller's written authorization to extend or renew a listing.

- d) The calculation of Days Active in MLS (DAM) is based on the MLS #. The calculation of Cumulative Days Active in MLS (CDAM) is based on APN # or address and will accumulate until a change of ownership has occurred or the property is not available for sale and no listing agreement is in effect for a period of 30 days or more.
- e) At any time and for any reason, the MLS has the right to request a copy of the seller's(s') written authorization to extend or renew a listing. If a Listing Broker is requested to provide a copy of such authorization and does not do so within 1 day of the request, the listing shall be subject to immediate removal from the MLS.

7.22.1 Extension for Protected Buyer. In the event a Listing Broker's listing has Expired or been Canceled, but a commission extension right for a protected buyer has been timely activated in the listing agreement and Listing Broker represents seller in said transaction, Listing Broker may be considered the "listing broker" for MLS reporting of sale so long as satisfactory documentation is presented to MLS.

7.23 Listings of Participants or Subscribers Suspended, Expelled, or Resigned.

7.23.1 Failure to Pay MLS Fees; Resignation. When a Participant or Subscriber of the MLS is suspended or expelled from the MLS for failure to pay MLS fees or charges, or if the Participant or Subscriber resigns from the MLS, the MLS shall cease to provide services to such Participant or Subscriber, including continued inclusion of listings in the MLS compilation of current listing information. In the event listings are removed from the MLS pursuant to this section, it shall be the sole responsibility of the Participant to notify the sellers(s) that the property is no longer listed in the MLS.

7.23.2 Violations of MLS Rules. When a Participant or Subscriber is suspended or expelled from the MLS for a violation of the MLS Rules, the AOR/MLS shall cease to provide MLS services to such Participant or Subscriber except that the listings in the MLS at the time of suspension or expulsion shall, at the suspended or expelled Participant's option, be retained in the MLS compilation of current listing information until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. In the event listings are removed from the MLS pursuant to this section, it shall be the responsibility of the Participant to notify the seller(s) that the property is no longer listed in the MLS.

7.24 No Control of Commission Rates or Fees Charged by Participants. The AOR/MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the AOR/MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-participants.

7.25 Removed.

7.26 Right of Listing Broker and Presentation of Counter-Offers. The Listing Broker has the right to participate in the presentation of any counter-offer made by the seller(s) or lessor(s). The Listing Broker does not have the right to be present at any discussion or evaluation of a counter-offer by the buyer(s) or lessee(s) (except where the Buyer Broker is a subagent).

However, if the buyer(s) or lessee(s) give written instructions to the Buyer Broker that the Listing Broker not be present when a counter-offer is presented, the Listing Broker has the right to a copy of the buyer's(s') or lessee's(s') written instructions.

- 7.27 REO Disclosure.** Listing Brokers submitting foreclosure, bank-owned or real estate owned ("REO") listings to the service shall disclose said status upon submission of the listing to the service.

8. DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION.

- 8.1 Listing Agreement and Seller's Permission.** Prior to submitting a listing to the MLS, the Listing Broker shall obtain the written agreement of the seller(s) expressly granting the Listing Broker authority to:

- a) file the listing with the MLS for publication and dissemination to those authorized by the MLS;
- b) act as an agent for the seller(s);
- c) abide by the rules of the MLS;
- d) provide timely notice of status changes of the listing to the MLS;
- e) provide sales information, including selling price, to the MLS upon sale of the property for publication and dissemination to those authorized by the MLS; and
- f) publish sales information after the final closing of a sales transaction in accordance with these MLS rules (See Section 10.1).

8.2 Written Documentation.

- a) Any Listing Broker filing any property as a listing with the MLS shall have a written listing agreement with all necessary signatures in their possession. Only listings that create an agency relationship between the seller(s) and the Listing Broker are eligible for submission to the MLS. By submitting a listing to the MLS, Listing Broker represent that they have in their possession such written agreements establishing agency and the represented type of listing agreement.
- b) The AOR/MLS shall have the right to demand, at any time, a copy of:
 - i. any documentation necessary to verify the adequacy or accuracy of any information reported to the MLS or included in any listing record;
 - ii. any written authorization required under these rules;
 - iii. any documentation relevant to a rules enforcement inquiry or investigation.
- c) If the Participant or Subscriber fails to provide documentation requested by the AOR/MLS within 1 day, the AOR/MLS shall have the right to immediately remove the listing from the database.

- 8.3 Accuracy of Information; Responsibility for Accuracy.** By inputting information into the MLS computer database, the Listing Broker represents that the information input is accurate to the best of the Listing Broker's knowledge. The Listing Broker shall use good faith efforts to determine the accuracy of the information and shall not submit or input information which the Listing Broker knows to be inaccurate. Upon receipt of the first publication or electronic transfer by the MLS of such information, the Listing Broker shall make all necessary corrections. The MLS merely publishes the MLS information and has no affirmative responsibility to verify the accuracy of the MLS information. The AOR/MLS, however,

reserves the right to require Participants and Subscribers to change their MLS information if the AOR/MLS is made aware of alleged inaccuracies in the MLS information and the AOR/MLS determines that such inaccuracies do in fact exist. The MLS also reserves the right to remove a listing that contains said inaccurate information from the MLS compilation of current listings should Participant or Subscriber refuse or fail to timely correct. A Participant or Subscriber is required to correct inaccurate information within 2 days after being notified of the inaccuracies by the MLS. If a Participant or Subscriber fails to make necessary or required corrections to their MLS information, the Participant and Subscriber shall indemnify and hold harmless the AOR/MLS for any claims, cost, damage, or losses, including reasonable attorney fees and court costs, incurred by the MLS as a result of such failure. The AOR/MLS also reserves the right to remove information and listings from the database when it is clear that inaccurate data has been entered, in addition to disciplining the Participant and Subscriber for violations of the MLS rules. In no event will the AOR/MLS be liable to any Participant, Subscriber, or any other party for any indirect, special, or consequential damages arising out of any information published in the MLS, and all other damages shall be limited to an amount not to exceed the MLS fees paid by the Listing Broker.

- 8.4 Input Defined.** All references or uses of the word “input” shall also include information which is submitted to the MLS for input in the MLS database by the AOR/MLS staff, whether such information was provided to the AOR/MLS staff on a “property data form” or otherwise.
- 8.5 Buyer, Seller, Purchase, and Sale Defined.** All references to the buyer(s) shall also include tenant(s) and lessee(s). All references to the seller(s) shall also include landlord(s) and lessor(s). All references to a purchase shall also include a lease. All references to a sale shall also include a lease.

9. SELLING PROCEDURES.

- 9.1 Showings.** Buyer Broker shall follow all showing instructions as set forth in the MLS. Buyer Broker shall only provide access for showing, touring or inspecting a listed property to a client with whom the Buyer Broker has a written agreement that includes the following in a conspicuous location: a) a specific, objectively ascertainable compensation amount or rate, including how any such amount will be determined and the amount of compensation may not be open-ended such as “buyer broker fee shall be whatever amount a seller or listing broker is offering to pay buyer broker or buyer” and b) a term that prohibits Buyer Broker from receiving any fee or compensation that exceeds the amount or rate in the agreement with the buyer, regardless of the source of the payment of the fee and c) a statement that broker fees and commissions are not set by law and are fully negotiable. Nothing in this policy shall impose any restriction or requirement upon the Listing Broker.
- 9.2 Disclosing the Existence of Offers.** Listing Brokers, in response to inquiries from buyers or Buyer Brokers, shall, with the seller’s approval, disclose the existence of offers on the property. Where disclosure is authorized, the Listing Broker shall also disclose whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a Buyer Broker only if asked.
- 9.3 Availability to Show or Inspect.** Listing Brokers shall not misrepresent the availability of access to show or inspect a listed property. For any property in which Listing Broker selected

a status of Coming Soon or Hold, Listing Broker represents that the property shall have no showings or tours, whether conducted by Listing Broker or otherwise, until such time as the Property is placed in the Active or Active Under Contract status.

- 9.4 Presentation of Offers.** The Listing Broker must make arrangements to present the offer as soon as possible or give the Buyer Broker a satisfactory reason for not doing so. If a seller(s)/landlord(s) has directed that offers from Buyer Brokers are not to be presented for any length of time, seller's direction authorizing such arrangement shall be in writing and Listing Broker shall provide clear and accurate notice of the date of presentation of offers to Participants and Subscribers in the MLS. In the event the Listing Broker will not be participating in the presentation of offers, the Listing Broker shall clearly indicate this fact in the listing information published by the MLS.
- 9.5 Submission of Offers and Counter-Offers.** The Listing Broker shall submit to the seller(s) all offers and counter-offers until closing unless precluded by law, governmental rule, or expressly instructed in writing by the seller(s)/landlord(s) otherwise. If requested by Buyer Broker in writing, Listing Broker shall provide Buyer Broker with Listing Broker's written verification that Buyer Broker's offer was presented (or a written notification that the seller has waived the obligation to have the offer presented), said verification to be provided to Buyer Broker within 3 days of Buyer Broker's written request. The Buyer Broker acting for a buyer(s)/tenant(s), shall submit to buyer/tenant all offers and counter-offers until acceptance unless precluded by law, governmental rule, or expressly instructed by the buyer(s)/tenant(s) otherwise.
- 9.6 Right of Buyer Broker in Presentation of Offer.** The Buyer Broker has the right to participate in the presentation of any offer to purchase he or she secures. The Buyer Broker does not have the right to be present at any discussion or evaluation of that offer by the seller(s) and the Listing Broker. However, if the seller(s) give written instructions to the Listing Broker requesting that the Buyer Broker not be present when an offer the Buyer Broker secured is presented, the Buyer Broker shall convey the offer to the Listing Broker for presentation. In such event, the Buyer Broker shall have the right to receive a copy of the seller's(s') written instructions from the Listing Broker. Nothing in this section diminishes or restricts the Listing Broker's right to control the establishment of appointments for offer presentations.
- 9.7 Removed.**
- 9.8 Listing Broker Approval Showings and Negotiations.** Appointments for showings and negotiations with the seller(s) for the purchase of listed property filed with the MLS shall be conducted through the Listing Broker except under the following circumstances:
- a) The Listing Broker gives the Buyer Broker specific authority to show and/or negotiate directly with the seller(s), or;
 - b) After reasonable effort and no less than 24 hours, the Buyer Broker cannot contact the Listing Broker or his or her representative. However, the Listing Broker, at his or her option, may preclude such direct negotiations by the Buyer Broker by giving notice to all Participants through the MLS. In the event all showings and negotiations will be conducted solely by the seller(s), the Listing Broker shall clearly set forth such fact in the

listing information published by the MLS.

9.9 Buyer Broker as a Buyer. If a Buyer Broker wishes to acquire an interest in property listed with a Listing Broker, such contemplated interest shall be disclosed to the Listing Broker prior to the time an offer to purchase is submitted to the Listing Broker.

9.10 Physical Presence of Participant or Subscriber. A Participant or Subscriber must be physically present on the property at all times when providing access to a listed property unless the Seller has consented otherwise.

10. REPORTING SALES AND OTHER INFORMATION TO THE MLS.

10.1 Statuses. The following statuses shall apply to listings on the MLS and Listing Broker shall place a listing in the correct status:

Coming Soon: A valid listing contract exists, and no offer has been accepted. The Listing Broker is in possession of a seller signed instruction to submit the listing as “Coming Soon”. Marketing and Advertising as defined in Rule 7.9 is permitted and shall include language that the property is “Coming Soon” and shall include the date the property will become Active. The property is not available for showings consistent with Rule 9.3.

Active: A valid listing contract exists, and no offer (with or without contingencies) has been accepted. Marketing and Advertising as defined in Rule 7.9 is permitted.

Active Under Contract: Offer accepted and either: 1) seller requests that property remain in an On-Market status and is looking for back-up offers, or; 2) the sale is subject to court or other third-party approval. Marketing and Advertising as defined in Rule 7.9 is permitted.

Hold: A valid listing contract exists, and no offer has been accepted. The Listing Broker is in possession of a seller written instruction to submit the listing as “Hold” This instruction may be due to various reasons such as multiple quality offers already received, repairs, illness, guests, etc. Marketing and Advertising as defined in Rule 7.9 is permitted. The property is not available for showings consistent with Rule 9.3.

Withdrawn: A valid listing contract is in effect. However, the property is no longer being marketed and as such no Marketing or Advertising shall occur consistent with Rule 7.9.

Pending: The seller has accepted an offer and is not soliciting offers through the MLS. Any Marketing or Advertising of the property while in Pending status will not be considered a violation of Rule 7.9.

Canceled: The listing agreement has been canceled.

Expired: The listing agreement has expired. The time frame of the existing listing contract has run out.

Sold: Escrow has closed.

Leased: The property has been leased.

10.2 Reporting of Sales.

- a) Listings with accepted offers shall be reported to the MLS or input into the MLS database as “pending” or “active under contract” within 2 days of the acceptance by the Listing Broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the Buyer Broker shall notify the Listing Broker of the “pending” or “active under contract” status within 2 business days after acceptance, whereby the Listing Broker shall then report or input the status change to the MLS within 2 days of receiving notice from the Buyer Broker.
- b) The listing shall be published on the MLS as “pending” or “active under contract” with no price or terms prior to the final closing.
- c) Upon final closing, the Listing Broker shall report or input the listing in the MLS as “sold” and report the selling price within 2 days of the final closing date unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the Buyer Broker shall notify the Listing Broker of the “sold” status and selling price within 2 days after the final closing date, whereby the Listing Broker shall then report or input the status change and selling price to the MLS within 2 days of receiving notice from the Buyer Broker.
- d) Listings which were not input into the MLS for cooperation as a result of the seller’s instructions may be input into the MLS “sold” data at the Listing Broker’s option. However, listings which were input into the MLS but subsequently withdrawn must still be reported under this section if the seller is represented by the Listing Broker when it closes.
- e) The MLS may accept the reporting of sales information for comparable purposes about other properties which were not otherwise eligible for input into the MLS but are located in the MLS’s service area and “sold” by a Participant who represented a party in the transaction (i.e. broker who represented the seller or broker who represented the buyer), as long as such reporting is authorized by a party in the transaction to the broker who represented it, (if requested by the MLS documentation must be presented to MLS within 2 days), and the circumstances of the representation are disclosed on the Service by the reporting participant or subscriber. Any submission of sales information for comparable purposes must occur within 30 days after close of escrow.

