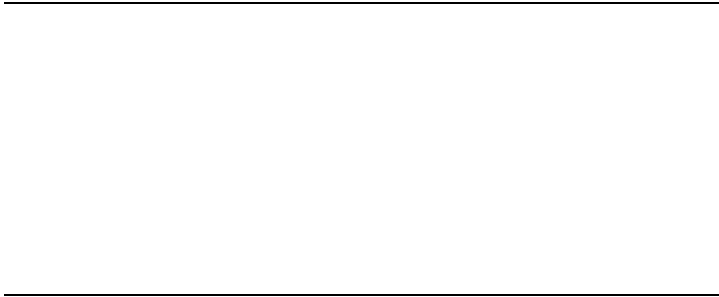


**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRA**



## **RESPONDENT AND ITS PARTICIPANTS**

## **IRES CONDUCT**

10. In 2003, IRES adopted and approved a rule that stated: “Listing information downloaded and/or otherwise displayed pursuant to I2I [IDX] shall be limited to properties listed on an exclusive right to sell basis” (the “Web Site Policy”). The Web Site Policy was rescinded by IRES in July 2006 and the participants were notified of the change on July 25, 2006.

11. The Web Site Policy prevented certain lawful residential property listings provided to IRES, including “Exclusive Agency Listings,” from being transmitted to real estate web sites, based on the contractual relationship between the home seller and the real estate agent the seller employs to promote the property. were notified of the change on July 25, 2006.

IRES is generally considered by sellers, buyers and their brokers to be the fastest and most effective means of obtaining the broadest market exposure for property in the IRES Service Area.

19. By virtue of industry-wide participation and control over a key input, IRES has market power in the IRES Service Area.

20. Participation in IRES is necessary to a broker providing effective residential real estate brokerage services to sellers and buyers of real property in the IRES Service Area. Participation significantly increases the opportunities of brokerage firms to enter into listing agreements with residential property owners, and significantly reduces the costs of obtaining up-to-date and comprehensive information on listings and sales. The realization of these opportunities and efficiencies is important for brokers to compete effectively in the provision of residential real estate brokerage services in the IRES Service Area.

### **APPROVED WEB SITES ARE KEY INPUTS**

21. Access to the Approved Web Sites is a key input in the brokerage of residential real estate sales in the IRES Service Area. Home buyers regularly use the Approved Web Sites to assist in their search for homes. The Approved Web Sites are the web sites most commonly used by home buyers in their home search. Many home buyers find the home that they ultimately purchase by searching on Approved Web Sites.

22. The most efficient, and at least in some cases the only, means for IRES participants to have their properties listed on the Approved Web Sites is by having IRES transmit those listings.

23. Property owners and their brokers in the IRES Service Area generally consider publication of listings on Approved Web Sites, in conjunction with publication of listings on the IRES MLS, to be the most effective means of obtaining the broadest market exposure for residential property in the IRES Service Area.

### **EFFECTS OF WEB SITE POLICY**

24. The Web Site Policy restricts competition by inhibiting the use of Exclusive Agency Listings in the IRES Service Area.

25. The Web Site Policy reduces consumer choices regarding both the purchase and sale of homes and induces consumers to pay for real estate brokerage services that they would not otherwise buy.

**THE WEB SITE POLICY OFFERS NO EFFICIENCY BENEFIT**

26. There is no cognizable and plausible efficiency justification for the Web Site Policy. The Web Site Policy is not reasonably ancillary to the legitimate and beneficial objectives of the MLS.

**VIOLATION**

27. In adopting the policies and engaging in the Acts and Practices described herein, IRES has been acting as a combination of its participants , or in conspiracy with some of its participants , to restrain trade in the provision of residential real estate brokerage services within Northern Colorado and/or the IRES Service Area.

28. The purposes, capacities, tendencies, or effects of the policies, acts, or practices of IRES and its participants as described herein have been and are unreasonably to restrain competition among brokers, and to injure consumers.

29. The policies, acts, practices, and combinations or conspiracies described herein constitute unfair methods of competition in or affecting interstate commerce in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45.

**WHEREFORE, THE PREMISES CONSIDERED,** the Federal Trade Commission on this twenty-second day of November, 2006, issues its Complaint against Respondent Information and Real Estate Services, LLC.

By the Commission.

Donald S. Clark  
Secretary