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RESPONDENT AND ITS PARTICIPANTS

1. Respondent Realtors Association of Northeast Wisconsin, Inc., (“RANW”) is a non-profit corporation organized, existing and doing business under and by virtue of the laws of the State of Wisconsin. Respondent’s principal place of business is W6124 Aerotech Drive, Appleton, Wisconsin 54912-2637. RANW operates for the benefit of its members.
2. RANW has more than 2000 real estate professionals as members, and is affiliated with the National Association of Realtors (“NAR”). The majority of RANW’s members hold an active real estate license and are active in the real estate profession.
3. The large majority of residential real estate brokerage professionals in the Northeast Wisconsin Area are members of RANW. These professionals compete with one another to provide

18. The publication and sharing of information relating to residential real estate listings for the purpose of brokering residential real estate transactions is a key input to the provision of real estate brokerage services, and represents a relevant input market. Publication of listings through RANW MLS 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 Northeast Wisconsin Area.
19. By virtue of industry-wide participation and control over a key input, RANW has market power in the Northeast Wisconsin Area.
20. Participation in RANW MLS is necessary to a broker providing effective residential real estate brokerage services to sellers and buyers of real property in the Northeast Wisconsin 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 Northeast Wisconsin Area.

APPROVED WEB SITES AND KEY INPUTS

21. Access to the Approved Web Sites is a key input in the brokerage of residential real estate sales in the Northeast Wisconsin 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 RANW MLS participants to have their properties listed on the Approved Web Sites is by having RANW MLS transmit those listings.
23. Property owners and their brokers in the Northeast Wisconsin Area generally consider publication of listings on Approved Web Sites, in conjunction with publication of listings on the RANW MLS, to be the most effective means of obtaining the broadest market exposure for residential property in the Northeast Wisconsin Area.

EFFECTS OF WEB SITE POLICY

24. The Web Site Policy restricted competition by inhibiting the use of Exclusive Agency Listings in the Northeast Wisconsin Area.
25. The Web Site Policy reduced consumer choices regarding both the purchase and sale of homes and induced consumers to pay for real estate brokerage services that they would not otherwise have purchased.

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, RANW has acted as a combination of its members to restrain trade in the provision of residential real estate brokerage services within the Northeast Wisconsin Area.
28. The purposes, capacities, tendencies, or effects of the policies, acts, or practices of RANW and its members as described herein have been 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 Realtors Association of Northeast Wisconsin, Inc.

By the Commission.

Donald S. Clark
Secretary