10.3 Removal of Listings for Refusal/Failure to Timely Report Status Changes. The AOR/MLS is authorized to remove any listing from the MLS compilation of current listings where the Listing Broker has refused or failed to timely report status changes. Prior to the removal of any listing from the MLS, the Listing Broker shall be advised of the intended removal so the Listing Broker can advise his or her client(s).

10.4 Reporting Cancellation of Pending Sale. The Listing Broker shall report to the MLS within 2 days the cancellation of any pending sale and the listing shall be reinstated immediately so long as there is still a valid listing.

10.5 Refusal to Sell. If the seller(s) of any listed property filed with the MLS refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the MLS and to all Participants.

11. OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS.

- 11.1 MLS Compilation Defined.** The term “MLS compilation” includes, but is not limited to, the MLS computer database, all printouts of data from the MLS computer database, and all MLS publications.
- 11.2 Active Listing MLS Compilation Defined.** “Active listing MLS compilation” shall mean that portion of the MLS compilation which includes listings currently for sale and all other indexes and other information relating to the current listing information.
- 11.3 Comparable Data MLS Compilation Defined.** “Comparable Data MLS compilation” shall mean that portion of the MLS compilation that includes the off-market data, sold and appraisal information regarding properties that are not currently for sale, and all indexes and information relating to the sold information compilation.
- 11.4 Authority to Put Listings in MLS Compilation.** By submitting any property listing content (e.g., photographs, images, graphics, audio and video recordings, virtual tours, drawings, renderings or any other representation, descriptions, remarks, narratives, pricing information, and other details or information related to listed property) to the MLS or inputting listing information into the MLS compilation, Participants and Subscribers represent and warrant that they have been authorized to grant license and also thereby do grant authority for and license the MLS to include the property listing content in its copyrighted MLS compilation. By submitting any property listing content to the MLS, Participants and Subscribers represent and warrant that they have been authorized to report information about the sales, price and terms of a listing, have authority to grant and also thereby do grant authority for the MLS to include the sold information in its copyrighted MLS compilation.
- 11.5 Media on the MLS.** Media is defined as any depiction or expression of works including, but not limited to, photographs, images, drawings, renderings, audio, video, and virtual tours. The Participant/Subscriber submitting Media to the MLS grants CRMLS an irrevocable, unrestricted, transferable, perpetual, royalty-free, non-exclusive license (with right to sublicense) to use, store, reproduce, compile, display and distribute the media as part of its compilation. Submitted Media is any content placed in a listing, or content that is accessible by external links placed in a listing. Media submitted to the MLS is subject to the following:
- a) **Content Restrictions.** Content of Media submitted to the MLS shall be limited to visual representations of the property, anything included in the sale of the property, and/or any amenities or features related to the property. Inclusion of text is permitted in aerial or overview photos only as reasonably necessary to identify features of the land, utilities, size, location, or streets/roads. Written communication, content that may be determined to create a safety hazard or concern, or content that is otherwise deemed to be inappropriate by MLS staff is prohibited. MLS staff shall have the right to remove from the MLS any Media that is in violation of any MLS rule, including but not limited to this section.
 - b) **Prior Authorization.** By submitting any media to the MLS, the Participant and Subscriber represent and warrant that they own the right to reproduce and display the media or they have procured such rights and all necessary licenses from appropriate parties. Rights that have been obtained by the Participant/Subscriber from another party

shall be fully set forth in a writing that must be in place prior to the submission of the subject Media to the MLS.

- c) **Truthful Representation.** Media submitted to the MLS must be a truthful representation of the property in all respects, including but not limited to the interiors of and views from the property and anything included in the sale of the property. Photos depicting views that are not of the property or from the property, or that are depicting HOA amenities must be captioned as such. “Renderings” of the property and its condition, defined as representations created to show how the property will or may be built or improved, regardless of the means used to create the representation, are permitted to be used in the MLS. Such Renderings that represent conditions that will be in place at closing, or that are included in the purchase price, may be used in accordance with the requirements of Rule 11.5.2, whether digitally rendered or not. Renderings that represent potential conditions that will not be present at closing or are not included in the purchase price, may be placed in the Supplements for the listing, and must be truthful in all respects, including but not limited to provision of a notification that the improvements or conditions in the Rendering are not included in the purchase price.
- d) **Subsequent Use of Media.** Use of Media that is included in the MLS Compilation by any subsequent Participant/Subscriber requires prior written authorization from the Participant/Subscriber who previously submitted the Media and any party with the legal right to grant such authorization. Notwithstanding the foregoing, subsequent use of Media which results in double watermarks appearing in the Media is prohibited.
- e) **Branded Media.** Branding of any Media submitted to the MLS is prohibited. Branding is defined as the inclusion of any content in media that can be used to identify any person or entity including but not limited to the listing broker or agent or any franchise or company the broker or agent are affiliated with, contact information for the broker or agent et al, or any other material that is or may be associated with the broker or agent et al. Media content that may be considered Branding includes, but is not limited to: signs, contact information, identifiable persons, logos, slogans, catchphrases, external links or references, team names, or any other items related to the broker or agent et al.

11.5.1 Mandatory submission Photograph/Rendering

- a) At least one photograph or rendering accurately depicting a substantial portion of the exterior of the subject property must be submitted to the MLS within two (2) days of entry of listing and must remain in the listing at all times for all statuses.
- b) Exemptions
 - i. Business Opportunity entries are exempted from 11.5.1.
 - ii. If applicable, a seller’s written instruction to the listing broker expressly directing that photographs/renderings of the subject property not appear in the MLS compilation must be provided to the MLS/AOR within two (2) days of listing entry.
- c) The MLS/AOR reserves the right, after notice has been given to the Participant and Subscriber, to remove any listing from the database for failing to comply with this section.

11.5.2 Digitally Altered Images. A Subscriber who submits to the MLS any Digitally Altered Image must also (i) submit the original, unaltered version of the digitally altered image, (ii) ensure that the original, unaltered version is displayed in the

listing immediately before or after the digitally altered image, and (iii) ensure that the digitally altered image is labeled as “Photo Modified”, “Virtually Staged”, “Digitally Altered,” or “AI Altered,” or some accurate substantially similar term in the text field section for the altered photo in the add/edit module.

“Digitally Altered Image” means an image or photo, created by or at the direction of the real estate broker or salesperson, or person acting on their behalf, that has been altered through the use of photo editing software or artificial intelligence to add, remove, or change elements in the image related to furniture or appliances.

“Digitally Altered Image” does not include an image where only slightly enhanced lighting, sharpening, white balance, color correction, angle, straightening, cropping, exposure, or other common photo editing adjustments are made that do not change the representation of the real property.

Pursuant to this section and CRMLS Rules 11.5(c) and 12.10 regarding Truth in Advertising, Subscribers may not add to a listing record any image or photo that has been altered to add, remove, or modify any (i) real property elements including but not limited to flooring, walls, windows, structural elements, cabinetry, paint color, hardscape, landscape, façade, fixtures, or floor plans unless the listed property will be improved to match the altered photo at time of close as part of the listed price, or (ii) elements outside of, or visible from, the property, including, but not limited to, streetlights, utility poles, views through windows, and neighboring properties.

11.5.3 Removal of Media. The MLS/AOR reserves the right, without notice, to remove any Media that does not comply with the MLS Rules and Policies.

- 11.6 Copyright Ownership.** Notwithstanding 11.5, the MLS may brand any media submitted as part of a listing entry to protect its rights under this section. All right, title, and interest in each copy of every MLS compilation created and copyrighted by the MLS, and in the copyrights therein, shall at all times remain vested in the MLS. The MLS shall have the right to license such compilations or portions thereof to any entity pursuant to terms agreed upon by the Board of Directors. All right, title, and interest in each copy of every compilation created by any technology solution aggregator, shall, pursuant to agreement with the MLS, at all times remain vested in the aggregator.
- 11.7 Leasing of MLS Compilations.** Each Participant shall be entitled to lease from the MLS the number of copies of each MLS compilation of active listing information sufficient to provide the Participant and Subscriber with one copy of such MLS compilation. Participants and Subscribers shall acquire by such lease only the right to use the MLS compilations in accordance with these rules. Clerical Users may have access to the information solely under the direction and supervision of the Participant or Subscriber. Clerical Users may not provide any MLS compilation or information to persons other than the Participant or the Subscriber under whom the Clerical User is registered.
- 11.8 Removal of Media or Property Information from the MLS.** Information entered in the MLS by users falls into two categories: Media and Property Information. Media consists of photographs, videos, or other imagery. Property Information consists of all information that

is not Media.

- a) Property Information may be edited or removed by users at any time so long as the listing is not in a finalized status such as Sold, Leased, Cancelled, or Expired.
- b) Media may be edited or removed by users at any time so long as the listing is in Active, Coming Soon, Hold or Withdrawn status.
- c) For sales, editing or removing Media while the listing is subject to a purchase contract, or at closing, by any means including, but not limited to, manipulation of listing status, is a violation of this rule.
- d) All listings remain subject to the minimum photo requirements of Rule 11.5.1 at all times, for all statuses.

11.9 Removal of and Responsibility for Content. The MLS has the right, but not the obligation, to reject, pull down, restrict publication of, access to or availability of content the MLS in good faith considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, unlawful or otherwise objectionable. Participants and Subscribers remain solely responsible and liable for the content they provide. In no case will any monitoring or removal of Participants' or Subscribers' content by the MLS make it responsible or liable for such content.

11.10 Indemnification; Limitation of Liability. Participant and Subscriber shall defend, indemnify and hold harmless the service and every other Participant and Subscriber ~~for~~ from and against any liability, claims, costs, damage or losses, including reasonable attorney fees and court costs, resulting from or arising out of any content Participant and/or Subscriber submit to or in any way wrongfully reproduce from the Service. In no event will the MLS be liable to any MLS Participant, Subscriber or any other party for any indirect, special or consequential damages arising out of any information published in the MLS and all other damages shall be limited to an amount not to exceed the MLS fees paid by the Listing Broker.

11.11 Pursuing Complaints of Unauthorized Use of Listing Content. MLS Participants and Subscribers may not take legal action against another Participant or Subscriber for alleged rules violation(s) unless the complaining Participant or Subscriber has first exhausted the remedies provided in these rules.

- a) **Notice.** Any Participant or Subscriber who believes another Participant or Subscriber has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No Participant or Subscriber may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this section of the MLS rules.
- b) **Response.** Upon receiving a notice, the applicable Committee/Board of Directors will send the notice to the Participant or Subscriber who is accused of unauthorized use. Within ten (10) days from receipt, the Participant or Subscriber must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the Committee/Board of Directors that the use is authorized. Any proof submitted will be considered by the

Committee/Board of Directors, and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.

- c) **Determination.** If the Committee/Board of Directors determines that the use of the content was unauthorized, the Committee/Board of Directors may issue sanctions pursuant to the MLS rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after transmittal of the decision. If the unauthorized use stems from a violation of the MLS rules, that too will be considered at the time of establishing an appropriate sanction.
- d) **Court Action If Uncured.** If after ten (10) days following transmittal of the Committee's/Board of Director's determination the alleged violation remains uncured (i.e., the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law.

11.12 Participant Access and Entitlement to Their Own Listing Information; Data Portability.

The Service must, upon request, promptly provide a Participant (or the Participant's designee) a data feed containing, at minimum, all active MLS listing content input into the MLS by or on behalf of the Participant and all the Participant's off-market listing content available in the MLS system. The delivery charges for the Participant's listing content shall be reasonably related to the actual costs incurred by the MLS. The data feed must be in compliance with the prevailing RESO (Real Estate Standards Organization) standards required by NAR MLS Policy. The Service will not limit the use of the Participant's listing content by the Participant or Participant's designee.

12. PROHIBITIONS AND REQUIREMENTS.

- 12.1 Notification of California Department of Real Estate (DRE) or California Bureau of Real Estate Appraisers (BREAA) Action.** Participants and Subscribers are required to notify the AOR/MLS within 24 hours of any final action taken by the DRE or the Bureau of Real Estate Appraisers (BREAA) against the Participant, Subscriber, or any licensee affiliated with the Participant or Subscriber, including, but not limited to, any final decisions restricting, suspending, or revoking a real estate license or Appraiser's certification or license of a Participant, the Participant's firm or corporation under which the Participant or Subscriber acts, or any licensee affiliated with the Participant or the Participant's firm or licensee or Appraiser who was affiliated with the Participant or Participant's firm at the time of the underlying act.
- 12.2 Violations of the Law.** If a Participant, Subscriber, Appraiser, or a licensee affiliated with a Participant or Subscriber commits a felony or a crime involving moral turpitude or violates the Real Estate Law or the laws relating to Appraisers, the Participant and Subscriber shall be in violation of this section. However, a Participant or Subscriber shall not be found to have violated this section unless the Participant, Subscriber, Appraiser, or salesperson licensed to the Participant has been convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the Participant or Subscriber violated a provision of the California Real Estate Law or a Regulation of the Real Estate

Commissioner or law relating to Appraisers.

- 12.3 Supervision of R.E. Licensees and Appraisers.** In addition to the notification requirements of Section 12.1, a Participant may not allow any licensee, under the Participant's license, whose license has been revoked, suspended or restricted by the DRE to use the MLS in any manner while the DRE discipline is in effect except that the licensee may use the MLS under a restricted license providing such use is consistent with and does not violate such license restrictions.
- 12.4 Solicitation of Listing Filed With the MLS.** Participants and Subscribers shall not solicit a listing filed with the MLS unless such solicitation is consistent with Article 16 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations. The purpose of this section is to encourage sellers to permit their properties to be filed with the MLS by protecting them from being solicited through unwanted phone calls, visits, and communications, prior to expiration of the listing, by Brokers and salespersons seeking the listing upon its expiration. This section is also intended to encourage Brokers to participate in the MLS by assuring them that other Participants and Subscribers will not attempt to persuade the seller(s) to breach the listing agreement or to interfere with the Listing Broker's attempts to market the property. This section does not preclude solicitation of listings under circumstances otherwise permitted under Article 16 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations.
- 12.5 Misuse of Public Remarks.** Information in the public remarks shall only relate to the description, features and condition of the property and related amenities. The following types of information may not be included in the public remarks:
- Contact information of any kind;
 - Branded content (as defined in Rule 11.5(e));
 - Links to external websites of any kind, including but not limited to, agent or broker sites, video tours, virtual showing or open house tools, vendor sites, or offer submission/application/auction platforms;
 - Showing instructions or open house information;
 - Information regarding lockboxes, alarms, gate or other security codes, or occupancy status of the property (a statement that the property shall be delivered vacant is not a violation of this section).
 - Information deemed to create an unsafe or unsecure circumstance related to the listed property, property occupants, real estate practitioners, or the public;
 - Information directed toward agents or brokers, including but not limited to, references to compensation, commission sharing or bonuses;
 - Solicitations or invitations for the public to contact the listing agent or broker or any third parties affiliated with the listing agent or broker, and;
 - Content that violates Fair Housing law or that is deemed discriminatory, illegal, defamatory, offensive, or otherwise inappropriate. CRMLS reserves the right to remove and issue citations for any inappropriate content.

