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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON

Alucard Taylor, et al.

Plaintiff,

v.

Zillow Group, Inc., et al.

Defendant.

Case No.: 2:25-cv-01818

**GEODOMA'S AMICUS CURIAE IN
SUPPORT OF CONSUMERS**

Judge: Hon. James L Robart

CONTENTS

BACKGROUND	4
ARGUMENT	9
I. RESPA SECTION 8(C)(3) BROKER-TO-BROKER REFERRAL EXEMPTION DOES NOT APPLY TO AGENT-MATCHING PLATFORMS.....	9
A. Zillow Flex serves "Flex partner agents" as customers of a two-sided platform.....	9
B. The term "real estate broker" is codified under 24 C.F.R. 3500.2(b) as a "settlement service" provider.	12
C. Mere possession of a broker's license is not sufficient to qualify for RESPA Section 8(c)(3) exemption.	13
D. Any disclosures of RESPA-banned kickbacks is merely a self-admission of RESPA fraud.	15
II. RESPA SECTION 8(C)(4) AFFILIATED BUSINESS ARRANGEMENT (AFBA) REFERRAL EXEMPTION DOES NOT APPLY TO UNAFFILIATED AGENTS.....	16
A. "Flex partner agents" are not affiliated with Zillow Flex.	17
B. Zillow Flex is unable to provide a valid written AfBA disclosure between "Flex partner agents" and Zillow Home Loans.....	19
III. ZILLOW FLEX KICKBACKS ARE SELF-ADMITTED AND CARDINALLY VIOLATE SECTION 8(A) OF RESPA.	20

TABLE OF AUTHORITIES

Cases

<u>HomeLight, Inc. v. Shkipin</u> , 694 F. Supp. 3d 1242, 1250 (N.D. Cal. 2023)	10
<u>HomeLight, Inc. v. Shkipin</u> , 721 F. Supp. 3d 1019, 1024 (N.D. Cal. 2024)	7
<u>HomeLight, Inc. v. Shkipin</u> , Case 5:22-cv-03119-PCP	6
<u>McLaughlin v. HomeLight, Inc.</u> , 2:21-cv-05379-MCS, 2021 (C.D. Cal. Sept. 17, 2021)	10
<u>Ohio v. Am. Express Co.</u> , 138 S. Ct. 2274, 201 L. Ed. 2d 678 (2018)	11

Statutes

12 C.F.R. § 1024.14(g)(1)(v)	9, 18
12 C.F.R. § 1024.2(b)(29)(14)	13
12 C.F.R. § 1263.1	4
12 U.S.C. § 2607(a)	5, 12, 20
12 U.S.C. § 2607(c)	4, 18
12 U.S.C. § 2607(c)(3)	passim
12 U.S.C. § 2607(c)(4)	19
12 U.S.C. § 2607(d)(1)	4
California UCL	7
Sherman Antitrust Act	18

BACKGROUND

In 1974, Congress enacted the Real Estate Settlement Procedures Act (RESPA) as a consumer disclosure and anti-kickback statute. Among others, this federal law serves the following primary purposes: (1) RESPA requires disclosures that list settlement costs to be given to homebuyers and sellers, and (2) RESPA eliminates abusive practices, such as kickbacks and referral fees, which increase the costs paid by consumers.

RESPA applies to settlement services only. Settlement services are things associated with the purchase of a home that occur at or before settlement. If the service occurs after settlement, it is generally not considered a settlement service. Among others, settlement services include services of real estate brokers or agents and the originations of mortgage loans.

In the United States, anyone who violates the RESPA's ban on referral fees commits a crime 12 U.S.C. § 2607(d)(1). For a violation to occur, all of the following elements must be present: (1) payment or transfer of a thing of value, (2) for referrals of business involving a federally related mortgage loan, (3) pursuant to an agreement or understanding to refer settlement service business, (4) resulting in an actual referral, (5) that does not meet any specific codified exemption(s) under 12 U.S.C. § 2607(c). RESPA applies to the majority of purchase loans and refinances secured by federally funded mortgages on one-to-four family residential properties. 12 C.F.R. § 1263.1

Aside from the broad "no person shall give and no person shall accept" kickbacks prohibitions codified under RESPA, Congress understood that a number of business referrals that occur in the settlement service industry do not harm consumers. As a result, Congress permitted certain conduct to be exempt from RESPA's ban on referral fees. If a fee or thing of value is paid under one or more of these exceptions, the person or entity does not violate RESPA.

In recent years, so-called "referral fee networks" or "agent-matching platforms" have

turned the U.S. residential real estate services market into large RESPA-banned kickback schemes. Most of these networks get a shell real estate license, but they do not provide actual brokerage services. Instead, they refer home sellers and buyers to so-called "partner agents" for 25% to 40% of the agents' commissions.

Today, several large nationwide mortgage lenders (such as loanDepot/mellohome, Rocket/Rocket Homes, Tomo Mortgage/Tomo Brokerage, Lower-dot-com/OJO, Opendoor Key Agent/Opendoor Home Loans, HomeStory, Blend Realty, Better-dot-com Real Estate, and New American Funding/NAF Homes) use shell brokerage licenses to collect RESPA-banned kickbacks. Certain agent-matching platforms (such as HomeLight, Clever Real Estate, IDEAL AGENT, EffectiveAgents, FastExpert, TopAgentsRanked, SOLD-dot-com, and homegenius), and certain listings platforms (such as Zillow Flex and Realtor-dot-com-Opcity-Upnest) do the same. Even some TV media influencers (like Dave Ramsey RamseyTrusted Agent and "Real Estate Agents Glenn Beck Trusts") have now set up "partner agent" referral fee schemes using shell licenses, attempting to bypass 12 U.S.C. § 2607(a) by falsely claiming to meet exemption under 12 U.S.C. § 2607(c)(3).

