

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

ALAN E. RAMBAM, on behalf of himself and all others similarly situated,  Plaintiff,  v.  LONG AND FOSTER REAL ESTATE, INC.,  Defendant	Case No. 11-5528  <b>FILED</b> DEC 13 2011 MICHAEL J. NUNEN, Clerk By _____ Dep. Clerk  <b>SECOND AMENDED CLASS ACTION COMPLAINT</b>
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**INTRODUCTION**

1. This is a class action brought on behalf of a nationwide class under the federal Real Estate Settlement Procedures Act ("RESPA"), 12 U.S.C. §2601-2617, challenging Defendant's uniform policy of charging, splitting and accepting a duplicative and unearned \$345 "Broker Service Fee" to buyers in real estate sales transactions, on top of the separately charged broker's commission already received by Defendant.

2. This action is also brought on behalf of a sub-class of persons who bought or sold real property in Pennsylvania, raising claims under Pennsylvania law, including the Pennsylvania Unfair Trade Practices and Consumer Protection Law ("UTPCPL"), 73 Pa. Cons.St. § 201-1 et seq and Pennsylvania law regarding breach of fiduciary duty.

3. As outlined herein, this \$345 "Broker Service Fee" is a completely phony fee for which no service is performed whatsoever by anyone.

4. Alternatively, the \$345 "Broker Service Fee" is a "duplicative fee" within the meaning of 24 C.F.R. §3500.14(c), in that no additional service is performed in exchange for this "Fee"

beyond what Defendant already does—and is already required to do—in exchange for the share of the separately charged real estate commission received by Defendant. Thus, under this alternative theory, Defendant is “double billing” for the same service, charging two separate fees for exactly the same service.

5. Under the authorities cited herein, Defendant’s policy of charging this unearned \$345 “Broker Service Fee”—on top of the separately charged real estate commission it receives—violates RESPA and the regulations promulgated pursuant to RESPA, as well as the UTPCPL, 73 Pa. Cons.St. § 201–1 et seq and Pennsylvania law regarding breach of fiduciary duty.

6. The class seeks, inter alia, an order for declaratory relief, declaring Defendant’s policy of charging real estate buyers and sellers a \$345 “Broker Service Fee,” on top of Defendant’s share of the separately charged real estate commission, to:

- a. be unlawful under RESPA;
  - b. be unlawful under UTPCPL, 73 Pa. Cons.St. § 201–1 et seq; and
  - c. violate Pennsylvania law regarding breach of fiduciary duty.
7. This lawsuit also seeks an order for injunctive relief:
- a. prohibiting Defendant from continuing the policy as described herein;
  - b. appointing a special master to conduct a court-supervised audit of Long & Foster’s books and records to determine how much money Long & Foster collected from each class member as a “Broker Service Fee;”
  - c. requiring Long & Foster to divest itself of all monies collected by Long & Foster as unlawful “Broker Service Fees” during the class period; and
  - d. establishing a court-supervised program to provide direct restitution to class members.

### **JURISDICTION AND VENUE**

8. There is federal subject matter jurisdiction over this matter in that the claims arise, inter alia, under RESPA, 12 U.S.C. §2601-2617.

9. This matter is properly venued in the Eastern District of Pennsylvania in that the sale of Plaintiff Rambam's home took place in Yardley, Pennsylvania, Plaintiff Rambam resides in Yardley, Pennsylvania, and Defendant Long & Foster does business, inter alia, in the Eastern District of Pennsylvania.

### **THE PARTIES**

10. Plaintiff Alan E. Rambam resides in Yardley, Pennsylvania and was the buyer in a 2011 Pennsylvania real estate sale involving a federally related mortgage who was charged a \$345 "Broker Service Fee" by Long & Foster pursuant to the policy described herein, which he paid.

11. Defendant Long & Foster Real Estate, Inc. holds itself out as one the largest property and real estate brokers in the nation. Long & Foster's primary headquarters is located at 14501 George Carter Way, Chantilly, Virginia 20151.

12. Long & Foster conducts its brokerage business through a network of independent contractors, each of whom enters into an independent contractor form contract with Defendant entitled the "Broker-Associate Independent Contractor Agreement."

13. All actions and policies alleged herein originate with, and are the actions and policies of, Long & Foster, who directs its independent contractors to take those actions which are described herein.

### **THE UNIFORM POLICY OF LONG & FOSTER WHICH GIVES RISE TO THE CLASS CLAIMS**

14. This case challenges Long & Foster's uniform class-wide policy, directed at buyers and

sellers in real estate sales in which Long & Foster, or a Long & Foster affiliated independent contractor, serves as real estate broker.

15. All claims in this matter arise from the same class-wide policy of Long & Foster as described herein.

16. All claims in this matter arise from standardized, pre-printed form documents and form documents prepared at Long & Foster's request.

17. The claims in this action do not arise from any oral representations or oral statements by anyone to anyone about anything.

18. The claims in this action do not involve any individualized interactions between Long & Foster and plaintiff and the class.

19. Rather, all claims pleaded herein arise from the same identical, uniform policy imposed by Long & Foster and standardized form documents.