By submitting remarks to the MLS, Participant and/or Subscriber represents and warrants he or she has the authority to grant, and hereby grants the MLS and the other Participants and Subscribers the right to reproduce and display the remarks in accordance with these rules.

Copying of remarks by a subsequent listing agent for use in his or her own listing requires prior written authorization from the originating listing agent or other appropriate party with the legal right to reproduce and display such remarks.

12.5.1 Misuse of Other Remarks and Media. Participants and Subscribers may not use any remarks or other media fields in a property data profile sheet or listing submitted to the MLS or inputted directly into the MLS database for purposes of disparaging other real estate agents or conveying information about other offices or for conveying any other information that does not directly relate to the marketing of the listing.

12.6 “For Sale” Signs. Only the “For Sale” signs of the Listing Broker may be placed on the property.

12.7 “Sold” Signs and Use of the Term “Sold.” Only Real Estate Brokers or R.E. Subscribers who participated in the transaction as the Listing Broker or Buyer Broker may claim to have “sold” the property. Prior to closing, a Buyer Broker may post a “sold” sign on a property only with the consent of the Listing Broker. This section does not, however, prohibit any Broker from advertising the addresses and prices of the properties that have sold in a neighborhood after the information regarding the properties has been published as long as the advertisement does not imply the agent was involved in the transaction unless such is the case and as long as the advertisement otherwise presents a ‘true picture’ as is meant under Article 12 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations.

12.8 Advertising of Listing Filed With the MLS. A listing shall not be advertised in any media or used for any advertising purposes, including the Internet, by any Participant or Subscriber other than the Listing Broker, without the prior consent of the Listing Broker except as provided in Section 19.2 relating to display of listings on the Internet.

12.8.1 Advertising of Listing in Printed Neighborhood Market Report. Subject to the conditions set forth in (a) through (c) below, as well as throughout these Rules, Participants and Subscribers may include the listings of others in their printed “Neighborhood Market Reports.” The “Neighborhood Market Report” is defined as an advertising and/or information sheet (typically appearing in the form of a postcard, flier or newsletter) compiled by and/or for use by a licensee which sets forth a list of home activity in a particular neighborhood area. Advertising appearing in newspapers, magazines or other classified forms is not included in the definition of “Neighborhood Market Report” and is not authorized by this Rule 12.8.1.

- a) **Consent.** The listing brokers’ consent for such advertising is presumed, in satisfaction of Rule 12.8, unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit others to advertise his listing in the “Neighborhood Market Report” (i.e. “opts-out”) either on a blanket or listing by listing basis. Listing brokers that refuse to permit other Broker Participants or Subscribers to advertise their listings on a blanket basis may not display the listings of the other brokers’ listings in their own “Neighborhood Market Reports”. Even where Listing Brokers have given blanket authority for other Broker Participants and Subscribers to advertise their listings in the “Neighborhood Market Report”, such consent may be withdrawn on a listing-

by-listing basis where the seller has prohibited it. Participants and Subscribers are not permitted to include listings in their Neighborhood Market Report from which listing broker has opted out and will be responsible for verifying that they have permission to advertise all listings contained in their Neighborhood Market Reports.

- b) **Listing Attribution.** All On-Market listings in the “Neighborhood Market Report” must identify the name of the listing firm(s) and the name of the listing agent(s) in a manner designed to easily identify such listing firm(s) or agent(s). Such identification shall be in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.
- c) **Allowable Listing Content.** Broker Participants and Subscribers may include only those portions of the MLS compilation consisting of the following: property address (and whether attached or detached), status, price, , number of bedrooms, number of bathrooms, number of garages (and whether attached or detached), square footage, lot size, year built, tract or development name, and if there’s a pool. Display of other fields, as well as confidential information and photographs, is prohibited.

12.9 Limitations on Use of MLS Information in Advertising. Except as provided in Sections 12.7, 12.8, 12.11 and 12.15, truthful use of information from the MLS compilation of current listing information, from the MLS’ “statistical report,” or from any “sold” or “comparable” report of the MLS for public mass media advertising by an MLS Participant or Subscriber or in other public representations for purposes of demonstrating market share is not prohibited. However, any print or non-print forms of advertising or other forms of public representations must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice in a manner readily visible to consumers but not less than 7pt type:

“Based on information from California Regional Multiple Listing Service, Inc. as of [date the AOR/MLS data was obtained] and /or other sources. All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information”.

12.10 False or Misleading Advertising and Representations; True Picture Standard of Conduct. Participants and Subscribers may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the Participant’s or Subscriber’s relationship to the MLS, about the MLS itself, or about any property listed with the MLS. MLS Participants and Subscribers shall present a true picture in their advertising and representations to the public, including internet content, images and the URLs and domain names they use, and Participants and Subscribers may not:

12.10.1 Engage in deceptive or unauthorized framing of real estate brokerage websites;

12.10.2 Manipulate (e.g., presenting content developed by others) listing content and other content in any way that produces a deceptive or misleading result;

12.10.3 Deceptively use metatags, keywords or other devices/methods to direct, drive or divert Internet traffic;

12.10.4 Present content developed by others without either attribution or without permission, or;

12.10.5 Otherwise mislead consumers, including use of misleading images.

12.11 Use of MLS Information. In recognition that the purpose of the MLS is to operate a broker cooperative and to market properties for cooperation with other Broker Participants and R.E. Subscribers for the sole purpose of selling the property, and that sellers of properties filed with the MLS have not given permission to disseminate the information for any other purpose, Participants and Subscribers are expressly prohibited from using MLS information for any purpose other than to market property to bona fide prospective buyers or to support market evaluations or appraisals as specifically allowed by Sections 12.14, 12.15 and 19.2. MLS information may also be used to develop Statistics, Market Condition Reports, and Broker or Agent Metrics. Any use of MLS information inconsistent with these sections is expressly prohibited. Nothing in this section, however, shall limit the MLS from entering into licensing agreements with MLS Participants and Subscribers or other third parties for use of the MLS information.

12.11.1 Use of MLS Data in AI/Machine Learning. Participants and Subscribers shall not provide, submit, transmit, upload, or otherwise make available any MLS Listing Records, or any portion, derivative, or compilation thereof, to any Artificial Intelligence (AI) platform, machine learning system, large language model, generative AI tool, or automated data training environment, except for:

Limited Permitted Use. A Participant or Subscriber may submit MLS Listing Records into an AI platform solely for the purpose of conducting a specific, defined real estate transaction or project on behalf of a client, provided that:

- The AI platform does not retain, store, index, copy, or incorporate the MLS Listing Records or any portion thereof into any training dataset, foundational model, or persistent data store beyond the immediate session or defined project;
- The Participant or Subscriber has verified that the AI platform's terms of service, privacy policy, or data use agreement prohibit the retention or use of submitted data for model training or improvement;
- The MLS Listing Records are used solely for the benefit of the specific client engagement for which they were submitted and are not repurposed, shared, or made available to any third party through the AI platform; and
- The Participant or Subscriber does not submit bulk, aggregated, or systematically compiled sets of MLS Listing Records into any AI platform for any purpose other than the specific transaction or project at hand.

12.12 Confidentiality of MLS Information. Any information provided by the MLS to the Participants and Subscribers shall be considered and treated as confidential by Participants and Subscribers and shall be for the exclusive use of the Participants and Subscribers for purposes described in Sections 2, 12.7, 12.11, 12.14, 12.15, 19.2 and this section. Participants and Subscribers shall at all times maintain control over and responsibility for each copy of any MLS compilation leased to them by the MLS and shall not distribute any such copies to persons other than Participants and Subscribers. Participants and Subscribers are responsible for the security of their pass codes and shall not give or allow use of or make available their pass codes to any person. Participants and Subscribers may reproduce or display the information as provided in these rules.

12.12.1 Clerical Users. Clerical Users may have access to MLS information solely under the direction and supervision of the Participant or Subscriber. Clerical Users are expressly prohibited from displaying or distributing MLS information to anyone other than the Participant or Subscriber under whom they are registered. Access by Clerical Users to the database is solely for clerical and administrative functions for the Participant or Subscriber under whom the Clerical User is registered.

12.13 Access to Comparable and Statistical Information. AOR/MLS members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS, including “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive use of AOR/MLS members and individuals affiliated with AOR/MLS members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in these rules.

12.14 Display. Subject to Sections 12.15 and 19.2, Broker Participants and R.E. Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identify and bona fide prospective buyers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation. Broker Participants and R.E. Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identified and bona fide sellers or prospective sellers only in conjunction with their ordinary business activities in listing properties. Appraiser Participants and Appraiser Subscribers shall be permitted to display the MLS compilation to the person requesting the appraisal only in conjunction with their ordinary business activities of producing a written appraisal. Such displays under this section shall be only in the immediate presence of the MLS Participant or Subscriber.

12.15 Reproduction. “Reproduction” shall include, but not be limited to, making photocopies, computer printouts, electronic transfers (including email), or downloading of MLS data or compilations. Participants and Subscribers or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof except as provided in Section 19.2 and in the following limited circumstances:

12.15.1 Copies to Prospective Buyers. Broker Participants and R.E. Subscribers may reproduce from the MLS compilation, and distribute to prospective real estate buyers, copies of those portions of the MLS compilation consisting only of a description of the property, including the address, features, financing, and price, as well as photographic images and recordings of the property.

12.15.2 Information Reproduced. Unless the Participant or Subscriber obtains prior written consent from the Listing Broker, the information reproduced pursuant to this section shall not include the following:

- a) Property owner's name, phone number, and address (if different than the listed property);
- b) Instructions or remarks intended for Buyer Brokers, including, but not limited to, showing instructions or security references (ex: lock box, burglar alarm, or security system, vacancies) regarding the listed property;
- c) Type of listing;
and.
- d) Other information which goes beyond a description of the property.

12.15.3 Copies for Appraisals. Participants and Subscribers may reproduce from the MLS compilation and attach to an appraisal as supporting documentation copies of those portions of the MLS compilation consisting only of such information on properties necessary to support a written appraisal or estimate of value on a particular property.

12.15.4 Downloading into Computers. Participants and subscribers may download MLS information into a computer or computer system as long as:

- a) Access to the computer or computer system receiving the information is strictly limited to authorized Participants, Subscribers, and Clerical Users as defined in these rules; and
- b) The information is only retransmitted to the Participants, Subscribers, and Clerical Users authorized to access the computer or computer system by these rules; and
- c) The information is not reformatted or used to create another product except as may be used by the Participant who downloaded the data and such use strictly complies with Sections 12.7, 12.11, 12.15 and 19.2.

12.15.5 Sold Information. Individuals legitimately in possession of current listing information, "sold" information, "comparable" or statistical information may utilize such information to support an estimate of value on a particular property for a particular client. However, only such information that the MLS has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules with the exception of usage as defined under Section 19.2.

12.16 RELOCATED. Refer to Section 19.2.

- 12.17 Applicability of Rules to MLS.** These Rules are binding on the MLS Participants and Subscribers. Nothing in these Rules shall limit the right of the MLS to enter into licensing agreements with third parties for use of the MLS compilations or any portion thereof in accordance with terms approved by the Association or MLS Board of Directors.
- 12.18 Listing Broker's Right to Opt Out of Internet Advertising of MLS Information.** If the MLS advertises MLS information on the Internet or licenses MLS information for advertising on the Internet, the Listing Broker shall have the right to opt out of such advertising in accordance with the MLS's procedures for opting out. The Listing Broker shall have the right to refuse to have listings displayed on a blanket basis or on a listing- by-listing basis in accordance with Section 19.2 by affirmatively notifying the AOR/MLS in accordance with the MLS procedures for opting out. Notwithstanding anything in these Rules to the contrary, the AOR/MLS Board of Directors reserve the right to determine whether to provide Internet advertising services and whether such services are to be made available to non-REALTOR® members.
- 12.19 Website Name and Status Disclosure.** MLS Participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of Subscribers affiliated with a Participant's firm shall disclose the firm's name and the Subscriber's state(s) of licensure in a reasonable and readily apparent manner.
- 12.20 Use of the Terms MLS and Multiple Listing Services.** No MLS Participant or Subscriber shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants and Subscribers shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to Participants and Subscribers. This does not prohibit Participants and Subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.
- 12.21 Participant and Subscriber Standards of Conduct.** The services which MLS Participants provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.
MLS participants shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth.
- 12.22 Required Email Address.** Every MLS Participant/Subscriber shall be required to maintain on file with the AOR/MLS a current, accurate, and active email address at which they may be contacted.
- 12.23 Definition of Calendar Days/Business Days.** For purposes of this Ruleset: All references to

Days shall mean Calendar Days, which is defined as any day Monday through Sunday, excluding holidays. Where the term Business Days is used, the term is defined as any day Monday through Friday, excluding holidays.