On September 19, 2025, Hagens Berman Sobol Shapiro and Cohen Milstein Sellers & Toll, on behalf of Consumers as a class, brought this case before this Court, accusing one such scheme, Zillow Flex, of major RESPA fraud. Since 2018, when Zillow Flex was first introduced (prior to 2018, Zillow utilized lawful upfront pay-per-click ads sales as its core business model), it can be fairly estimated that Zillow Flex stole over \$5 billion in RESPA-banned kickbacks, in collusion with over 100,000 so-called "Flex partner agents" nationwide.

As a friend of the court, I have no direct interest in this litigation (I am not a consumer who was ever steered by Zillow Flex to "Flex partner agents" subject to 40% kickbacks) but I do

have a major regulatory clarity and business interest in this legal dispute as a founder and developer of a RESPA-compliant online real estate platforms (HomeOpenly and Geodoma.)

In fact, I was even involved in a Strategic Lawsuit Against Public Participation (SLAPP) posted against me in federal court recently, by another RESPA kickbacks referral scheme, very similar to Zillow Flex, called HomeLight, between 2022 and 2024. In December of 2024, HomeLight, facing an imminent exposure of their RESPA fraud, was forced to drop their frivolous lawsuit. However, before HomeLight ran from their illegal SLAPP, certain critical federal court rulings and certain certified discovery requests about their conduct also did make it onto the public docket. Some of this information may now help this Court to make accurate decisions (See HomeLight, Inc. v. Shkipin, Case 5:22-cv-03119-PCP (Document 172) Filed November 25, 2024: Declaration of Dmitry Shkipin in Support of Opposition to HomeLight, Inc.'s Rule 41 Motion for Voluntary Dismissal as well as Exhibit A, Exhibit B, Exhibit C, and Exhibit D.)

Zillow Flex engages in RESPA fraud, which not only scams hundreds of thousands of consumers with massive kickbacks but also negatively affects the network effects (and subsequent value) of ALL RESPA-compliant platforms. For instance, CoStar's Homes-dot-com platform utilizes a RESPA-compliant advertising sales, while Zillow Flex extracts money from illegal kickbacks. This type of RESPA fraud harms lawful platforms that are building lawful alternatives to Zillow Flex, simply because RESPA fraud delivers massive revenues to law-breaking competitors that are otherwise firmly banned by Congress.

Legally, platforms cannot partake in kickbacks, and major platforms that do engage in RESPA-banned kickbacks must also engage in "unlawful, unfair or fraudulent" conduct against lawful competitors. Incidentally, the federal court (in my dispute with HomeLight) disagreed

with me (I did not appeal this ruling: as a pro se litigant, facing major hurdles in being able to represent myself in federal court). The Court reasoned that my California UCL claim to protect the interests of the RESPA-compliant HomeOpenly platform had failed to allege causation under California UCL and denied me standing to sue HomeLight entirely:

"Even assuming it were illegal for HomeLight to charge commissions to agents who accept its referrals, Mr. Shkipin's allegations that he was injured by HomeLight charging commissions to third party agents are implausible. He does not allege, for example, that he ever paid such a commission, either directly or indirectly. And, as discussed above, the alleged fact that HomeLight charged its agents commissions would seem to increase agents' incentive to use (and advertise on) a platform like HomeOpenly that does not." HomeLight, Inc. v. Shkipin, 721 F. Supp. 3d 1019, 1024 (N.D. Cal. 2024)

In 2017, my team had developed a fully-transparent RESPA-compliant platform (that legally operated subject to 0% referral fees), called HomeOpenly, to allow consumers to shop for real estate agents based on their individually offered real estate commissions savings. HomeOpenly was steering consumers toward real estate brokers who offered commission rebates and savings, for free, in order to gain relevance as a "Honey app for real estate." At some point, the HomeOpenly platform was offering consumers \$10 billion in savings nationwide (savings were provided by independent real estate agents, all of whom established their fees independently.) Today, the HomeOpenly platform does not exist, in large part, because it was built as a RESPA-compliant business in the industry that simply does not wish to comply with this highly specific law.

Moreover, the kickbacks-paying real estate brokers do not wish to compete for consumers with savings at all. Instead, they wish to be spoon-fed referrals from schemes such as Zillow Flex and are perfectly willing to shell out 40% of their commissions for these referrals. On a \$1M home purchase, the 40% Flex kickback from a buy-side 2.5% to 3% real estate

brokerage fees is \$10,000+ paid entirely for steering. My platform, HomeOpenly, did not (and could not, legally) collect even \$10 for a referral, and, instead, it attracted consumers with information about genuine savings. Eventually, as long as RESPA remains the federal law, these massive RESPA violations create an inherently unfair imbalance between platforms that fraudulently utilize "paper" brokerage licenses to collect billions of USD to scam consumers, and platforms that operate in a RESPA-compliant manner to only collect upfront lawful fees paid for ads and/or subscriptions.

For instance, since its inception, Rocket Homes (a shell entity administered by Rocket Mortgage) had collected 35% kickbacks from over 1,000,000 transactions, by self-admission. Since 2012, HomeLight has collected 25% to 33% kickbacks from over 1,200,000 transactions, by self-admission. I will save this Court the trouble of multiplying a \$10,000 kickback times 1,200,000 transactions. Nothing, remotely lawful, is able to compete with this kind of RESPA fraud.

