

PARAGRAPH 2. Respondent is organized for the purpose of serving its members' interests, including their economic interests, by promoting, fostering, and advancing the real estate brokerage services industry in Southeastern Michigan. One of the primary functions of Respondent is the operation of the Realcomp Multiple Listing Service.

ANSWER 2. In response to Paragraph 2 of the Complaint, Respondent admits the allegations contained in the first sentence. In response to the second sentence, Respondent states that operation of the Realcomp Multiple Listing Service is the primary function of Respondent as opposed to being one of the primary functions. In response to the remaining allegations contained in this paragraph, Respondent admits the same with the further response that the information on listings on a multiple

ANSWER 5. In response to Paragraph 5 of the Complaint, Respondent admits the same.

JURISDICTION

PARAGRAPH 6. The acts and practices of Respondent, including the acts and practices alleged herein, have been or are in or affecting commerce as "commerce" is defined in the Federal Trade Commission Act, as amended, and Respondent is subject to the jurisdiction of the Federal Trade Commission. Among other things, the respondent's practices:

moving into and out of Southeastern Michigan; and

(2) Affect the transmission of real estate listing information

contained therein.

PARAGRAPH 9. An alternative form of listing agreement to an Exclusive Right to Sell Listing is an Exclusive Agency Listing. An Exclusive Agency Listing is a listing agreement under which the listing broker acts as an exclusive agent of the property owner or principal in the sale of a property, but reserves to the property owner or principal a right to sell the property without further assistance of the listing broker, in which case the listing broker is paid a reduced or no commission when the property is sold.

ANSWER 0 In response to paragraph 9 of the Complaint, Defendant admits the allegations

PARAGRAPH 12. To be listed in the MLS, a home seller must enter into a listing agreement with a listing real estate broker that is a

member of the MLS. The compensation paid by the home seller to the listing broker is determined by negotiation between the home seller and the listing broker. Whatever type of listing agreement is entered

into between the home seller and the listing real estate broker, the MLS rules require that the home seller must offer to pay a commission to a cooperating real estate broker, known as a selling broker, who successfully procures a buyer for the property. If the home

operated "Realtor.com" web site. (2) the Realcomp owned

sites.

ANSWER 15. In response to paragraph 15 of the Complaint, Respondent denies that "Realtor.com" is a NAR-operated website and denies the allegations contained therein as they pertain to Realcomp-member websites. Respondent admits the remainder of the allegations contained in this paragraph.

PARAGRAPH 16. In or about the fall of 2003, Respondent changed the Realcomp MLS search screen to default to Exclusive Right to Sell Listings ("Search Function Policy"). In order to view any other listing types, including Exclusive Agency Listings, Realcomp members have

~~to the truth or falsity of the allegations contained in this paragraph; therefore, neither admits nor~~

denies the same.

PARAGRAPH 19. Participation in Realcomp is a service that is
~~necessary for the provision of effective residential real estate~~

ANSWER 21. In response to Paragraph 21 of the Complaint, Respondent states that it is without sufficient knowledge or information to form a belief as to the truth or falsity of these allegations and

therefore, neither admits nor denies the same.

PARAGRAPH 22. By virtue of industry-wide participation and

control over the ability of real estate brokers to participate in the

ANSWER 25. In response to Paragraph 25 of the Complaint, Respondent denies the allegations contained therein for the reason same are untrue.

PARAGRAPH 26. The acts and practices of Realcomp described

specified terms, with respect to services that are necessary for the provision of effective residential real estate brokerage services. As such, the acts and practices are inherently suspect restraints of trade that have no cognizable and plausible efficiency justifications.

ANSWER 26. In response to Paragraph 26 of the Complaint, Respondent denies the allegations contained therein for the reason same are untrue.

2. The Complaint fails to comply with the requirements of Section 5(b) of the Federal Trade Commission Act, 15 U.S.C. § 45(b), because the issuance of the Complaint and the relief sought are not in the public interest.

~~3. The challenged conduct at issue in the Complaint has significant pro-~~

competitive efficiencies that outweigh any alleged anti-competitive effects.

4. Respondent lacks market power as a significant amount of sales in the described market are from persons or entities other than Respondent and there is competition in that market.

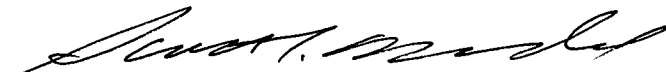
WHEREFORE, Respondent prays that a Judgment dismissing the Complaint with prejudice and awarding costs and such other relief as deemed just and proper.

Date: November 20, 2006

Respectfully Submitted,

FOSTER, SWIFT, COLLINS & SMITH, P.C.

By:



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