13. LOCKBOXES.

- 13.1 Access Rights.** MLS Participants and Subscribers are granted access rights to Active or Active Under Contract listed properties consistent with the instructions of the listing broker as set forth in the MLS. Listing Brokers shall make Active and Active Under Contract properties reasonably available to Cooperating Brokers for showings when it is in the best interest of the Seller. It is incumbent on the Listing Broker to verify the validity of the requesting party prior to providing access or access information.
- 13.2 Reasonable and Timely Means of Access.** Any property access system or mechanism must provide reasonable, timely access to listed property. Specifically, such system or mechanism must allow access by reliance solely on data/information submitted to and residing in the MLS, or via an MLS provided third-party licensed product. Data/information conveying access information must be complete and accurate and shall be entered in the Showing Instructions field. Timely access is defined as access or any further information required for access being provided within four (4) hours of initial contact. This four (4) hour response obligation shall be in effect every day between 8 am and 6 pm.
- 13.3 Unauthorized Access.** The following are prohibited:
- a) Providing access or information as to the means of access to anyone other than the Participant or Subscriber intended to use the information or access the property, unless specifically pre-authorized by Listing Broker.
 - b) Accessing or providing access or information as to the means of access to the property for any reason other than facilitating the sale/lease of the property.
 - c) Accessing property by Appraiser Participants without the Listing Broker's pre-authorization.
 - d) Entering a property or engaging any means of access without entering the property, without or in any manner inconsistent with the Listing Broker's permission. Unless otherwise set forth in the MLS or communicated by the Listing Broker, such permission is granted by the Listing Broker providing information necessary to access the property.
- 13.4 Written Authority.** Listing Brokers shall not create an access method on a property without written authority from the Seller and occupant if other than the Seller.
- 13.5 Terminating Access.** Any access method shall be removed or otherwise terminated within one (1) day after the close of escrow, expiration/cancellation of the listing, or effective date of a lease agreement.

14. VIOLATIONS OF RULES AND POLICIES.

All references to *California Code of Ethics and Arbitration Manual* refer to the publication of the California Association of REALTORS® as amended from time to time.

14.1 Grounds for Disciplinary Action and Sanctions. After a hearing by a hearing panel as provided in the *California Code of Ethics and Arbitration Manual*, the Association or MLS Board of Directors may take disciplinary action and impose sanctions against any Participant and Subscriber:

- a) For violation of any MLS rule.
- b) On the Participant's or Subscriber's being convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the Participant or Subscriber violated a provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or the laws relating to Appraisers or a Regulation of the Office of Real Estate Appraisers (OREA).
- c) For any violation of subsection (a) by any person, including, but not limited to, a Clerical User or a salesperson, who is not a Participant or Subscriber but is employed by or affiliated with such Participant or Subscriber and was providing real estate related services within the scope of the Participant's or Subscriber's license. Lack of knowledge by the Participant or Subscriber of such salesperson's conduct shall only go to mitigation of discipline imposed.
- d) For any violation of the N.A.R. Code of Ethics while a member of any Association of REALTORS®.

14.2 Sanctions. Sanctions or disciplinary action for violation of an MLS Rule may consist of one or more of those specified in the *California Code of Ethics and Arbitration Manual*.

14.3 Citations. The AOR/MLS may implement a schedule of fines (as outlined in the MLS Citation Policy) for certain MLS Rules violations and direct staff to issue citations for the specified MLS rules violations and implement a procedure whereby the Participant and Subscriber receiving the citation may either pay the amount specified on the citation or request a full hearing in accordance with the procedures set forth in the California Code of Ethics and Arbitration Manual.

14.3.1 Mandatory Hearing for Multiple Citations. For any MLS Rule violation that would result in a fourth (or further) Citation in any calendar year, the violator and the violator's Office Manager or Designated Broker, if applicable, shall appear before a Professional Standards hearing panel to: 1) adjudicate the alleged MLS Rule violation(s), 2) determine additional sanctions the panel deems appropriate for the violator's continuing failure to follow the MLS Rules, and 3) determine sanctions the panel deems appropriate for the Office Manager or Designated Broker's failure to properly supervise and correct the violator's continuing failure to follow the MLS Rules. If the violator is the Designated Broker, determination of sanctions for failure to supervise shall not apply.

14.4 Duty to Correct and Cooperate.

- a) A Participant and Subscriber, within 1 day of a Citation, must correct any violation of the Rules and Policies and bring the listing into compliance.
- b) Failure to correct violations or cooperate with an investigation under the Rules and

Policies within the 1-day correction period may subject a non- conforming listing to removal from the MLS database.

- c) Any fines levied against a Participant under this Section as a result of the actions of a Subscriber under the Participant may be transferred to an appropriate manager under the Participant at Participant's discretion. Copies of all notices related to such fines shall be retained by the Participant.

14.5 MLS Modification of Information. In connection with the enforcement of MLS Rules and Policies or as otherwise needed to correct listing information, MLS Staff may modify any field or data point within any listing.

14.6 Abusive Conduct. Participants or Subscribers shall not engage in abusive conduct towards MLS or Association staff at any time in any interaction by any method of communication. Abusive conduct includes, but is not limited to, issuing threats or intimidation, using profanity or insulting language, harassment, bullying, coercion, shouting or otherwise behaving in a manner that creates apprehension in the recipient of the conduct.

14.7 Disclosure Limitations. Any information received by the MLS in response to an investigation that results in a "no violation" ruling may be shared with any reporting party.

15. PROCEDURES FOR MLS RULES HEARINGS.

All MLS Rules hearings shall be processed in accordance with the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. Failure to abide by the procedures of the *California Code of Ethics and Arbitration Manual* shall be a violation of these MLS rules.

16. ARBITRATION.

16.1 Mandatory Arbitration. By becoming and remaining a Participant or Subscriber in the MLS, each Participant and Subscriber agrees to submit disputes arising out of the real estate business which also arises out of, or is in conjunction with, any listing filed with the MLS or any appraisal, to binding arbitration with any other Participant or Subscriber of this MLS, or participants or subscribers of any other MLS who are authorized to have access to this MLS under Section 6 of these rules. Such arbitrations shall be governed by the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. This shall be deemed an arbitration agreement within the meaning of Part 3, Title 9 of the California Code of Civil Procedure. Failure to submit to arbitration and abide by the arbitration award, including but not limited to timely payment of the arbitration award as provided herein shall be a violation of these MLS Rules and subjects Participants and Subscribers to possible suspension from the MLS and/or other penalties.

16.2 Other Arbitration Agreements. Notwithstanding any other provision of these Rules, if any Participant or Subscriber enters into an agreement (either before or after a dispute arises) with another Participant or Subscriber to arbitrate a dispute utilizing non-MLS facilities, such persons are not bound to arbitrate the dispute covered by such agreement under these rules utilizing the AOR/MLS facilities.

16.3 Arbitration Between Association Members. Notwithstanding any other provision of these Rules:

- a) If all disputants are members of the same AOR, they shall arbitrate under that AOR in accordance with its rules.
- b) If the disputants are members of different AORs, they shall arbitrate in accordance with any applicable regional or shared professional standards agreement. In the absence of such an agreement, the disputants remain obligated to arbitrate in accordance with the Interboard Arbitration Rules of the California Association of REALTORS® (“C.A.R.”).

16.4 Arbitration Involving Non-Association Members. Notwithstanding any other provision of these Rules:

- a) If one or more of the disputants are non-AOR members and all disputants receive MLS services through the same AOR, they shall arbitrate at the AOR unless the AOR participates in a regional MLS, in which case, they shall arbitrate in accordance with any applicable regional agreements between the AOR and the regional MLS
- b) If one or more of the disputants are non-AOR members and the disputants receive MLS services through different AORs and the AORs participate in a regional MLS, they shall arbitrate in accordance with any applicable regional agreements between the AORs and the regional MLS.
- c) In the absence of a regional agreement regarding the location of the arbitration, any dispute under subsection (a)-(c) may be conducted at any AOR where the respondent(s) holds AOR membership or receives MLS services.

16.5 Same Firm. Arbitration between persons from the same firm shall not be available and is not mandated by these Rules unless covered by arbitration rules relating to the obligations of AOR members to arbitrate.

16.6 Timing. For purposes of this Section 16, the duty to arbitrate shall be determined when facts giving rise to the dispute occurred. Therefore, a Participant or Subscriber shall have a duty to arbitrate if the person was an MLS Participant or Subscriber when facts giving rise to the dispute occurred. Termination of MLS participation or subscription shall not relieve the arbitration duty under this section for disputes that arose when the person was an MLS Participant or Subscriber. Requests for arbitration must be filed within one hundred and eighty (180) days after the closing of the transaction, if any, or after the facts constituting the matter could have been known in the exercise of reasonable diligence, whichever is later.

17. NONPAYMENT OF MLS FEES.

17.1 Nonpayment of MLS Fees. If MLS fees, fines, charges, or other amounts owed the MLS are not paid on the due date specified on the invoice, the nonpaying Participant and/or Subscriber’s MLS services shall be subject to suspension until such outstanding amounts are paid in full. The MLS may suspend MLS services under this section provided the MLS gives the Participant and/or Subscriber at least twenty (20) calendar days' prior notice of the proposed suspension date. Such notice may be included with the original billing statement for MLS fees, fines, or charges or any time thereafter. In the event the amounts owed remain unpaid for three months after the due date, the nonpaying Participant and/or Subscriber’s

MLS services shall automatically terminate regardless if notice of such termination is given.

17.2 Disputed Amounts. If a Participant and/or Subscriber disputes the accuracy of amount owed, the Participant and/or Subscriber may request a hearing before the Association or MLS Board of Directors. In order to request such a hearing, the Participant and/or Subscriber must first pay the disputed amount in whole which may be refunded in whole or part in accordance with the Board of Directors' determination. Hearings under this section shall be conducted in accordance with the *California Code of Ethics and Arbitration Manual*. In the event the Board of Directors confirms the accuracy of the amount owed, the Participant and/or Subscriber shall also be subject to paying interest at the rate of ten (10%) per annum on such past due amounts.

17.3 Reinstatement. Any Participant and/or Subscriber whose MLS services have been terminated for nonpayment of MLS fees may reapply for participation in the MLS. However, prior to being granted access, such Participant and/or Subscriber must pay all fees applicable to new applicants and all past due amounts owed, including paying interest at the rate of ten (10%) per annum on such past due amounts.

18. CHANGE IN RULES AND POLICIES.

The Rules of the MLS may be amended by a majority vote of the CRMLS Board of Directors based on recommendations from a Rules and Policies subcommittee made up of members from each participating AOR/MLS. Any changes to these rules which are mandated by the National Association of REALTORS® shall automatically be incorporated into these rules and do not require subcommittee or CRMLS Board of Directors approval. All changes to the rules shall be submitted to all reciprocating MLS.

19. PARTICIPANT DATA ACCESS.

19.1 Participant Definition and Requirements for MLS Data Use Outside MLS Front End.

- a) **Representation.** These rules govern the use of MLS data by a Participant outside of the Participants use and access to the MLS provided front end search and add/edit systems. Participant use of any MLS Data outside of the subscribed to front end systems licensed by MLS, and that is provided through a data feed of any portion of the MLS compilation is limited to Participants that are actively engaged in the direct representation, with all legally applied fiduciary duties as the agent of 1) buyers or tenant that show and make offers on properties listed in the MLS Database, or 2) Sellers or landlords that list properties in the MLS Database. Participants shall comply with all California Department of Real Estate (DRE) regulations related to the representation of buyers and sellers including but not limited to the signing of written agreements, conducting agent visual inspections and providing all disclosures.
- b) **Actively Engaged.** Mere possession of a Broker's License is not sufficient to qualify for MLS data access participation. Rather, the requirement is that an individual or firm provides actual real estate brokerage services that requires a valid California license directly to clients. The Participant is actively engaged when they endeavor during the operation of its real estate business to list real property on the MLS including making information and the property available for showings when in the client's best interest

and/or to represent buyers or tenants in showing and making offers on MLS listed properties. “Actively” means on a continual and on-going basis during the operation of the Participant’s real estate business. The “actively” requirement is not intended to preclude MLS data access participation by a Participant or potential Participant that operates a real estate business on part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS data access participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts, nor is it intended to permit an MLS to deny MLS data access participation based on the level of service provided by the Participant or Potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to provide licensed real estate brokerage services directly to clients by cooperating with one another in respect to properties of the type that are listed on the MLS in which participation is sought. An MLS may evaluate whether a Participant or potential Participant meets the Representation and Actively Engaged standards above only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

- c) **Referral Activity.** Note that solely engaging in referral activities is not sufficient to qualify for MLS data access, but if a broker Participant is actively engaged in providing brokerage services as described above and to an extent that does permit MLS data access, it may also engage in making some referrals to others. Nothing in this rule shall prohibit or limit the ability of MLS to grant access or a data license to an entity or person that does not qualify under these Participant Data Use Rules.

19.2 Internet Data Exchange (“IDX”). “Internet Data Exchange” is a means by which each Participant subscribing to the program (IDX) permits the limited electronic display of Participant’s listings appearing in Internet Data Exchange Database on each Participant’s IDX Internet websites and on applications for mobile devices that said participating Broker Participants and. Subscribers control. The “Internet Data Exchange Database” (IDX Data) is the current aggregate compilation of all Marketed or Advertised listings information as defined in Section 10.1, Pending and Sold/Leased listings of all Internet Data Exchange Participants except those listings where the property seller has opted out of Internet publication by so indicating on the listing contract. The intent of IDX is to allow Participants that represent real estate sellers or buyers (or both) to permit other such Participants to advertise their listings in electronic displays including, but not limited to: websites, mobile applications, audio devices, and additional technologies. IDX is only available to Participants and Subscribers. MLS Participants may use the IDX data feed to advertise listings in any digital medium. Any participant, including any Subscriber affiliated with the Participant, that inputs a listing into the MLS consistent with the MLS rules is a “Listing Broker.” An “Advertising Broker” means any Participant, including any Subscriber affiliated with that Participant, that uses the data feed to electronically display any information about a property filed with the MLS for which that Participant is not the Listing Broker.

19.2.1 Authorization. Subject to sections 19.2.2 through 19.2.15 below, and notwithstanding anything in these rules and policies to the contrary, Participants and Subscribers may electronically display aggregated MLS listing information in a

status of Coming Soon, Active, Active Under Contract, Pending and Sold/Leased statuses through either downloading or by framing such information on the MLS or association public access website (if such a site is available). The download will include Publicly Accessible sold listing data closed after January 1, 2012. “Publicly Accessible” sold information as used in the IDX policy and rules, means data that is available electronically or in a hard copy to the public from city, county, state and other government records. The downloading of raw data will be through the Participant only.

