

From: margaret@mi-homes.com [mailto:margaret@mi-homes.com]
Sent: Wednesday, October 12, 2005 10:54 AM
To: ATR-Real Estate Workshop
Subject: DOJ lawsuit against NAR

Dear Sir or Ma'am,

I am writing to give my perspective on this lawsuit. I am in my 3rd year as an agent, having come from the social work field. I have experience with today's consumer- educated, internet savvy and demanding.

When reviewing your complaints, I am left wondering where the facts originated. I have dealt with the entities that you are essentially defending (internet referral entities). For a period, I worked with them. However, their business model did not include the most essential fact: helping a consumer sell or purchase a home. Often, a consumer is online educating themselves about real estate. The website "captures" their information, and promises them information if they fill out a form. Even if a person chooses not to click "send" or "submit", the company has already captured the information. This information is then sold to numerous agents although the contract reads it is a "marketing" fee not a referral fee. (More on this one later) Over 3/4 of the consumers I contacted did not want to talk to a real estate agent- they thought they were getting something else, not an agent or they never completed the entire form. This leads to my original statement- is this company trying to help one buy or sell a home? No. They are looking their bottom line. The consumer has no process to file a complaint- it is online and fairly invisible.

Additionally, many of these companies are operating in conflict with state and federal laws. In my state, Michigan, one must have a real estate license to get paid for a referral. I quit my referral service when I realized they were not operating according to the law, and I would be the one penalized. Additionally, they know this. They tell you up front they charge a "marketing" fee, not a referral fee. How is it a marketing fee when the only thing they do is send an e-mail to the consumer with my e-mail address only if I pay them UP FRONT when they have a referral?

I am comfortable with a referral only business if they state their intent up front and inform the consumer. Additionally, these companies need to operate in accordance with state licensing laws. Otherwise, this lawsuit will have an unintended consequence: give the advantage to the invisible, internet, referral only business who has no interest in the consumer. The consumer is not able to file a complaint with their state attorney general when the business never had an obligation to assist the consumer.

The Department of Justice needs to remember the core issue: who is trying to serve the best interest of the consumer? It is to a broker's advantage to cooperate with others and get their homes on various websites. But is it in the best interest of the consumer to automatically have their home on or look for a home at a site that has no licensing requirements, no interest in serving the client and no ability to actually help the client?

My former job required a 4-year demanding bachelor's degree. Real estate agents attend various classes and continuing education classes to acquire and maintain their license- not hard in the broad scheme of things.

However, my current job is harder than my old job. Yet, the DOJ is trying to let uneducated, uninterested parties use our hard work to advertise our homes while providing no real service. Let the companies operate the way they currently are- it is working for them. Although I requested my name be removed from my old referral service, I get 8-10 referrals a week that I turn down. They send these to a minimum of 3 agents (who all pay for them). It sounds like their model is working for them.

Please contact me with any questions.

Sincerely,

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