Every single year, a mere dozen of these "referral fee network" schemes steal an estimated \$15 billion in RESPA-banned kickbacks from about \$100 billion that consumers spend on real estate brokerage fees. In terms of the aggregate dollar-value, this is now the largest real estate settlement services fraud in history, where RESPA-banned kickbacks are derived from the largest single business line item (real estate brokerage fees are consistently the largest line item expense, when Americans are buying or selling approximately six million homes every year) and are further scaled online between state borders, across the entire United States. This sheer magnitude of money is why Zillow Flex conduct is not merely RESPA fraud; it is also wire fraud.

ARGUMENT

I. RESPA SECTION 8(C)(3) BROKER-TO-BROKER REFERRAL EXEMPTION DOES NOT APPLY TO AGENT-MATCHING PLATFORMS.

Unambiguously, 12 U.S.C. § 2607(c)(3) and 12 C.F.R. § 1024.14(g)(1)(v) exemptions allow payments pursuant to cooperative brokerage and referral arrangements between real estate agents and real estate brokers. This limited exemption on kickbacks only applies to fee divisions within real estate brokerage arrangements when all parties act in a real estate brokerage capacity.

"... Section 8 of RESPA permits: ... (v) A payment pursuant to cooperative brokerage and referral arrangements or agreements between real estate agents and real estate brokers. (The statutory exemption restated in this paragraph refers only to fee divisions within real estate brokerage arrangements when all parties are acting in a real estate brokerage capacity, and has no applicability to any fee arrangements between real estate brokers and mortgage brokers or between mortgage brokers.); ..." 12 C.F.R. § 1024.14(g)(1)(v)

This entire dispute has to do with the fact that Zillow Flex referrals simply do NOT meet this limited exemption and, therefore, must fall under the general RESPA's kickbacks prohibition. There are multiple reasons for this, and they all lead to the same exact conclusion:

Zillow Flex is acting as a two-sided platform when making referrals.

A. Zillow Flex serves "Flex partner agents" as customers of a two-sided platform.

Both the United States District Court for the Northern District of California and the United States District Court for the Central District of California have recently reasoned that a scheme similar to Zillow Flex, called HomeLight, acts in a vertical servicer-customer relationship on a different level of the supply chain with +/-28,000 "partner agents." These federal district courts are both in the Ninth Circuit and have consistently reasoned that HomeLight's referral agent-matching platform is an "upstream" supplier of paid referrals to "downstream" real estate brokers, as opposed to a real estate broker acting on the same level of

distribution.

"To start, even though HomeLight is a licensed brokerage, in the context of this agreement HomeLight and agents are not acting as horizontal competitors agreeing to charge customers the same price for a service they both offer. ... HomeLight's referral is better thought of as a vertical input to the partner agent's ultimate sale ... [where] ... real estate agents [are] referral platform's intermediate consumers ..." HomeLight, Inc. v. Shkipin, 694 F. Supp. 3d 1242, 1250 (N.D. Cal. 2023)

This same distinction was articulated in another recent legal dispute (McLaughlin v. HomeLight, Inc.) that also clarified that HomeLight functions as a referral platform, as opposed to "a real estate agent directly involved with home buyers or sellers in the purchase and sale of real estate." That court reasoned:

"HomeLight contends that McLaughlin brings this lawsuit as an aggrieved potential consumer of its real estate agent referral service, not as a direct competitor. The Court agrees with HomeLight that McLaughlin does not plead facts supporting his conclusion that he and HomeLight are 'direct competitors.'" McLaughlin v. HomeLight, Inc., 2:21-cv-05379-MCS, 2021 (C.D. Cal. Sept. 17, 2021)

In markets that do not involve RESPA-covered settlement services, there is typically no problem with this vertical servicer-customer relationship, at a different level of the supply chain. Businesses can easily serve other businesses as their customers. However, subject to RESPA, this customer-servicer relationship designation plainly precludes 12 U.S.C. § 2607(c)(3) safe harbor applicability for any of the "referral platform" referrals of RESPA-covered "settlement services."

A "referral platform" may, of course, easily sell customer leads to real estate brokers. However, such sales must never be tied to the outcome of the successful transaction or based on a percentage of brokerages' commissions. The US-CFPB Advisory Opinion issued on February

7, 2023, further confirms that any operator of a "settlement services" digital comparison-shopping platform receives a prohibited referral fee in violation of RESPA when the operator receives a "thing of value" for referral activity. This Court does not have to abide by this US- CFPB Advisory, but the Advisory and the reasoning behind it are 100% accurate, and it applies to all platforms that sell advertising to any "settlement services," including real estate brokers and agents. (See <https://www.consumerfinance.gov/rules-policy/final-rules/real-estate-settlement-procedures-act-regulation-x-digital-mortgage-comparison-shopping-platforms-and-related-payments-to-operators/>)

The Supreme Court, in Ohio v. Am. Express Co., 138 S. Ct. 2274, 201 L. Ed. 2d 678 (2018) also correctly recognized a two-sided platform to "facilitate a single, simultaneous transaction" that offers "different products or services to two different groups who both depend on the platform to intermediate between them." In other words, all agreements between two-sided platforms and their customers are established between firms at different levels of distribution offering entirely different products or services. Logically, Zillow Flex cannot act as a two-sided platform that services brokers as customers and, concurrently, be able to qualify for an exemption that only applies to their broker-customers, because the Supreme Court has expressly segregated a two-sided platform into an entirely different product market.