- 19.2.2 Consent.** The Listing Brokers’ consent for such Internet display is presumed, in satisfaction of Rule 12.8, unless a Listing Broker affirmatively notifies the MLS that the Listing Broker refuses to permit display on either a blanket or on a listing-by-listing basis. Listing Brokers that refuse to permit other MLS Participants or Subscribers to display their listing information on a blanket basis may not display MLS listing information of other Brokers’ listings. Even where Listing Brokers have given blanket authority for other Broker Participants and R.E. Subscribers to partake in IDX display of their listings, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display.
- 19.2.3 Control.** Broker Participants and R.E. Subscribers may only partake in IDX display on websites and applications for mobile devices which they control. Under IDX policy, “control” means that Broker Participants and R.E. Subscribers must have the ability to add, delete, modify and update information as required by the IDX policy. All displays of IDX listings must also be under the actual and apparent control of the Broker Participant and/or R.E. Subscriber and must be presented to the public as being that Broker Participant’s and/or R.E. Subscriber’s display. Actual control requires that Broker Participants and R.E. Subscribers have developed the display or caused the display to be developed for themselves pursuant to an agreement giving the Broker Participant and/or R.E. Subscriber authority to determine what listings will be displayed, and how those listing will be displayed. Apparent control requires that a reasonable consumer viewing the Broker Participant’s and/or R.E. Subscriber’s display will understand the display is the Broker Participant’s and/or R.E. Subscriber’s, and that the display is controlled by the Broker Participant and/or R.E. Subscriber.
- 19.2.4 Display Content.** Participants and Subscribers shall not display confidential information fields, as determined by the MLS in the MLSSs’ sole discretion, such as that information intended for Buyer Brokers rather than consumers. Participants and Subscribers shall not display any photo or Media other than the primary photo for any CRMLS Listing Record in a status of Closed/Leased, Expired, or Cancelled.
- 19.2.5 Listing Credit.** All Listing Brokers grant permission for any Advertising Broker to display any listing submitted to the service by the Listing Broker only if the listing display or advertisement is clear so that a reasonable real estate consumer understands:

- a) Who is the Listing Agent and Broker;
- b) Who is the Advertising Broker, and;

c) How to contact that Listing Agent or Broker.

MLS may develop business rules to establish Advertising Attribution Fields for a Listing Brokers use during listing input that are required to be displayed by Advertising Brokers. MLS may provide Standards of Practice that assist in the interpretation of this rule which may contain examples and additional details to assist Advertising Brokers in understanding the Listing Credit rule.

- 19.2.6 Source.** Information displayed shall indicate the source MLS of the information being displayed and the most recent date updated. Participants and Subscribers shall update all downloads and refresh all MLS downloads and IDX displays fed by those downloads of data at least once every 7 days.
- 19.2.7 Usage.** Participants and Subscribers shall indicate on their displays that the information being provided is for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing. Displays of minimum information (e.g. a one-line thumbnail search result, text messages, "tweets", etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.
- 19.2.8 Security.** Participants' and Subscribers' websites must protect MLS data from misappropriation by employing reasonable efforts to monitor for and prevent "scraping" and other unauthorized accessing, reproduction or use of the MLS database.
- 19.2.9 Display Purpose.** Broker Participants and R.E. Subscribers may not use IDX-provided listings for any purpose other than display as provided in these rules. This does not require Broker Participants and R.E. Subscribers to prevent indexing of IDX listings by recognized search engines.
- 19.2.10 Restricted Display.** Listings, including property addresses, can be included in IDX displays except where sellers have directed their Listing Brokers to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to publicly accessible websites or VOWs). This does not preclude listing Participants or Subscribers from displaying on their IDX sites or their other website(s) the listing or property address of consenting sellers.
- 19.2.11 Restricted Access and Distribution.** Sharing of the MLS compilation with any third party not authorized by the MLS is prohibited. Except as provided in the IDX policy and these rules, an IDX site or a Participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distributed, provide or make any portion of the MLS database available to any person or entity.
- 19.2.12 Excluded Listings.** Not all listings from the MLS must be displayed on the Participant's and/or Subscriber's IDX sites so long as any exclusions are based on objective criteria, e.g., type of property, listed price or geographical location. Selection of listings displayed on any IDX site must be independently made by each

Participant.

19.2.13 Website Identification. Any IDX display controlled by a Broker Participant or R.E. Subscriber must clearly identify the name of the brokerage firm under which they operate and the subscriber's name, if applicable, in a readily visible type font and color.

19.2.14 Removed.

19.2.15 Third Party Comments and Automated Value Estimates. Any IDX display controlled by a Broker Participant or RE Subscriber that:

- a) Allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- b) Displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, shall disable or discontinue either or both of those features as to the seller's listing at the request of the seller. The Listing Broker or agent shall communicate to the MLS that the seller has elected to have one or both these features disabled or discontinued on all displays controlled by Broker Participants and R.E. Subscribers. Except for the foregoing and subject to section 19.2.15 below, a Broker Participant's or R.E. Subscriber's IDX site may communicate the Broker Participant's or R.E. Subscriber's professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its viewers that a particular feature has been disabled at the request of the seller.

19.2.16 Making Corrections. Broker Participants and R.E. Subscribers shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of Broker Participants and R.E. Subscribers beyond that supplied by the MLS and that relates to a specific property displayed on the IDX site. Broker Participants and R.E. Subscribers shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the Listing Broker or listing agent for that property explaining why the data or information is false. However, the Broker Participants and R.E. Subscribers shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

19.2.17 Compliance. All IDX sites are subject to ongoing compliance auditing by the AOR/MLS. Changes to an IDX site necessary to cure a violation of MLS Rules must be accomplished within ten (10) calendar days of the transmittal of notice from the AOR/MLS of such violation. Violations may subject a Participant to sanctions as defined in the MLS Citation Policy, including but not limited to the immediate termination of the download agreement to receive or republish the IDX information.

19.2.18 Notification by Authorized Participants and Subscribers. Participants and Subscribers partaking in the display of MLS On-Market, Pending and/or Sold/Leased listing information of other Brokers' listings pursuant to Section 19.2 must notify the

MLS before displaying said MLS active listing information and must give the MLS direct access as well as allow access for other Participants for purposes of monitoring/ensuring compliance with applicable rules and policies.

19.2.19 Right to Charge for Download. The MLS has the right to charge the costs of adding or enhancing its downloading capacity to Participants and Subscribers who request downloading of listing information pursuant to Section 19.2.

19.2.20 Modifications and Augmentations. Participants and Subscribers shall not modify or manipulate information relating to other participants listings. Participants and Subscribers may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of MLS data display or display of fewer than all of the available listings or fewer authorized fields.

19.2.21 No Display of Offers of Compensation. Participants and Subscribers shall not display on any IDX website or application controlled or operated by Participant or Subscriber, any offers of compensation from either a Listing Broker or seller to any Buyer Broker or buyer representative on any property listing that is provided in the IDX data feed, other than an advertisement of potential sharing of compensation on a property subject to an exclusive listing agreement with the displaying Participant only.

19.3 Virtual Office Websites (“VOW”).

19.3.1 VOW Definitions.

- a) A Virtual Office Website (“VOW”) is a Participant’s Internet website, or a feature of a Participant’s website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant’s oversight, supervision, and accountability. A non-principal Broker or sales licensee affiliated with a Participant may, with his or her Participant’s consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant’s oversight, supervision, and accountability.
- b) As used in Section 19 of these Rules, the term “Participant” includes a Participant’s affiliated non-principal Brokers and sales licensees – except when the term is used in the phrases “Participant’s consent” and “Participant’s oversight, supervision, and accountability”. References to “VOW” and “VOWs” include all VOWs, whether operated by a Participant, by a non-principal Broker or sales licensee, or by an Affiliated VOW Partner (“AVP”) on behalf of a Participant.
- c) “Affiliated VOW Partner” (“AVP”) refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant’s supervision, accountability and compliance with the VOW Policy.

No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.

- d) As used in Section 19 of these Rules, the term “MLS Listing Information” refers to active listing information and non-confidential pending and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

19.3.2 VOW Operating Parameters.

- a) The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- b) Subject to the provisions of the VOW Policy and these Rules, a Participant’s VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g., Internet Data Exchange (“IDX”).
- c) Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant’s VOW.

19.3.3 VOW Registrant Access Requirements.

- a) Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:
 - i. The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter “Registrants”). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - ii. The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
 - iii. The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address

is associated with only one user name and password.

- b) The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.
- c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:
 - i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
 - ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
 - iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
 - iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
 - v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- f) The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

19.3.4 VOW Contact Requirements. A Participant's VOW must prominently display an email address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

19.3.5 VOW Data Security. A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

19.3.6 VOW Listing Display Restrictions.

- a) A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the Listing Broker to withhold the seller's listing or property address from display on the Internet. The Listing Broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.
- b) A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

Seller Opt-Out Form

- 1. Please check either Option a or Option b
 - a. ☐ I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.
 - OR
 - b. ☐ I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.
- 2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

Initials of Seller

- c) The Participant shall retain such forms for at least one year from the date they are signed, or one year from the date the listing goes off the market, whichever is greater.

19.3.7 Posting Consumer Comments and Automated Value Estimate.

- a) Subject to subsection (b), a Participant's VOW may allow third-parties:
 - i. to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
 - ii. display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b) Notwithstanding the foregoing, at the request of a seller the Participant shall

disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The Listing Broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

- 19.3.8 Correction of VOW Listing Information.** A Participant's VOW shall maintain a means (e.g., email address, telephone number) to receive comments from the Listing Broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 2 days following receipt of a communication from the Listing Broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.
- 19.3.9 VOW Mandatory Listing Refresh.** A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.
- 19.3.10 VOW MLS Listing Distribution Limitations.** Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS[®] VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.
- 19.3.11 VOW Privacy Policy.** A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.
- 19.3.12 VOW Selective Listing Display.** A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, and whether the listing broker is a REALTOR[®].
- 19.3.13 Notification of MLS of Intent to Operate a VOW.** A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.
- 19.3.14 Operation of Multiple VOWs.** A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

19.3.15 VOW Data Display Limitations. NOT ADOPTED.

19.3.16 Changes to Listing Content. A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies so long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

19.3.17 Listing Accuracy Disclaimer. A Participant shall cause to be placed on his or her VOW in a manner readily visible to consumers but not less than 7pt type, the following, or substantially similar notice: “Based on information from California Regional Multiple Listing Service, Inc. as of [date the AOR/MLS data was obtained] and/or other sources. All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information.”

19.3.18 Listing Broker or Agent Identification. NOT ADOPTED.

19.3.19 Listing Search Result Limitation. A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 500 current listings and not more than 500 sold listings in response to any inquiry.

19.3.20 Mandatory Registrant Password Change. A Participant shall require that Registrants’ passwords be reconfirmed or changed every 90 days.

19.3.21 VOW Co-Branding and Advertising. A Participant may display advertising and the identification of other entities (“co-branding”) on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant’s logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

19.3.22 Identifying Listing Source. A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

19.3.23 Separate Source Listing Search. A Participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the

MLS.

19.3.24 MLS Licensing Agreement for VOW. Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

19.3.25 Seller's Direction to Withhold from Internet. Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 2 days.

19.3.26 No Display of Offers of Compensation. Participants and Subscribers shall not display on any VOW they control or for which they receive a data feed, any offers of compensation from either a Listing Broker or seller to any Buyer Broker or buyer representative on any property listing that is provided in the VOW data feed, other than an advertisement of potential sharing of compensation on a property subject to an exclusive listing agreement with the displaying Participant only.

20. REJECTION OF APPLICATION.

In the event an application for participation in the MLS, whether as a licensee or as a clerical support, is rejected by the Association, the applicant, and his or her broker, if any, will be promptly notified in writing of the reason for the rejection. The broker shall have the right to respond in writing, and to request a hearing before a panel selected from the Board of Directors. The hearing will be held in accordance with rules adopted from time to time by the Board of Directors, which will make provision for adequate notice of the time and place of the hearing and shall provide that the parties involved shall have the right to appear and present evidence, both oral and written, and be represented by legal counsel.

EXHIBIT C



Ed Zorn
Vice President & General Counsel

Via E-Mail
Nathan P. Eimer
Eimer Stahl LLP

Mr. Eimer,

Art Carter has forwarded your September 8, 2026, letter wherein Compass, Inc. demands that the California Regional Multiple Listing Service (CRMLS) agree with your client to not enforce rules, which would result in limited competition, force buyers to use Compass agents, force buyer representatives to join Compass to secure access to Compass' hidden for-sale properties, and create rules that assist Compass in committing fraud in the inducement and intentional misrepresentation. Please be advised that on November 24, 2024, your client made an almost identical demand to CRMLS. Since most of the arguments made by Compass are the same as those asserted in 2024, I attach CRMLS' response, dated December 3, 2024.

Since some of the assertions and supporting documentation are different than the earlier communication, I will now respond to those new arguments.

1) CRMLS rules already permit full advertising and marketing of a For-Sale Property without submission to CRMLS for Cooperation.

You define an "Office Exclusive" to be "a listing in which the owner refuses to grant permission for distribution of the listing to the MLS." Based on your stated definition, however, CRMLS Rule 7.9 fully allows for the public marketing and advertising of a property without that property needing to be submitted to the MLS for cooperation. This principle should be clear to Compass. I have had hours of conversations with Robert Reffkin, Kathy Mehrenger, the Compass Designated Officer, and Compass General Counsel on this exact subject over the years.

2) CRMLS does not have any rule that prohibits "Public Marketing."

Your letter's claim that CRMLS rules prohibit public marketing of listings are incorrect. Here is a link to those rules for your convenience: <https://go.crmls.org/crmls-rules-and-policies/>.

CRMLS Rule 7.9 does not prohibit public marketing of a for-sale property. It prevents free riding by an agent that has agreed to cooperate and thereby has access to all the shared MLS listing records contributed by competing brokers. Prior to securing a personal services and commission agreement, agents can create a comparative market analysis using their competitors' contributed MLS listing data, which is then the basis of the agent's opinions of value and recommendations to a seller. Here, the seller also directly benefits from the MLS cooperative by receiving timely and accurate information, including interior photos, property and transactional details for previously sold homes which can be compared to the seller's house. If that agent goes on to secure an exclusive commission agreement where a seller pays a broker fee to that listing agent, even if that agent fails to procure a buyer for the home, then CRMLS rules require that this listing agent contribute the information about the seller's for-sale property to the broker cooperative.



Under CRMLS rules, if both the seller and listing agent benefited from the use of the MLS listing records in establishing a potential sale price and analyzing time-to-market data, they should both agree to participate in sharing their for-sale property with that same group of brokers that also shared their valuable information.

