

Northern New England Real Estate Network has reached an agreement with the Federal Trade Commission. The FTC investigated a NNEREN policy that had restricted the display of what are known as "exclusive agency listings" from publicly viewed websites. This policy was voluntarily rescinded by NNEREN in November, 2005 as posted on the NNEREN website at that time.

NNEREN currently allows Exclusive Agency listings to be posted on public websites including NNEREN.com and REALTOR.com, as well as NNEREN member sites via data feed. The following provision was deleted from Section 1 of the NNEREN Rules and Regulation, effective November 2005:

*"Exclusive Agency listings will not be included in NNEREN datafeeds to any website accessed by the general public such as nneren.com, REALTOR.com, third party feeds, IDX, etc." (DELETED)*

The amended NNEREN rule presently in effect regarding exclusive agency listings is as follows:

*"The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral basis, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right to sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations. (Amended Nov. 2005)"*

The FTC Decision and Order regarding this matter follow.

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

**Commissioners:**            **Deborah Platt Majoras, Chairman**  
                                     **Pamela Jones Harbour**  
                                     **Jon Leibowitz**  
                                     **William E. Kovacic**  
                                     **J. Thomas Rosch**

**In the Matter of**

**NORTHERN NEW ENGLAND REAL ESTATE  
NETWORK, INC.,**

**a corporation.**

**Docket No. C-4175**

**DECISION AND ORDER**

The Federal Trade Commission (“Commission”) having initiated an investigation of certain acts and practices of the Northern New England Real Estate Network, Inc., hereinafter sometimes referred to as “Respondent” or “NNEREN,” and Respondent having been furnished thereafter with a copy of the draft Complaint that the Bureau of Competition presented to the Commission for its consideration and which, if issued by the Commission, would charge Respondent with violations of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondent, its attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), containing an admission by Respondent of all the jurisdictional facts set forth in the aforesaid draft Complaint, a statement that the signing of the Consent Agreement is for settlement purposes only and does not constitute an admission by Respondent that the law has been violated as alleged in such Complaint, or that the facts as alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that Respondent has violated the said Act, and that a Complaint should issue stating its charges in that respect, and having accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure

described in Commission Rule 2.34, 16 C.F.R. § 2.34 (2004), the Commission hereby makes the following jurisdictional findings and issues the following Order:

1. Respondent NNEREN is a for-profit business corporation organized, existing and doing business under and by virtue of the laws of the State of New Hampshire, with its office and principal place of business at 5 Chenell Drive, P.O. Box 1748, Concord, New Hampshire 03302.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

## **ORDER**

### **I.**

**IT IS ORDERED** that for the purposes of this Order, the following definitions shall apply:

- A. “Respondent” or “NNEREN” means the Northern New England Real Estate Network, Inc. its predecessors, divisions and wholly or partially owned subsidiaries, affiliates, partnerships, and joint ventures; and all the directors, officers, employees, consultants, agents, and representatives of the foregoing. The terms “subsidiary,” “affiliate” and “joint venture” refer to any person in which there is partial or total ownership or control by NNEREN, and is specifically meant to include the NNEREN Multiple Listing Service and NNEREN.com.
- B. “Multiple Listing Service” or “MLS” means a cooperative venture by which real estate brokers serving a common market area submit their listings to a central service which, in turn, distributes the information for the purpose of fostering cooperation in and facilitating real estate transactions.
- C. “NNEREN Multiple Listing Service” means the Multiple Listing Service owned, operated, or controlled by NNEREN.
- D. “NNEREN Participant” means any person authorized by NNEREN to access, use or enjoy the benefits of the NNEREN Multiple Listing Service in accordance with NNEREN’s by-laws, policies, rules, and regulations.
- E. “IDX” means the internet data exchange process that converts the MLS listing database to a database that can be integrated within any web site.
- F. “IDX Web Site” means a Web Site that is capable of integrating the MLS listing database within the Web Site.