Zillow Group 2018 Form 10-K, plainly admits that the kickback is an advertising fee charged by an advertising platform for advertising services:

"In October 2018, we began testing a new Flex Pricing model for Premier Broker and Premier Agent **advertising services** in limited markets. With the Flex Pricing model, Premier Brokers and Premier Agents are provided with validated leads at no upfront cost, and they pay a **performance advertising fee** only when a real estate transaction is closed with one of their leads."

where Zillow Group further admits that:

"to compete successfully for advertisers against future and existing competitors, [Zillow] must continue to invest resources in developing **our advertising platform** and proving the effectiveness and relevance of our advertising products and services." (See <https://www.sec.gov/Archives/edgar/data/1617640/000161764019000005/q42018form10-kdoc.htm>)

The self-admission that Zillow Flex acts as an "advertising platform" for "Flex partner agents" is also *a fortiori* proof that their platform-based 40% referral fee taken from real estate broker commissions plainly must violate 12 U.S.C. § 2607(a).

B. The term "real estate broker" is codified under 24 C.F.R. 3500.2(b) as a "settlement service" provider.

As surely as the sun rises, any defense by Zillow Group against 100% rightful claims by consumers (this dispute is new and Zillow Group has yet to post an Answer or a Motion of Dismiss) will include the fact that Zillow holds some real estate brokerage license in every US state and Washington, DC. The "paper" record of these license is 100% true and public record.

For instance, in my home state, the State of California, Zillow holds "paper" CA-DRE License 01980367 (See https://www2.dre.ca.gov/publicasp/ppinfo.asp?License_id=01980367) with a Designated Broker: Brian Andrew Merrion, CA-DRE 01940486, who, according to their Zillow profile web page, is a "Lead of BAM Team Real Estate @CB" (See <https://www.zillow.com/profile/BAMreteam>). That is 100% correct, your Honor: in California, Zillow claims to operate as something called BAM Real Estate. Even though this fact is hilarious and has everything to do with Bamm-Bamm Rubble, it is also not funny at all and has nothing to do with the actual services provided by Zillow. This is, obviously, a shell brokerage.

This "paper" license dilemma is easily resolved by careful reading of RESPA. The law actually defines a "real estate broker" for us as a function, as opposed to a mere licensee holder. This definition has nothing to do with holding a "paper" brokerage license. On the contrary, this

definition has everything to do with delivering "services provided in connection with a prospective or actual settlement." (See <https://www.consumerfinance.gov/rules-policy/regulations/1024/2/#b-29>)

Zillow Flex is a shell brokerage entity; it does not act as a true settlement services provider. The exemption only allows "real estate agents or real estate brokers" where all parties deliver "services provided in connection with a prospective or actual settlement" ... "for which a settlement service provider requires a borrower or seller to pay" to share cooperative broker commissions between one another. 12 C.F.R. § 1024.2(b)(29)(14)

C. Mere possession of a broker's license is not sufficient to qualify for RESPA Section 8(c)(3) exemption.

As part of the "real estate broker" definition under 12 C.F.R. § 1024.2(b)(29)(14), Congress had clearly and fully defined the purpose, exact reasons, etc. of the broker-to-broker exemption itself - to share commissions as part of co-representing a client with value-added services provided by *bona fide* real estate brokers.

Zillow Flex is a two-sided platform, and neither consumers as customers, nor real estate brokers-customers, think of or utilize Zillow as their real estate brokerage. Consumers absolutely DO use an estimated 100,000 "Flex partner agents" as their brokers, but not Zillow itself. In fact, consumers can even use Zillow to post FSBO listings, for free (as they also can on Geodoma), which is a unique feature of platforms. I cannot name any full-service brokerages that also allow for FSBO listings, because real estate brokers enter into genuine *bona fide* representation agreements with all their clients, for specific fees to represent them in a specific real estate transaction.

A *bona fide* brokerage sometimes needs to refer a customer to a competitor (just as a mechanic may refer a customer to another mechanic or an attorney may refer a client to another

attorney). Referrals, splits, and cooperative fee arrangements between *bona fide* real estate brokers often help facilitate a home purchase transaction more efficiently for both the home seller and the homebuyer (for instance, a listing broker may offer to split their commissions with a buyer broker who brings a client, making such fee splits actually helpful and legal under 12 U.S.C. § 2607(c)(3) exemption.)

However, real estate brokers may only discuss or negotiate the referral fee compensation concerning an individual transaction at hand and not as a means of consumer allocation agreements between competing brokerages.

When used correctly and legally, 12 U.S.C. § 2607(c)(3) is a very helpful and beneficial exemption, because it allows real estate brokers to share seller-paid commissions outside GSE's IPCs limits.

On Geodoma, our seller-paid commission sharing policy reads:

"In 40 US states jurisdictions where buyer brokers are able to offer buyer rebates, in full compliance with the Federal Housing Finance Agency (FHFA), Fannie Mae and Freddie Mac (the Enterprises) guidelines, and in accordance with local common and customary practices, Buyer Agent Commissions amounts offered on Geodoma are customarily paid by the seller and are not required to be counted towards the IPC limits for the transaction as described in Selling Guide B3-4.1-02, Interested Party Contributions (IPCs)

By making a fully-optional cooperative offer of Buyer Agent Commission on Geodoma in 40 US states jurisdictions where buyer brokers are able to offer buyer rebates, the home seller agrees to pay all commissions to their seller's real estate broker who, in turn, makes an offer to pay the buyer's real estate broker commission pursuant to cooperative brokerage arrangement made in a real estate brokerage capacity, subject to the Real Estate Settlement Procedures Act (RESPA) 12 C.F.R. 1024.14(g)(1)(v) and 12 U.S.C. 2607(c)(3) exemption." (See <https://geodoma.com/ipcs-limits>)

This exemption also allows brokers to split fees with their affiliated agents. I firmly believe that this exemption is 100% valid and beneficial, and that it also provides a better

outcome for all parties, as long as it is used correctly, between *bona fide* real estate brokers and agents acting in brokerage capacity.