If instead, the seller and broker agree to a non-exclusive agreement, keeping the seller's choices open to use other competing brokers who may have a buyer for the property, then there is no CRMLS rule requiring submission of the for-sale property information for cooperation at any time, including upon full public marketing. Since any buyer agent can have direct access to the seller in this case, such MLS cooperating broker can secure a buyer and participate in a transaction. A seller's broker should not control access to both a seller and a for-sale property by using an exclusive listing agreement, while simultaneously hiding that for-sale property from the cooperating buyer brokers who contributed information to the MLS that the listing broker used to secure the exclusive commission agreement in the first place.

If agents hiding for-sale properties from the cooperative were permitted to free ride off the hard work and contributions of CRMLS' contributing brokers, by not submitting their clients' listings into the MLS, then the cooperative system would break. These are the actual findings of the 1983 FTC Butter report, any reference to which is conspicuously missing from your letter. There, the FTC argues that:

While there may be cases where a seller does not want his or her listing submitted to the MLS, the MLS remains the most efficient method of maximizing exposure of property in large markets. Historically, however, a common problem for sellers and for the MLSs has been "vest pocket" listings. An ability to easily withhold underpriced listings may increase the incentives of some brokers to undervalue listings initially. Thus, one rationale for mandatory listing requirements traditionally has been that it helps in suppressing a practice which can do substantial injury to consumers.

FTC, *The Residential Real Estate Brokerage Industry*, at 130 (Dec. 1983). In short, it appears that your letter demands that CRMLS implement rules to support and facilitate "Vest Pocket Listings" which the FTC specifically describes as "causing substantial injury to consumers". CRMLS will not enter into any agreement with Compass to create rules that can harm consumers and are antithetical to rules supporting competition through cooperation.

3) Agents may access all CRMLS Listing Records without being subscribers to CRMLS by joining a data share MLS like SDMLS, CLAW, MLS Listings, or BridgeMLS.

CRMLS shares all its MLS listing records with several competing multiple listing services. As a result, it is entirely possible for a Compass agent who does not subscribe to CRMLS (and therefore not subject to the CRMLS rules) to join a separate and distinct MLS and fully retain access to all the CRMLS listing content.

We understand that Mr. Reffkin has visited numerous Compass competitors including several Century 21 and Coldwell Banker franchisees. We have received direct reports about attendees of these meetings being shocked when Mr. Reffkin offered to pay them \$1,000 each if they would leave CRMLS and join SDMLS instead.

Our understanding is that Mr. Reffkin made this offer to pressure CRMLS into abandoning the concepts of cooperation and instead implement rules that favor giant



brokerage firms with significant listing market share. At the same time, I attended the T3 Sixty Leadership Conference in Dallas where Mr. Reffkin appeared virtually and stated to the over 400 attendees that by the end of 2026 CRMLS would lose over 10,000 subscribers to our neighboring MLS competitors. Because the combined CRMLS agent count of both Compass, Inc. and Coldwell Banker Residential is only 4,252 agents, nearly 6,000 agents from competing brokerage firms would need to boycott CRMLS to make Mr. Reffkin's prediction come true.

While CRMLS contemplated litigation against Compass for violations of the antitrust and consumer protection laws, it instead initiated a proposed solution to Compass. This resulted in face-to-face meetings between me, Art Carter, Mr. Reffkin, and Compass General Counsel Ethan Glass. Mr. Reffkin requested that Compass Coming Soon listings be withheld from all portals and IDX websites, with the exception of Redfin.com. He admitted that, because of the size of Compass, he could sell access to these advertised Coming Soon listings to Redfin/Rocket for a substantial monetary gain. However, that value could only be derived if those same listings were excluded from Zillow.com, Homes.com, Realtor.com, and local broker IDX websites. It appears that Mr. Reffkin sought to sell access to the advertising of those for-sale properties to the highest bidder, even though doing so lowered the exposure and removed access to valuable information from potential buyers using competing websites, potentially to the harm of the seller.

CRMLS proposed a modification to its then-current "Coming Soon" status which would provide for additional listing broker options for MLS Listing Record distribution. Messrs. Reffkin and Glass both praised that solution and admitted that it resolved their objections to the CRMLS rules. During this meeting, Mr. Reffkin asserted that he supported rules that would ensure that buyer agents have access in the MLS to any for-sale property that the buyer agent's client could see. Mr. Reffkin said no buyer agent should be embarrassed or lose a buyer client because that buyer saw a for-sale property advertised that the buyer agent had no information about. But receipt of your letter only a couple of months later clearly indicates that none of the representations from Compass leadership were genuine or truthful.

4) CRMLS is a broker cooperative, not a listing platform.

You cite several other MLS entities, and I am aware that these multiple listing services actually operate more like listing platforms, rather than as broker cooperatives with a set of rules that support mandatory cooperation. This list of other MLSs does not influence CRMLS to change its operations from a broker cooperative to a listing platform.

Ample antitrust caselaw supports the proposition that CRMLS may enforce reasonable rules to prevent free riding by agents (and firms) that take the benefits of access to all of the cooperative MLS listing content, but then hide from cooperation and access their own listing content to sell those same listings for public display on portal websites, and use those hidden listings to force buyers to abandon their chosen agent just so they can get access to hidden for-sale properties.

CRMLS rules accommodate numerous opportunities for sellers to choose any number of marketing, advertising, and MLS Listing Record distribution options. See the attached December 3, 2024 email for details.



Ed Zorn
Vice President & General Counsel

Only eight days prior to sending this letter to CRMLS, Compass agreed to settle the lawsuit you brought against Northwest MLS (NWMLS) based on similar antitrust claims and arguments you assert against CRMLS here. Based on my review, the NWMLS mandatory submission rules, to which Compass presumably assisted in the creation of as part of the written settlement agreement, are substantially more restrictive than CRMLS Rule 7.9. Specifically, Compass has agreed in NWMLS to submit for cooperation ALL for-sale properties. NWMLS has no "One Business Day" time frame for submission as is included in CRMLS Rule 7.9. NWMLS rules also do not have an equivalent CRMLS Rule 7.9.1 No Cooperation Listing option which you erroneously refer to as an "Office Exclusive". Since Compass presumably either participated in the creation of, or at a minimum, acknowledged as valid to be applied to all NWMLS Compass agents, the updated NWMLS rules, how can Compass now claim that the CRMLS rules which provide additional choices to a Compass agent and their seller violates any antitrust laws or harm any consumers?

Mr. Reffkin said that Compass' "original objective in taking legal action against NWMLS has been fully realized." Is Compass now advocating for CRMLS to remove the one business day grace period before submission to cooperation in CRMLS? Or that CRMLS fully eliminate the existing Rule 7.9.1 No Cooperation Listing option? It is my understanding that the NWMLS rules require submission of non-exclusive listings for cooperation; CRMLS Rule 7.9 only applies to exclusive agreements. As such, any non-exclusive or open listing between a seller and Compass can be publicly marketed and need not be submitted to CRMLS for cooperation. Is removal of the seller's choice of a non-exclusive or open listing agreement, with the ability to publicly market the home without submitting the property information to CRMLS for cooperation, what Compass now wants?

If Compass decides to move forward with any litigation, let there be no confusion that, in addition to CRMLS' vigorous defense of our right to operate a broker cooperative, including the implementation of rules to prevent free-riding subscribers, CRMLS will also assert additional direct claims against Compass including, but not limited to:

- 1) Violation of the Cartwright Act - Per Se Group Boycott (Bus. & Prof. Code §§ 16720, 16726, 16750);
- 2) Violation of the Cartwright Act - Conspiracy and Unreasonable Restraint of Trade (Bus. & Prof. Code §§ 16720, 16726, 16750);
- 3) Violation of the Unfair Competition Law (Bus. & Prof. Code § 17200 Et Seq.);
- 4) Intentional Interference with Prospective Economic Advantage;
- 5) Intentional Interference with Contractual Relations;
- 6) Breach Of Fiduciary Duty and Aiding and Abetting;
- 7) Breach of Contract and Implied Covenant of Good Faith and Fair Dealing.

In light of imminent litigation, Compass, Inc. and Compass International Holdings, its officers, directors, designated officers for any corporate real estate license in California, office managers, real estate licensees operating in California (both salespersons and affiliated brokers), transaction coordinators, assistants, retained business consultants, and employees are hereby placed on notice to suspend all automatic deletion policies and to preserve all documents and electronic data relating to:

- 1) Any property, seller or transaction that participated in any way in the Compass three phase marketing program (3PM) in California in the last three years,
- 2) For any Compass affiliated licensee that has ever used Compass' 3PM or has ever had a CRMLS defined No Cooperation Listing, all listing presentation



Ed Zorn

Vice President & General Counsel

- materials that convey any information about that Compass agent's or teams Average Days on Market or average list price to sold price ratio in the last three years.
- 3) Claims or demands for failure to disclose, intentional misrepresentation, fraud or breach of fiduciary duty in California in the last three years.
 - 4) Any requests for information, investigations or inquiries from any governmental body, including but not limited to state departments or commissions of real estate, attorneys general, US Dept. of Justice or Federal Trade Commission, or members of Congress.
 - 5) Proposals, negotiations or agreements with any real estate portal, real estate advertising company or listing platform.
 - 6) Marketing or advertising materials which in any way reference 3PM, including but not limited to materials targeting consumers, agents, or brokerage firms in California.
 - 7) All training and education materials of the 3PM.
 - 8) Payments or offers to pay any non-Compass, Inc. California real estate licensee outside of an ordinary real estate transaction closing, including but not limited to payment to boycott CRMLS.
 - 9) Communications, proposals, negotiations or agreements, including but not limited to the payment of monies, with any multiple listing service not related to a specific listed property.
 - 10) Communication with any non-Compass, Inc. brokerage firm related in any way to MLS rules or NAR MLS policies.
 - 11) Any MLS or association compliance inquiry or violation of any MLS rule in the state of California in the last three years.
 - 12) Any REALTOR® association complaint alleging a violation of any MLS rule or NAR Code of Ethics Article in California in the last three years.
 - 13) Any lawsuit by or against any Compass entity in California in the last three years.
 - 14) Studies, data analysis or the development of any opinions or strategies regarding the impact of off MLS listings, No Cooperation Listings, or financial benefits to brokerages by hiding listing inventory.
 - 15) Financial records, proposals, negotiations and agreements related to the revenue generated by selling Compass for-sale property advertisements exclusively to Redfin/Rocket, and any increase in revenue by hiding those same listings from competing real estate portals and brokers
 - 16) Earning reports, including but not limited to data, financial information, use statistics, records, and any related correspondence or documentation with Wall Street analysts.
 - 17) Competition between brokers, real estate advertising portals, MLSs, and real estate professionals.
 - 18) Compass, Inc., Compass International Holdings, and any other entity affiliated with or owned by Compass, including documents and electronic data relating to Compass business strategy.

Please be advised that CRMLS intends to invite buyers, sellers and buyer agents to share their stories on how they have been harmed and damaged by the hiding of for-sale properties from the MLS. I have personally spoken with agents whose buyers were forced to abandon their representation just to gain access to tour Compass hidden for-sale properties. These buyer agents had access to the list of hidden homes through Compass agents providing them access into the Compass system.

The problem was not in the identification of hidden for-sale properties, it was in the refusal of Compass agents cooperating with them to allow the buyer agent to tour the property. Calls and inquiries would go unanswered until the buyer was forced to abandon their chosen agent and interact with the Compass agent just to get access to see these hidden homes. In the most egregious case, I have discovered a Compass



Ed Zorn
Vice President & General Counsel

agent required a potential buyer, that was also selling a home, to hire that Compass agent to list their existing property as a condition to gain access to the desired off-MLS for-sale property.

I have also received reports of agents losing listing presentations to Compass agents that misrepresented the value of the property. In one case, the Compass agent recommended a price 25% over value. After being in the Compass 3-Phased marketing program for weeks, the seller was upset and the property was submitted to the MLS for a more realistic list price. The question remains, did this listing agent in their future listing presentations when stating his list price to sales price ratio use the real original list price 25% overvalue, or does his advertised ratio only use the MLS submitted list price?

I have also spoken with an agent that was so frustrated at not having the ability to show or tour the Compass hidden for-sale properties (this agent also had access into the Compass system through a "friend", so he knew of the properties being for sale) that the agent spoke with a Compass recruiter. The Compass commission split was lower than the current broker, and Compass also demanded that the agent abandon other licensed activity as a condition to join, so the agent now deals with the challenge of not being permitted to show their buyers the hidden Compass for-sale properties.

The harm to competition from hiding listings from cooperation on the MLS set forth in this response, and my previous correspondence are real. CRMLS will assert numerous examples from agents and consumers by inviting them to share their stories with us.

Additionally, to encourage other MLS entities that are being bullied by Compass into modifying their rules out of fear of the cost of defending litigation, CRMLS will start the **MLS Cooperative Legal Defense Fund**. We will raise money from multiple sources that support consumer transparency, equal access to for-sale properties, and open competition in the brokerage-services space. I have already submitted a request to the California Association of REALTORS® Legal Action Fund and to the NAR Legal Action Program. We will also approach consumer advocacy groups, consumer plaintiff attorneys, other MLSs and associations, as well as those in the MLS vendor and real estate portal community.

It is the desire of CRMLS that this matter be resolved in an amicable way that supports broker cooperation and competition. It is CRMLS' aim that its rules support and encourage real estate licensees to fully comply with their existing state-mandated and Code of Ethics-related duties and obligations. CRMLS respectfully requests that Compass abandon its practices of violating its fiduciary duty, as mandated by the Code of Ethics and state law.

Specifically, CRMLS requests that Compass cease and desist from selling access to the advertisements for the for-sale properties that Compass has been hired to sell for an owner to the highest bidder. Additionally, Compass should cease and desist from using exclusive listing agreements to shield their sellers from viable and potential buyers and the agents that those buyers wish to hire. CRMLS requests that Compass cease and desist from placing the Compass generation of revenue above the needs of the sellers that hire your agents.



Ed Zorn
Vice President & General Counsel

It is my sincere hope that cooler heads will prevail, and that there will be no need for litigation between Compass and CRMLS. But let there be no confusion: should Compass assert these frivolous claims against CRMLS, they will be met with an aggressive defense and meaningful counterclaims. The choice of how this process will proceed is now up to the leadership of Compass. I sincerely hope that they make the decision to do the right thing.

I look forward to hearing from you or Compass soon.