- G. “NNEREN.com” means the Web Site operated by NNEREN that allows the general public to search information concerning real estate listings from the NNEREN Multiple Listing Service.
- H. “Realtor.com” means the Web Site operated by the National Association of Realtors that allows the general public to search information concerning real estate listings downloaded from a variety of MLSs representing different geographic areas of the country, including but not limited to real estate listings from the NNEREN Multiple Listing Service.
- I. “Approved Web Site” means a Web Site to which NNEREN provides information concerning listings for publication including, but not limited to, NNEREN Participant IDX Web Sites, NNEREN.com, and Realtor.com.
- J. “Exclusive Right to Sell Listing” means a listing agreement under which the property owner or principal appoints a real estate broker as his or her exclusive agent for a designated period of time, to sell the property on the owner’s stated terms, and agrees to pay the listing broker a commission when the property is sold, regardless of whether the buyer is found by the listing broker, the owner or another broker.
- K. “Exclusive Agency Listing” means 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 also reserves to the property owner or principal a right to sell the property without assistance from a broker, in which case the listing broker is paid a reduced commission or no commission when the property is sold.
- L. “Services of the NNEREN MLS” means the benefits and services provided by NNEREN to assist NNEREN Participants in selling, leasing and valuing property and/or brokering real estate transactions. With respect to real estate brokers or agents representing home sellers, Services of the NNEREN MLS shall include, but are not limited to:
  - 1. having the property included among the listings in the NNEREN MLS in a manner so that information concerning the listing is easily accessible by cooperating brokers; and
  - 2. having the property publicized through means available to the NNEREN MLS, including, but not limited to, information concerning the listing being made available on NNEREN.com, Realtor.com and IDX Web Sites.

- M. “Other Lawful Listings” means a listing agreement, other than Exclusive Right to Sell Listings or Exclusive Agency Listing, which is in compliance with applicable state laws and regulations.

## **II.**

**IT IS FURTHER ORDERED** that Respondent NNEREN, its successors and assigns, and its directors, officers, committees, agents, representatives, and employees, directly or indirectly, or through any corporation, subsidiary, division, or other device, in connection with the operation of a Multiple Listing Service or Approved Web Sites in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44, shall forthwith cease and desist from adopting or enforcing any policy, rule, practice or agreement to deny, restrict or interfere with the ability of NNEREN Participants to enter into Exclusive Agency Listings or Other Lawful Listings with the sellers of properties, including but not limited to any policy, rule, practice or agreement to:

1. prevent NNEREN Participants from offering or accepting Exclusive Agency Listings;
2. prevent NNEREN Participants from cooperating with listing brokers or agents that offer or accept Exclusive Agency Listings;
3. prevent NNEREN Participants from publishing information concerning listings offered pursuant to Exclusive Agency Listings on Approved Web Sites;
4. deny or restrict the Services of the NNEREN MLS to Exclusive Agency Listings or Other Lawful Listings in any way that such Services of the NNEREN MLS are not denied or restricted to Exclusive Right to Sell Listings; and
5. treat Exclusive Agency Listings, or any Other Lawful Listings, in a less advantageous manner than Exclusive Right to Sell Listings, including but not limited to, any policy, rule or practice pertaining to the transmission, downloading, or displaying of information pertaining to such listings.

**Provided, however, that** nothing herein shall prohibit the Respondent from adopting or enforcing any policy, rule, practice or agreement regarding participant requirements, payment of dues, administrative matters, or any other policy, rule, practice or agreement, that it can show is reasonably ancillary to the legitimate and beneficial objectives of the MLS.

### III.

**IT IS FURTHER ORDERED** that Respondent shall, no later than thirty (30) days after the date this Order becomes final, amend its rules and regulations to conform to the provisions of this Order.

### IV.

**IT IS FURTHER ORDERED** that, within ninety (90) days after the date this Order becomes final, Respondent shall (1) inform each NNEREN Participant of the amendments to its rules and regulations to conform to the provisions of this Order; and (2) provide each NNEREN Participant with a copy of this Order. Respondent shall transmit the rule change and Order by the means it uses to communicate with its participants in the ordinary course of NNEREN's business, which shall include, but not be limited to: (A) sending one or more emails with one or more statements that there has been a change to the rule and an Order, along with a link to the amended rule and the Order, to each NNEREN Participant; and (B) placing on the publicly accessible MLS Rules and Regulations page of the NNEREN Web Site ([www.NNEREN.com](http://www.NNEREN.com)) a statement that there has been a change to the rule and an Order, along with a link to the amended rule and the Order. Respondent shall modify its Web Site as described above no later than five (5) business days after the date the Order becomes final, and shall display such modifications for no less than ninety (90) days from the date this Order becomes final. The Order shall remain accessible through common search terms and archives on the Web Site for five (5) years from the date it becomes final.

### V.

**IT IS FURTHER ORDERED** that Respondent shall notify the Commission at least thirty (30) days prior to any proposed change in Respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation or any other proposed changes in the corporation which may affect compliance obligations arising out of the Order.

### VI.

**IT IS FURTHER ORDERED** that Respondent shall file a written report within six (6) months of the date this Order becomes final, and annually on the anniversary date of the original report for each of the five (5) years thereafter, and at such other times as the Commission may require by written notice to Respondent, setting forth in detail the manner and form in which it has complied with this Order.

**VII.**

**IT IS FURTHER ORDERED** that this Order shall terminate on November 22, 2016.

By the Commission.

Donald S. Clark  
Secretary

SEAL  
ISSUED: November 22, 2006