D. Any disclosures of RESPA-banned kickbacks is merely a self-admission of RESPA fraud.

"Flex partner agent" does not actually pay a dime to Zillow - they merely agree to hand out a cut of their commissions. These kickbacks are even advertised as beneficial by Zillow:

"In Flex, agents pay nothing until they successfully close a transaction with a connection provided by Zillow. ***That means you can use 100% of your budget to build and improve your business – hire the right staff, explore new markets, and reduce risk during times of change.*** As a Flex partner, Zillow will help you deliver a seamless and stress-free home buying and selling experience to your customers." (See <https://www.zillow.com/z/flex-performance-terms/>)

If (and only if) RESPA did NOT exist as federal law, this self-described mutually beneficial "seamless" partnership between a platform and a real estate broker would be perfectly legal. For no other reason (aside from the sheer amount of money involved and also the possible prison time: besides the \$10,000 fine for each violation, RESPA also carries a year in prison, for each violation; wire fraud carries 20 years.) RESPA-banned kickbacks are scaled by wire in the Zillow Flex scheme, nationwide, as a self-admitted fact on their website (See <https://www.zillow.com/premier-agent/flex-pricing/>)

Moreover, "Flex partner agents" that have agreed to hand out RESPA-banned kickbacks to Zillow Flex, also self-admit that Zillow Flex is not a *bona fide* brokerage, and openly treat it as a "referral program" or an "agent-matching referral service."

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BUYERS

NO UPFRONT
COSTS, MORE
OPPORTUNITY

*Ad posted by "Flex partner" broker trying to attract new agents to their brokerage,
openly advertises their consumer steering relationship with Zillow Flex.*

II. RESPA SECTION 8(C)(4) AFFILIATED BUSINESS ARRANGEMENT (AfBA) REFERRAL EXEMPTION DOES NOT APPLY TO UNAFFILIATED AGENTS.

In 1993, RESPA was amended to permit two settlement service providers to own other settlement service providers or enter into a joint venture operation, so long as the AfBA adheres strictly to RESPA requirements and guidelines. Thus, if a real estate broker refers customers to a mortgage joint venture (JV) in which the real estate broker owns some ownership interest, this arrangement qualifies as an AfBA. Generally, this exception permits the AfBA owners to receive

a return on their ownership interest in the AfBA, and these payments are not considered to be referral fees. Under the AfBA exemption, no payments, other than a return on ownership interest or payments otherwise permitted under the statute, may be received under the arrangement.

A. "Flex partner agents" are not affiliated with Zillow Flex.

None of the "Flex partner agents" are affiliated with Zillow. Instead, they are all affiliated with various brokerages, such as: Anywhere Real Estate Inc., Douglas Elliman, Berkshire Hathaway HomeServices, eXp Realty, Windermere Real Estate, Keller Williams REMAX, Coldwell Banker, NextHome, Inc., HomeSmart, Compass, John L. Scott Real Estate, CENTURY 21, Realty ONE Group, Vylla, ERA Real Estate, Weichert, Realtors, Better Homes and Gardens Real Estate, Fathom Realty, Intero Real Estate Services, John R. Wood Properties, Worth Clark Realty, Sotheby's International Realty, United Real Estate, Real, Howard Hanna, lpt realty, Jason Mitchell Group, The Corcoran Group, SERHANT., The Agency RE, Realty Executives International, Engel & Völkers, etc.

There is cardinally no such thing as "partner agent" under US law - brokers cannot partner with one another, or form networks of direct competitors. Even if this Court finds that Zillow Flex is a legitimate *bona fide* brokerage acting in brokerage capacity when making referrals (I don't see how that is possible), such designation leads directly into a violation of the Sherman Antitrust Act, where brokers are forming networks to allocate customers.

Incidentally, the Redfin Partner Program was sued in this Court in National Fair Housing Alliance et al., v. Redfin Corporation, (W.D. Wash., 2:20-cv-01586-JLR-TLF). Redfin and National Fair Housing Alliance (NFHA) eventually announced a settlement agreement to resolve a fair housing lawsuit that was meant to "expand housing opportunities for consumers in communities of color in major cities throughout the United States." Lisa Rice, president and CEO of NFHA, failed to understand that the Redfin Partner Program is something consumers

should not have access to at all. Redfin's alleged redlining conduct of price thresholds against "Redfin partner agents" actually helped consumers avoid being scammed into paying inflated broker commissions, diluted with 30% Redfin's kickbacks.

At the time, I filed an objection with the Court, asking to reject the NFHA-Redfin proposed Settlement Agreement (the Court approved that settlement without any changes). Obviously, my objection was solely focused on the broker-to-broker collusion, known as the Redfin Partner Program, and not the services provided by actual Redfin Agents. In some ways, the Court allowed NFHA to mandate how Redfin complies with the Fair Housing Act - and also how Redfin requires third-party agents (firmly affiliated with third-party brokerages), to also comply with the Fair Housing Act. This odd conflict exists because the Redfin Partner Program must not exist at all. Under the law, Redfin should not be forming a network of their direct competitors or have any effect on how their direct competitors comply with fair housing laws.