Sincerely,

A handwritten signature in blue ink, appearing to be "Ed Zorn", with a long horizontal line extending to the right.

Edward J Zorn, Esq.
CRMLS Vice President & General Counsel

EXHIBIT D

COMPASS

November 24, 2024

Board of Directors
California Regional MLS
15325 Fairfield Ranch Road
Suite 200
Chino Hills, CA 91709

Dear CRMLS Board of Directors,

We are troubled by the lack of communication and collaboration from CRMLS. Despite repeated attempts to engage in constructive dialogue and propose modifications to your rules to provide greater choice and flexibility to homesellers, our concerns have been consistently dismissed. This intransigence not only damages our agent's ability to serve their clients, but also raises serious questions about CRMLS's commitment to representing the interests of agents and homeowners.

A recently released independent study by 1000WATT highlights the issue. 1000WATT found that 35% of prospective sellers desire to list their property off-MLS. Additionally, 1000WATT found that 66% of sellers see display of days on market as being bad for sellers and that 48% of sellers do not want price reduction information displayed for their property, which clearly demonstrates homeowners' desire for more choice and autonomy in how and where their home is marketed.

By enforcing Clear Cooperation, CRMLS is actively and knowingly harming the interests of California homesellers by restricting how they publicly market their home and is forcing agents to breach their fiduciary duty to any homeseller that wants to publicly market their home off-MLS or without the negative impact of days on market or price reduction history for their property.

To be abundantly clear, we believe CRMLS is forcing agents to choose between CRMLS rules and their clients' wishes to the ultimate detriment of the homeseller. California State Law requires a seller's agent to act with the "utmost care, integrity, honesty, and loyalty." State law, and Compass agents' duties to their clients, supersede MLS rules. By prohibiting agents from marketing a property the way their client wants the home to be advertised, CRMLS is in effect asking agents to break the law. Compass agents will always want to put their clients first, including doing everything in their power to market and sell properties as directed by their clients.

We are reaffirming our position that CRMLS's continued rigid adherence to the Clear Cooperation paradigm puts Compass agents into an untenable position where they are unable to fulfill their fiduciary duty under California state law to clients who wish to publicly market their home off-MLS or with greater flexibility. Therefore, we implore CRMLS to reconsider its current stance and implement one or all of the following changes **immediately** to begin to offer greater choice to home sellers:

1. Follow Bright MLS's interpretation of the 'Office Exclusive Exception,' which permits public marketing of Office Exclusives subject to express written consent by the seller.
2. Implement a status that does not accrue days on market, does not have price history, allows for both public marketing and showings, is not syndicated through IDX but is shared through back office feeds, and requires limited listing information input. This can be achieved through amendments to CRMLS's 'Coming Soon' status by permitting showings and no longer being syndicated through IDX feeds.

COMPASS

3. Create a 'Private Listing Network' (PLN) analogous to that created by Midwest Real Estate Data (MRED) that permits public marketing of PLN Listings.

Adopting any one of these changes would exhibit CRMLS's commitment to offering marketing products and services that homeowners are demanding. All of these solutions give sellers greater flexibility and autonomy to control how their properties are marketed, but also preserve the integrity of MLS data and reinforce the MLS as the single source of truth for listing data. These options support the concept of mandatory submission to the MLS, but not mandatory marketing through the MLS. In fact, the first option (the 'Bright approach') gives the MLS greater visibility into 'Office Exclusives,' which are input directly into the MLS. Additionally, the latter two options (flexible statuses or private listing networks) preserve cooperation among participants in the MLS, as the listings are still searchable within the MLS.

Unfortunately, the aforementioned issues regarding a homeseller's choice on how and where to market their home are familiar and recurring themes in recent litigation. You are well aware of the lawsuits involving the Top Agent Network (TAN) and the Property Listing Service (PLS) as well as the multiple DOJ investigations into Clear Cooperation. Just this year, on April 5, 2024, Judge Florence Pan of the United States Court of Appeals for the D.C. Circuit said in DOJ v. National Association of REALTORS that the "DOJ believes that the Clear Cooperation Policy restricts home-seller choices and precludes competition from new listing services." These lawsuits and challenges are not going to stop any time soon, and they are causing confusion and are detrimental to members as well as their clients. The industry as a whole is currently undergoing large-scale turmoil, and, as the largest MLS in the country, CRMLS is only adding to the difficulties and challenges. You are forcing Compass to send a clear message to industry stakeholders and regulators that i) we do not agree with your policies, ii) you are enforcing these policies without our agreement, and iii) we are doing everything we can to end these policies.

We urge you to prioritize the needs of your members and the homesellers they represent. We expect a prompt and substantive response to this letter outlining the steps CRMLS will take to address our concerns.

Sincerely,



Robert Reffkin
Founder & CEO
Compass

EXHIBIT E

Edward Zorn

From: Edward Zorn
Sent: Tuesday, December 3, 2024 2:59 PM
To: Robert Reffkin; Art Carter
Cc: Brad Serwin; Ashton Alexander; Kathy Mehringer; Jonathan Satz
Subject: RE: Request for CRMLS Action on Clear Cooperation

Mr. Reffkin,

The CRMLS Board of Directors convened on November 25, 2024, to discuss Mandatory Cooperation issues as part of their agenda.

Your e-mail of November 6th, along with correspondence from other brokers and public statements made by other CRMLS brokers on the subject, was provided to the Directors in advance of the meeting. Additionally, your correspondence from November 24th and the full 1000Watt report, which was referenced in that letter, was shared with the Directors prior to the start of our regularly scheduled board meeting.

Kathy Mehringer, the Designated Officer for Compass in the state of California and as a CRMLS Director, attended the November 25th meeting. Mrs. Mehringer was afforded the opportunity to fully participate in the discussion surrounding Mandatory Cooperation.

The Directors, with input from CRMLS executives, engaged in a productive discussion regarding the Mandatory Cooperation issues. We reviewed the history of mandatory submission to the MLS, the challenges that ultimately led to NAR mandating the Clear Cooperation Policy (CCP) and examined its impact. Notably, the CCP has resulted in approximately 750 listings being added into the CRMLS system, making them accessible to buyer's and their chosen agents.

We also discussed the issues and concerns raised not only by Compass, but also other points that have been raised since the original debate and implementation of the CCP. Additionally, we highlighted how the specific CRMLS rule implementing the CCP mitigates any seller choice objections, and emphasized other long-standing options to protect seller privacy, such as the "Internet No" option.

The Board then convened into an Executive Session to address the points made in your letter, potential litigation risks associated with removing the policy, and to receive legal advice surrounding Mandatory Cooperation. Kathy Mehringer, as Compass' Designated Officer, appropriately recused herself from the litigation-focused discussions due to the clear conflict of interest.

After further discussion with Counsel, and consideration of the materials provided to the Board, and the consideration of all comments and discussion from the open session, the CRMLS Board of Directors voted unanimously to deny Compass' requests for CRMLS to:

- 1) Violate the mandatory NAR Clear Cooperation Policy;**
- 2) Establish a new status that intentionally misrepresents and conceals relevant property information from buyers; and**

3) Create a private listing network that would withhold available properties from unrepresented consumers, potentially raising a different set of potential legal issues for CRMLS.

CRMLS rejects Compass' requests on the following grounds:

- 1) **CRMLS is not a listing platform; it is a Broker Cooperative.** As a broker cooperative, CRMLS has the right to develop business practices that support brokers and their clients, including implementing policies, rules, and processes that benefit buyers, buyer agents, sellers, and listing agents.

Unlike a listing platform, which functions solely as an advertising tool for sellers, a broker cooperative needs to provide meaningful services to all of its subscribers, their clients and other stakeholders. While listing platforms are valuable and some of our best customers, they do not establish rules, policies, or systems to facilitate cooperation between agents. Instead, they focus on advertising properties for sale and offer historical information.

CRMLS, as a Broker Cooperative, operates in a much broader and more dynamic space, addressing diverse interests and needs far beyond those of a simple advertising listing platform. Moreover, as a Broker Cooperative, CRMLS needs to establish certain rules that all firms abide by in order for all of the firms to receive the maximum benefit from the services offered by CRMLS and cannot have certain firms free-ride off of the efforts of the other participating firms.

- 2) **Failing to adhere to mandatory NAR policy risks the revocation of the charter for each of the 41 participating Realtor Associations that are the Members of CRMLS, a California Mutual Benefit Corporation.** CRMLS has no shareholders or owners and is governed by our Member Associations.

The desire of a single, market-impacting brokerage firm to withhold exclusive listings from the buying community – using those listings essentially as a billboard to attract buyer traffic and force agents to join that brokerage- fails to justify jeopardizing the existence of these 41 Member Realtor Association charters.

- 3) **Sellers who choose to hire a real estate agent and market their property without using the MLS are fully permitted to do so under current CRMLS Rules.** Any CRMLS subscriber, including Compass agents, who enter into a non-exclusive listing agreement with such a seller are not subject to the CCP rules mandating submission of the listing to the MLS.

CRMLS Rule 7.9, Mandatory Submission upon Marketing, applies only to properties that are “subject to any exclusive right to sell or seller reserved listing agreement”. During CRMLS webinars held in Spring of 2020 for CCP training and implementation, we consistently addressed hypothetical scenarios, such as extremely-high-value property that might not benefit from broad MLS exposure because only approximately 20 agents had buyers capable of affording such a property. CRMLS specifically instructed agents in these scenarios that they could market such properties publicly and, in any manner desired by the seller and listing agent, including signage on the property, Facebook posts, website marketing, flyers or individual conversations with other brokerage firms that represented the types of buyers that could acquire such a high-priced home by simply using a non-exclusive listing agreement.

Exclusive listing agreements are critical to protecting the interests of listing firms when a property is placed in the multiple listing service and made available for cooperation with competing brokerage firms. These agreements ensure the listing firm will get paid, even if it does not directly bring in the

eventual buyer. This incentive to share the listing broadly by the listing firm directly benefits the seller.

Outside the MLS, where mandatory cooperation does not apply, sellers receive minimal to no benefits from an exclusive listing agreement. In fact, such agreements can be detrimental to the seller, as they give the listing firm complete control over the property's information and access, potentially excluding other brokers who may have qualified buyers. Listing brokerage firms, leveraging their superior knowledge, experience and salesmanship can easily convince sellers to sign an exclusive agreement, guaranteeing the firms top line commission even if the listing firm refuses to cooperate with other brokers or provides minimal or no service in the event of a sale.

Any competent agent can effectively use the terms of a non-exclusive listing agreement to meet the needs of a seller who prefers not to have their property widely disseminated through the MLS and its corresponding IDX distribution systems. This approach is particularly relevant for high-value properties, where it is common for showings to require signed non-disclosure agreements (NDA) to ensure privacy and facilitate the exchange of proof of funds between buyers and sellers. NDAs can easily include provisions to protect the listing firm's commission rights by preventing a buyer broker from bypassing the listing firm and negotiating directly with the seller.

Additionally, non-exclusive listing agreements can be structured to include two separate and distinct fee components:

1. Buyer Introduction Fee: A fee charged only if the listing firm's efforts resulted in the buyer making an offer on the property. This fee would not apply if the buyer came to the transaction without any involvement from the listing firm.

2. Brokerage Service Fee: A fee for the professional services provided by the listing firm, such as list price recommendations, analyzing offers, negotiating contracts, preparing disclosures and due diligence documents, coordinating property inspections and appraisals, and managing all closing documentation.

By separating the fees into two distinct components, the listing firm ensures they are compensated for the services rendered, regardless of whether they find a buyer. The only risk to the listing firm in using a non-exclusive agreement is forgoing the fee for introducing a buyer if they are not the ones who brought the buyer to the transaction. Every rational, knowledgeable seller that does not want to place their home on the MLS would select this type of a listing arrangement over an exclusive listing agreement given the choice.

A basic understanding of real estate contract law, combined with the ability to address the specific needs of sellers that may not require their property to be listed in the MLS, is fully supported under the existing CRMLS rules, policies, and available technology.

In summary, CRMLS rules already permit any seller to hire any CRMLS agent using a non-exclusive listing agreement and still retain the flexibility to publicly market their property while keeping that property off the MLS.

- 4) **CRMLS will not be a participant in any agreement, plan, or scheme to intentionally misrepresent or withhold critical information about a property's listing history and number of days it has been available for sale,** as Compass has requested. If showings are permitted for a Coming Soon listing, what

would distinguish the Coming Soon status from an Active status? This request appears to misrepresent the actual number of days it took for a listing agent to sell a property.

In addition, agreeing to this request could subject CRMLS to significant liability, as Compass's proposed misrepresentations could harm buyers who might overpay for properties with inaccurately reported Days on Market (DOM). It could also mislead sellers into hiring listing agents who claim to have shorter average marketing times than they actually do.

For example, when a Compass agent conducts a listing presentation and advertises their individual average DOM to potential sellers, are they using DOM data from the MLS? It is reasonable to assume that Compass agents using the Office Exclusive strategy may not accurately calculate DOM from the start of the listing period through to the sale, instead presenting misleading metrics. Given Compass's threats to litigate, these issues could be thoroughly examined in detail, including the accuracy of Compass agents' DOM claims during listing presentations. CRMLS remains committed to transparency and accuracy in the data we provide to ensure fairness and integrity across the market.

- 5) **CRMLS will not support, nor participate in an agreement, plan or scheme to hide available properties that are for sale from potential buyers who choose not to hire a real estate agent**, as Compass has requested. The long-established rules governing the IDX policy were established as part of a settlement agreement reached between NAR and the Department of Justice, which emphasized the importance of ensuring consumers have the same access and knowledge to available property listings as subscribing agents have in the MLS.

Compass' proposal to exclude certain properties from IDX feeds, thereby withholding them from unrepresented buyers, would expose CRMLS to potential litigation from consumer advocacy groups and plaintiffs' attorneys. A buyer who decides not to pay the costs or fees associated with hiring a buyer's agent is entitled to full and fair access to every property available for sale, across the same platforms, and websites that are accessible to represented buyers.

CRMLS recognizes the motivation behind a market-impacting brokerage firm seeking to force buyers to find properties exclusively on that broker's own website. Such a strategy would also benefit the brokerage by pressuring buyer agents from competing firms to leave their current brokerages and join the firm controlling the hidden inventory. However, CRMLS cannot implement rules that favor a particular business model at the expense of others, especially when it causes direct harm to potential buyers, as well as sellers whose properties languish on the market longer than necessary. Adopting such rules could subject CRMLS to potential significant antitrust liability, compromising the principles of fairness and competition that guide our operations.