Since 2004, the Redfin Partner Program was the first online broker collusion scheme that scaled into tens of millions of US homes. People intuitively think that Redfin saves money, and it doesn't. Over 40% of all transactions originated by Redfin are farmed out to random third-party brokers. Redfin operates as a brokerage with 1,500 Redfin Agents, and it also illegally colludes with various brokerages (plus, it has also recently merged the 75,000 Rocket Homes Partner Program into the 11,000 Redfin Partner Program).

Can illegal customer allocation agreements between licensed brokers be truly compliant with 12 U.S.C. § 2607(c)(3) and 12 C.F.R. § 1024.14(g)(1)(v) exemptions? The answer is: No. An illegal customer allocation cartel, banned under the Sherman Antitrust Act, is unable to meet any 12 U.S.C. § 2607(c) RESPA exemptions, because all RESPA exemptions require *bona fide* legality at their core.

If Zillow Flex was a genuine brokerage, it MUST also affiliate itself with these ALL of the "Flex partner agents" as their broker of record - and actually provide settlement services as all *bona fide* brokerages do. Alas, Zillow Flex does not affiliate itself with any "Flex partner agents", simply because it is not a *bona fide* brokerage.

B. Zillow Flex is unable to provide a valid written AfBA disclosure between "Flex partner agents" and Zillow Home Loans.

For certain referrals (that also involve Zillow Home Loans), Zillow Flex is also non-compliant with RESPA's AfBA disclosure requirements prescribed by 12 U.S.C. § 2607(c)(4) exemption (See <https://www.consumerfinance.gov/rules-policy/regulations/1024/15/>)

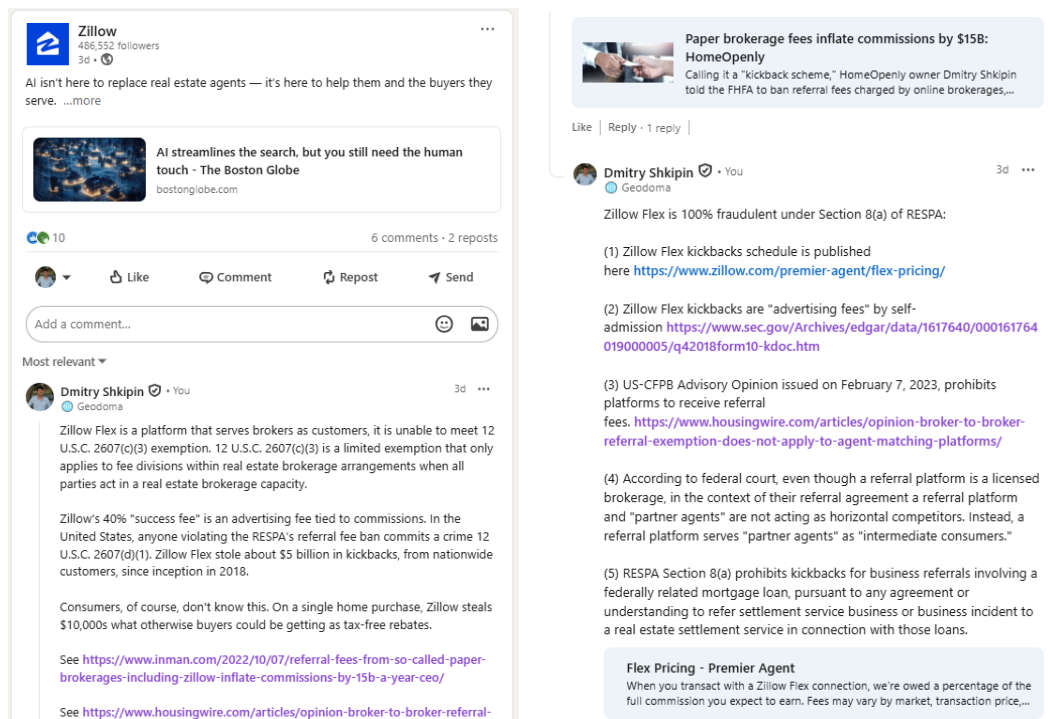
A *bona fide* AfBA relationship can only be formed between genuine affiliated businesses, but third-party "Flex partner agents" are not affiliated with Zillow Flex at all. Moreover, the 40% kickback is something other than "a return on an ownership interest or franchise relationship." Therefore, "Flex partner agent" referral arrangement that involves Zillow Home Loans, must actually meet two RESPA safe harbors, concurrently, 12 U.S.C. § 2607(c)(4) and 12 U.S.C. § 2607(c)(3), and it fails to meet either of these exemptions, where the 40% referral fee must (as opposed to being optional) fall under the general 12 U.S.C. § 2607(a) prohibition. From my public comment RE: Request for Information Regarding Fees Imposed in Residential Mortgage Transactions Posted by the US-CFPB on June 6, 2024:

"Zillow Group operates the Zillow Flex program as well as Zillow Home Loans. 'Partner agents' who get leads from Zillow Flex are required not to 'purposefully interfere' with existing relationship with Zillow Home Loans. This means that Zillow Flex agent cannot recommend another lender to consumers, if they are already using Zillow Home Loans. Not only does Zillow collect an unlawful kickback at 40% from Zillow Flex agent's commissions, they also prevent the Zillow Flex agent from acting in consumers' best interest to recommend an alternative lender. Zillow is the No. 1 real estate website in America, by traffic volume." (See <https://www.regulations.gov/comment/CFPB-2024-0021-0948>)

Again, this AfBA non-compliance problem also integrally exists, because Zillow Flex does not affiliate itself with any "Flex partner agents," simply because it is not a *bona fide* brokerage.