CRMLS is guided by the principles of fairness, equal access to accurate information, and the spirit of competition between brokerage firms. Moreover, CRMLS is business model agnostic and will not implement rules which favor one business model over others. These guiding ideals ensure that CRMLS implements policies and rules that support fair competition in the provisioning of brokerage services, rather than favoring any specific business model or a market-impacting brokerage firm.

Brokers should compete for clients based on the level of their skill, experience, pricing, services and successful results in the representation of buyers and sellers. Buyers, and their agents, should not be forced to join only the largest brokerage firms simply because those firms withhold available properties

from the general marketplace. Brokerage firms should have confidence in their skills, abilities and service levels without relying on exclusive control of listings to force others to use their services.

Why is Compass afraid to compete in an open marketplace where all consumers, and the brokers they choose to hire, have fair and full access to all properties?

- 6) **CRMLS will not establish a Private Listing Network that is only accessible to CRMLS subscribers**, as Compass has requested. Such a system would clearly disadvantage consumers who choose to not work with a real estate agent, as they would have no access to the listed inventory. The only way for these buyers to view available for sale properties would be to hire a CRMLS subscriber real estate agent. The issue of an MLS making rules that force consumers to use a real estate agent has been extensively litigated, and implementing such a policy could expose CRMLS to significant antitrust liability.
- 7) **Finally, CRMLS will not create rules or eliminate rules which put it at a competitive disadvantage**, as Compass has requested. CRMLS' coverage area includes other MLSs which also include the CCP in their rules and regulations. If CRMLS elects to eliminate this rule, while the other MLSs include it, CRMLS risks severe participant loss to those MLSs which continue to adhere to the CCP. Eliminating CCP risks putting CRMLS at a severe competitive disadvantage and creates risks to the integrity of CRMLS' data. CCP reinforces CRMLS as the "best source of truth for listing data"—something which you tout as important to the vitality of a strong and vibrant MLS.

While there are additional reasons to deny Compass's requests, the points summarized above address the primary concerns and explain why CRMLS cannot implement rules that would clearly expose the organization to potential liability and harm both CRMLS subscribers and consumers.

I would also like to briefly address the threats of litigation, particularly the claim that individual CRMLS Directors could be held personally liable for antitrust violations. It is clear that Compass included this threat in an attempt to instill fear in the individual Directors, hoping to sway votes toward protecting personal interests rather than acting in the best interests of CRMLS.

However, Compass's scheme failed. Each Director saw through this attempt, characterizing the threat as "desperate", "a fit-throwing tactic", and "embarrassing for Compass". The Directors viewed Compass' fearmongering as an indication of the obvious weakness in Compass' arguments. CRMLS, along with each individual Director, remains focused on its mission and principles to serve its subscribers and the consumers that they represent, undeterred by such baseless tactics.

Regarding litigation, one of CRMLS's significant concerns is the liability exposure created if CRMLS were to remove the Mandatory Cooperation rules, as suggested by Compass. Permitting properties with exclusive listing agreements to bypass Mandatory Cooperation raises numerous antitrust concerns. In fact, there is a far greater risk of potential liability from buyers bringing claims against CRMLS, Compass, and the other co-conspirators who might be alleged to be involved in such a scheme, as the Compass demanded policies effectively deny buyers the right to choose their own real estate agent.

An exclusive listing agreement grants the listing agent sole: access to the seller, ability to share information about the property, terms of sale, property access, and to present offers.

A buyer who wishes to hire their own representative is denied that opportunity when exclusively listed properties are not subject to Mandatory Cooperation. For instance, if a buyer's agent attempts to contact the listing agent to schedule a showing or submit an offer and the listing agent refuses to cooperate or respond,

the buyer is left with no choice but to approach the exclusive listing agent directly—even if that is not the buyer's preference. This arrangement effectively removes the buyer's ability to select their own agent for representation. Sellers who prefer not to list their property on the MLS still have the option to market their property publicly by using a non-exclusive listing agreement. Such agreements avoid creating the exclusive restrictions and exclusions for the buyer and their agents. If the buyer agent receives no cooperation from the non-exclusive listing agent, then the buyer's agent is free to go directly to the seller with the opportunity presented by the represented buyer. This approach benefits all parties by preserving the buyer's right to representation while accommodating the seller's preferences.

In addition to buyer suits, a viable claim could also be brought by individual agents who choose to work with a brokerage firm that uphold principles of fairness and ensure all buyers have access to all properties. If CRMLS were to agree to the Compass's demands, agents at such firms would be denied the opportunity to represent buyers who might be interested in and capable of purchasing exclusively listed off-MLS properties. By removing access of these properties, buyer agents would be forced to make the business decision to join a firm that engages in these anti-consumer, self-serving practices. Without doing so, they would lack access to sufficient inventory to sustain their buyer representation business. These buyer agents would have strong grounds to pursue legal claims against the brokerage firms conspiring to implement these anti-consumer practices, accusing them of collusion and forming agreements to pressure CRMLS and NAR into removing policies and rules related to Mandatory Cooperation.

Sellers harmed by the off-MLS practices demanded by Compass would also have a strong basis for legal claims. Extensive evidence demonstrates wide exposure through a multiple listing service results in the highest price and quickest sale for sellers. If Mandatory Cooperation is eliminated, self-serving brokerage firms could use exclusive listing agreements to prevent other buyer agents from approaching the seller. This practice effectively turns the property into a marketing tool or "billboard" to attract additional buyers to the firm, rather than getting the property sold.

This issue is not simply about double-ending transactions, as CRMLS data and prior statements – including those made publicly by Compass – make clear. It is about redirecting buyers away from their chosen agents and forcing them to work with the exclusive listing agent, who controls all information and access to the property. Once engaged, the exclusive listing agent often converts these buyers into their own clients, showing them to properties – ironically, properties listing in the MLS that are available for cooperation. The notion that Compass would leverage their market position to divert buyer customers from competing brokerage firms by withholding available properties and then representing those same buyers to purchase MLS-listed properties is both unethical and unacceptable. It is fundamentally unfair for Compass to benefit from MLS cooperation while openly refusing to cooperate themselves.

For sellers who end up in this exclusive off-MLS strategy, the consequence is often a longer time on market than if their property had just been listed in the MLS from the beginning. CRMLS data indicates that most properties initially kept off the MLS at the insistence of Compass are eventually input into CRMLS in order to secure a sale. The time spent off-MLS is simply used as an advertising tool for the listing firm, exploiting the seller's property as a "billboard" to generate more money for the firm. Sellers who later realize they were misled into a marketing program that prioritized the listing firm's interests over their own, to their disadvantage and financial detriment, are likely to pursue legal action.

Your threats against the Directors of CRMLS—who are exercising sound business judgment in operating CRMLS—by suggesting they could face personal liability, are particularly ironic given the above-described situation. Have your independent contractor agents, who you publicly admit in your stage comments and

correspondence to CRMLS, are pressuring Compass to take these clearly anti-consumer actions, been informed that they may all be named as co-conspirators in the described lawsuits? These demands by Compass agents appear to constitute a concerted action, and Compass may be arguably organizing and consolidating these agreements among horizontal competitors since as independent contractors, these agents compete against one another for clients and commissions. Their participation in such a conspiracy to implement anti-consumer practices to generate additional income could expose them to personal liability as active participants, along with Compass in this scheme to change the rules for their individual benefit.

I hope the tone and tenor of this response clearly conveys CRMLS's unwavering commitment to protecting the rights of individual consumers, including those who choose not to hire a real estate agent, as well as the rights of all CRMLS subscribers to have full and fair access to listing information. Moreover, this letter by no means contains an exhaustive list of the potential legal issues raised by Compass' requests. But, to be perfectly clear, CRMLS will not modify or eliminate the Mandatory Cooperation rules to enable Compass to take advantage of consumers.

CRMLS also aims to resolve this matter quickly, and discreetly, avoiding unnecessary public attention. If Compass voluntarily withdraws its requests to CRMLS in writing, there will be no need for further public discussion or display of the substantial antitrust violations and liabilities Compass' requests create for any MLS or Association that might comply with them.

Sincerely,

Edward J. Zorn, Esq.

VP & General Counsel

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E Ed@crmls.org

From: Robert Reffkin <robert@compass.com>

Sent: Sunday, November 24, 2024 10:22 PM

To: Art Carter <art@crmls.org>; Edward Zorn <Ed@crmls.org>

Cc: Brad Serwin <brad.serwin@compass.com>; Ashton Alexander <ashton.alexander@compass.com>; Kathy Mehringer <kathy@compass.com>; Jonathan Satz <jonathan.satz@compass.com>

Subject: Re: Request for CRMLS Action on Clear Cooperation

External Sender: Please use caution when opening links or attachments.

Art, Ed,

We are troubled by the lack of communication and collaboration from CRMLS. You are the only MLS that hasn't responded or been willing to have a dialogue about ways to provide sellers more choice to market their homes. Attached is a letter articulating these concerns to the CRMLS Board of Directors. Please share this with your Board.

A recently released [independent study by 1000WATT](#) found that 35% of prospective sellers desire to list their property off-MLS. Additionally, 1000WATT found that 66% of sellers see display of days on market as being bad for sellers and that 48% of sellers do not want price reduction information displayed for their property, which clearly demonstrates homeowners' desire for more choice and autonomy in how and where their home is marketed. Homeowners do not want to be forced to market publicly only through the MLS, and agents have a duty to honor their clients requests, which supersedes MLS rules.

Compass believes CRMLS is forcing every homeowner to market through the MLS to maintain their listing monopoly and to maintain power to force agents to pay dues, because access to the MLS is a practical requirement for agents in your market. An agent can't do their job without access to the MLS.

Failure to take swift and decisive action to either amend CRMLS rules or pause enforcement of Clear Cooperation before January 1, 2025 will leave us no choice but to pursue legal remedies and remove all Compass employees from positions held with CRMLS. We are prepared to take action not only against CRMLS for its anticompetitive, anticonsumer and damaging behavior, but also against all individual board members who perpetuate these harmful policies, other than our own Kathy Mehringer, who is on record saying she disagrees with these policies but has respected the decision of the majority Board on these matters as per role as a Board Member. Maintaining these policies perpetuates the following harms: (1) restraint of trade and coerced breach of statutory duty, (2) restrictions to pro-competitive innovations, and (3) increased likelihood of additional lawsuits and government investigations.

If CRMLS fails to act, we will also be forced to disclose the attached letter publicly, as our agents have asked us to take a more public stance with CRMLS to protect the interests of their clients.

I support a common sense approach where sellers have a choice of where, when, and how to advertise their home for sale. I welcome a dialogue with you, and your Board, to find solutions that balance the MLS goals of data integrity and cooperation with greater choice for homeowners.

Sincerely,

Robert Reffkin

P.S. Kathy, please ensure this letter is shared with your fellow Board members.

On Wed, Nov 6, 2024 at 11:32 AM Robert Reffkin <robert@compass.com> wrote:

Art,

I look forward to seeing you this Friday.

As you likely know, Compass has serious concerns about how the Clear Cooperation Policy restricts seller choice and is something we're confident brokerage firms will be forced to litigate in the New Year. **In writing this email, we are asking you to consider adopting the same policy as Bright MLS. We believe that all listings should be submitted to the MLS (so that the MLS can be the single source of truth), but that homeowners, with disclosure, should be able to decide how their home is marketed. Bright's interpretation of Clear Cooperation Policy accomplishes both goals.**

This past summer, Bright modified its interpretation of Clear Cooperation. Today, Bright allows 'Office Exclusives' to be publicly marketed, with seller authorization, meaning that the seller (and thereby its agent and their brokerage) have full control over the marketing for the listing, privately or publicly. They have also implemented enhanced disclosures to help ensure sellers are appropriately

informed. We'd ask that CRMLS follow suit in the spirit of homeowner choice and to eliminate future litigation from brokerages that feel obligated to advocate for homeowner choice.

The video [here](#) (1:38 seconds into 2 min video at top of website) and excerpt below detail Bright's clarification and guidance on the rule change.

Bright Statement (excerpt from their interpretation of 'Office Exclusives'):

We are removing perceived limitations to [seller] instructions. [You] still must submit every listing [to Bright], regardless of how you market outside the MLS.... If "Office Exclusive" is selected based on the seller's instruction, then: [1] Bright won't share with subscribers or on the Internet [and] [2] Broker may otherwise market per the seller's instructions, within the brokerage or publicly - must be based on seller's instructions; otherwise must be Active.

Rules Flexibility Added Aug. 14

Limited Marketing/"Office Exclusive"

We are removing perceived limitations to client instruction

- Still must submit every listing, regardless of how you market outside the
- **Bright's listing entry system uniquely enables entry of listings where t**
instructs the broker to restrict marketing only to the broker's network
 - Easy to enter: Select "Office Exclusive" and enter a few fields of basic
 - If "Office Exclusive" is selected *based on the seller's instruction*, then:
 - Bright won't share with subscribers or on the Internet
 - Broker may otherwise market *per the seller's instructions*, within t
publicly – must be based on seller's instructions; otherwise must
 - Switch to Active when your client decides to use the open market

We launched a website on Friday, which outlines our position on the flexibility needed for the homeowner and why - <https://www.compass-homeowners.com/>. We're giving individual homeowners the same playbook and best practices real estate developers and professional home builders have benefited from for years. Their carveout from Clear Cooperation has given them *choice* in how they market hundreds of thousands of homes a year.

We've shared the site with all our agents, and they've shared it with their clients -- the message is resonating with homeowners and they are asking for the marketing flexibility that we're advocating for. It was important to me that I gave you the visibility directly.

I've included Ashton Alexander here, our Head of Strategy, to find a time that could work for you and your team to discuss any next steps.

Robert

Robert Reffkin | Founder & CEO

m: 917-488-4898



Pre-market your home without accruing a single day on market

Learn how the Compass 3-Phased Marketing Strategy can maximize your home's value.

COMPASS

Let's talk.

The advertisement features a background image of a modern, multi-story house with large windows and a balcony. Overlaid on the image is a diagram consisting of three white circles connected by a horizontal line, representing the '3-Phased Marketing Strategy'. The word 'COMPASS' is written in white capital letters in the upper right corner, and the phrase 'Let's talk.' is at the bottom right.