III. ZILLOW FLEX KICKBACKS ARE SELF-ADMITTED AND CARDINALLY VIOLATE SECTION 8(A) OF RESPA.

Zillow is fully informed of its Flex RESPA violations. Since 2018, I have specifically been targeting Zillow's trademark online, Zillow's LinkedIn profile, as well as information published by their CEO, CFO, and legal team, asking them to stop scamming their clients in the middle of a housing affordability crisis. This massive criminal Corporation simply does not care. In fact, Zillow never even said a word to me, or asked me to take anything down – because this information also happens to be 100% accurate.



Screenshot of Dmitry Shkipin's LinkedIn post, warning consumers and honest real estate professionals, against using Zillow "Flex"

Zillow cannot be allowed to continue to bypass 12 U.S.C. § 2607(a) prohibition with 12

U.S.C. § 2607(c)(3) exemption as a "paper" brokerage. This is not what Congress created this exemption for. Even if consumers are fully aware of these massive illegal referral fees (most consumers do not even know that RESPA exists, and have no reason to suspect or question that Zillow Flex is illegally referring them), the full disclosure of the illegal kickbacks is not a remedy (as much as it is merely a self-admission of RESPA fraud).

Because there is no dispute that the 40% kickbacks exist, this Court is able to decide this case on Summary Judgment (subject to self-admissions listed here, there is no legitimate question of fact that Zillow is able to raise on whether the 12 U.S.C. § 2607(c)(3) exemption applies to Flex, and this Court knows the law better than anyone and can decide on the interpretation of legal principles, without having to collect a jury).

Your Honor, our real estate market is governed by RESPA, and there are genuine consumer-centric companies and agents who offer genuine full service and savings all over the country, being sidelined, while consumer scams such as Zillow Flex violate federal laws. The vast majority of honest real estate professionals (the "anti-Zillow-Flex" agents) firmly support everything I say and are firmly against this illegal kickback conduct (honest professionals don't want their clients to be illegally steered to their competitors, who Zillow Flex recruited from the "bottom of the barrel.")

Moreover, above, I listed every major brokerage in the United States as co-conspirator with Zillow Flex. This is a serious problem: when Zillow Flex violates RESPA, so do all major brokerages nationwide (it is just as illegal to pay out illegal kickbacks to Zillow Flex as it is to partake in these kickbacks). Even though only the lowest quality agents agree to illegally pay out kickbacks to Zillow Flex, they come from all kinds of brokerages, big and small. With this conduct, Zillow Flex implicates the entire real estate sector in RESPA fraud, because platforms

are a product of powerful network effects that serve millions of users nationwide (sometimes even worldwide).

When platforms break major federal laws, so do users who they implicate. Even though "Flex partner agents" are complicit in the Zillow Flex scam (with illegal kickbacks, overinflated commissions, lack of full service, etc.) Zillow Flex actually harms "Flex partner agents" as well – by lying to them about the illegality and full legal risks associated with having to pay 40% RESPA-banned kickbacks for referrals. Most "Flex partner agents" do not fully understand RESPA, and Zillow plainly lies to them about the illegality of the 40% Flex fee. The "Flex partner brokerages" are fully complicit in a federal crime, ONLY because Zillow lies to them.

This Court has the power to restore law and order in this two-sided online real estate market. This Court should be mad at this, more than I am, because this Court's docket is under attack, our laws are under attack, and consumers are under attack by major online platforms (e.g., Uber (NYSE: UBER), Lyft (NASDAQ: LYFT), Amazon Home Services (NASDAQ: AMZN), Handy HQ (HomeAdvisor, NASDAQ: IAC), Porch Group (NASDAQ: PRCH), DoorDash (NYSE: DASH), Gopuff (GoBrands, Inc.), Grubhub (NASDAQ: GRUB), Amazon Marketplace (NASDAQ: AMZN), Walmart Marketplace (NYSE: WMT), Realtor-dot-com ReadyConnect Opicity (NASDAQ: NWSA), Zillow Flex (NASDAQ: ZG), Zillow 360 (NASDAQ: ZG), Opendoor Key Agent (NASDAQ: OPEN), Redfin Partner Program (NASDAQ: RDFN), Offerpad HomePro (NYSE: OPAD), Rocket Homes (NYSE: RKT), mellohome (NYSE: LDI), HomeLight (HomeLight, Inc.), Lower-OJO (OJO Labs, Inc.), Better Real Estate (Better Holdco, Inc.), Blend Realty (NYSE: BLND), Coinbase (NASDAQ: COIN), FTX (West Realm Shires Services, Inc.), Gemini (Gemini Trust Company, LLC), Crypto-dot-com Exchange (Foris DAX, Inc.), Binance (BAM Trading Services Inc.), Kraken Digital Asset Exchange (Payward, Inc.),

Cash App (Cash App Investing LLC), Amazon Flex (NASDAQ: AMZN), Apple Pay (NASDAQ: AAPL), Google Pay (NASDAQ: GOOGL) Google Adtech (NASDAQ: GOOGL)), with market allocation, consumer allocation, false advertising, RESPA-banned kickbacks, wire fraud, issuing and passing digital pirate currencies intended for use as current money, employee misclassifications, false marketing, and "hub-and-spoke" price-fixing practices.

Even our own government, now, refuses to enforce the consumer protection laws and acts to illegally dismantle law enforcement agencies (such as the US-CFPB website getting hardcoded into "404 Not Found, " "RIP CFPB," etc.) Our digital platforms (in that same way as our government) are amplifiers of either (A) highly beneficial and lawful products, benefits, or services, or (B) very harmful and very powerful mechanisms for breaking laws. It cannot be both (A) and (B). Our digital industry and our government operate as a handful of very powerful channels that control the conduct of millions of people's lives. The case before you is maybe one of the most important cases in the real estate sector, ever, because the problem here is amplified by a handful of very powerful wire-enabled cartels.

That's right, your Honor: Zillow Flex is a cartel (StreetEasy, also operates under the same exact model as Flex, and I am not sure why, Consumers did not also include StreetEasy as a Defendant in their lawsuit. They 100% should have.)

Although it has now been shut down (and I don't believe Zillow 360's price-fixing conduct is part of the Complaint before you), Zillow 360 absolutely did fix prices for real estate commissions, expressly, for a period of time, which is an entirely separate and concurrent federal crime from the alleged RESPA conduct before you (See <https://geodoma.com/guide/Zillow-Flex-Antitrust>).

Zillow Flex is a RESPA kickback-paying cartel. The sheer number of 100,000 "Flex

partner agents" is the required element of a cartel – all these real estate agents must, as one, agree to violate RESPA in collusion with Zillow Flex (knowingly, being lied to, or otherwise) for Flex to work. As soon as "Flex partner agents" are no longer paying illegal kickbacks into the scheme, the scheme will collapse.

This Court may think, "Well, you're just bashing Zillow, because you compete with it." No. I also compete with CoStar Homes-dot-com, and I only say good things about them (because CoStar Homes-dot-com is a RESPA-compliant platform.) Consumer-centric lawful platforms are always helpful, and good competitors know how to respect and praise their genuine competitors. In fact, before Zillow Flex was implemented in 2018, I literally published a review for Zillow as "An Internet MLS aggregator, empowering consumers with data, inspiration and knowledge around the place they call home" with a five-star rating. Before 2018, Zillow used to be a fully-compliant and helpful platform that also happened to make really good revenue, by selling lawful ads to agents. Nobody forced Zillow to switch their perfectly legal ad revenue into the illegal Flex Program. In 2018, Zillow *chose to* collect illegal kickbacks deliberately.

Uber (NYSE: UBER), Lyft (NASDAQ: LYFT), Amazon Home Services (NASDAQ: AMZN), Handy HQ (HomeAdvisor, NASDAQ: IAC), Porch Group (NASDAQ: PRCH), DoorDash (NYSE: DASH), Gopuff (GoBrands, Inc.), Grubhub (NASDAQ: GRUB), Amazon Marketplace (NASDAQ: AMZN), Walmart Marketplace (NYSE: WMT) do not have to fix prices for third-party services of ridesharing and delivery drivers, home pros, and trillions of USD in consumer goods sold by third-party sellers. They *choose to* engage in price-fixing deliberately.

Realtor-dot-com ReadyConnect Opicity (NASDAQ: NWSA), Zillow Flex (NASDAQ: ZG), Opendoor Key Agent (NASDAQ: OPEN), Offerpad HomePro (NYSE: OPAD), Rocket

Homes (NYSE: RKT), mellohome (NYSE: LDI), HomeLight (HomeLight, Inc.), Lower-OJO (OJO Labs, Inc.), Better Real Estate (Better Holdco, Inc.), Blend Realty (NYSE: BLND) do not have to collect RESPA-banned kickbacks acting as agent-matching platforms. They *choose to* collect illegal kickbacks deliberately.

Redfin Partner Program (NASDAQ: RDFN) do not have to organize their direct competitors into a referral network. They *choose to* allocate their customers deliberately.

Coinbase (NASDAQ: COIN) FTX (West Realm Shires Services, Inc.) Gemini (Gemini Trust Company, LLC) Crypto-dot-com Exchange (Foris DAX, Inc.) Binance (BAM Trading Services Inc.) Kraken Digital Asset Exchange (Payward, Inc.) Cash App (Cash App Investing LLC) do not have to issue or pass out digital pirate currencies intended for use as current money. They *choose to* engage in digital currency counterfeiting deliberately.

Amazon Flex (NASDAQ: AMZN) does not have to misclassify drivers as independent contractors. They *choose to* misclassify them deliberately.

Google Ad Exchange (NASDAQ: GOOGL) does not have to employ Google's competitors to help them sell ads to Google's customers. They *choose to* collude with other publishers deliberately.

This problem of breaking major federal law, by major platforms, are resolvable by adjusting these optional and highly illegal "do not have to, but still *choose to*" conduct into compliance, with the help of the federal court system. At the same time, if the federal court system does not act and does not defend the rule of law, we cannot truly fix anything. As a founder of Geodoma and HomeOpenly (and an advocate for open e-commerce), I believe in this one branch of the government, the court system, because it is guided by the Constitution alone. The Constitution provides us all a single path forward where we can all do business without

cheating one another or scamming one another. This Court can help the broken tech industry and the broken real estate industry to find better standards, better outcomes - by stopping genuine harmful fraud, which violates federal laws – such as RESPA-banned kickbacks-driven Zillow Flex Program.

I, therefore, respectfully ask that this Court consider issuing a Preliminary Injunction in accordance with Fed. R. Civ. P. 65 (Injunctions and Restraining Orders) against Zillow Flex, to require them to stop scamming consumers with massive RESPA-banned kickbacks (I understand this also requires that a proper motion and notice for Preliminary Injunction must also be filed and posted by Consumers in this dispute.)

Thank you for your time,

I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 1, 2025

/s/ Dmitry Shkipin

Dmitry Shkipin, pro se