20. Long & Foster is a real estate brokerage which conducts business in nine states, including Pennsylvania.

21. Long & Foster conducts its brokerage business through a network of independent contractors, known as "broker-associates," who each sign a form independent contractor agreement with Long & Foster entitled the "Broker-Associate Independent Contractor Agreement."

22. These "broker-associates" are not employees of Long & Foster and are legally separate entities from Long & Foster.

23. Indeed, in numerous court cases, Long & Foster has filed pleadings in both state and federal courts alleging that the Long & Foster "broker-associates" are independent contractors and not employees of Long & Foster.

24. In real estate sales transactions in which either Long & Foster, or a Long & Foster affiliated "broker associate," is hired to act as real estate broker, Long & Foster is paid a share of the real estate commission, as authorized by law, in exchange for the services Long & Foster performs.

25. Long & Foster's practice of receiving a portion of the real estate commission is lawful and is not challenged in this lawsuit.

26. On top of the share of the real estate commission paid to Long & Foster, however, Long & Foster also requires its "broker associates" to impose an additional and separate \$345 charge on the buyers and sellers in real estate sales, which in all states except New Jersey Long & Foster has labeled a "Broker Service Fee."

27. This \$345 "Broker Service Fee" is charged separately from, and is in addition to, the share of the real estate commission paid to Long & Foster.

28. This \$345 "Broker Service Fee" is listed as a separate charge from Long & Foster's real estate commission on the HUD-1 Settlement Statement, and is listed as an additional charge imposed by Long & Foster. See Attachment B, Sample HUD-1 Settlement Statement, p. 2, Line 704, showing a \$345 "Broker Service Fee" charged by Long & Foster to Plaintiff Rambam and another \$345 "Broker Service Fee" charged by Long & Foster to the seller.

29. Where Long & Foster, or a Long & Foster affiliated "broker associate," serves as broker to both the buyer and the seller in a real estate transaction, Long & Foster requires that the \$345 "Broker Service Fee" be charged to both the buyer and the seller. See Attachment B, Sample HUD-1 Settlement Statement, p. 2, Line 704, showing a \$345 "Broker Service Fee" charged by Long & Foster to Plaintiff Rambam and another \$345 "Broker Service Fee" charged by Long & Foster to the seller.

30. In actuality, neither Long & Foster nor the Long & Foster affiliated “broker associate” performs any services whatsoever in exchange for the \$345 “Broker Service Fee” which Long & Foster requires to be charged.

31. Rather, the separate charge which Long & Foster has labeled a \$345 “Broker Service Fee” is an entirely phony charge, known in the industry as a “junk charge,” which is not supported by any service performed by anyone.

32. Plaintiff is not alleging that this \$345 Fee is a so-called “overcharge.” Plaintiff is not complaining about the amount of this “Fee” or that this “Fee” is too high.

33. Plaintiff’s allegation is that this separately-charged “Fee” is not charged in exchange for any articulable service performed by anyone, and thus such a closing “Fee” would be unlawful under RESPA even if the charge was one penny.

34. Alternatively, the \$345 “Broker Service Fee” is a “duplicative fee” within the meaning of 24 C.F.R. §3500.14(c), in that neither Long & Foster, nor its “broker associates,” perform any additional service in exchange for this “Fee” beyond what they already do—and are already required to do—in exchange for the share of the separately charged real estate commission they already receive.

35. Thus, under this alternative theory, Long & Foster is “double billing,” requiring its “broker associates” to charge two separate fees for exactly the same service, after which Long & Foster accepts a “split” of this duplicative, unearned “Fee.”

36. Long & Foster makes uniform, false written statements to the class regarding this separately charged \$345 “Fee.”

37. In all states except New Jersey, Long & Foster distributes an identically worded form notice to class members, which states that Long & Foster charges the separate \$345 “Fee” in

order to recoup investments made by Long & Foster **“in software, equipment, high-speed telecommunications lines, and training for its agents and personnel.”** See Attachment A.

38. In New Jersey, Long & Foster distributes a form notice to real estate sales participants, which claims that the same \$345 “Fee” is a “Document Fee” charged in order to store records from the real estate sale for six years. See Attachment C, where the New Jersey Long & Foster form notice asserts:

**“This Document Fee, in part, covers the increasing cost of printing, processing, transmitting and storing the numerous required documents associated with the closing of a real estate transaction. The New Jersey Real Estate Commission mandates that all files be retained for a period of six years.”**

39. Both of these factual misrepresentations by Long & Foster as to the basis of the separate \$345 “Fee” charged by Long & Foster at real estate closings are false and were known by Long & Foster to be false at the time they were made.

40. Indeed, the very fact that Long & Foster provides two different form notices to the participants in real estate sales, each asserting a mutually contradictory factual explanation for the alleged basis for the extra \$345 “Fee,” shows that Long & Foster has made false, affirmative statements of fact to the class regarding the factual basis for this extra \$345 “Fee.”

41. In any event, neither of the mutually contradictory “explanations” for the extra \$345 “Fee” which Long & Foster requires to be charged is true.

42. In actuality, the extra \$345 “Fee” is simply an extra charge imposed at the direction of Long & Foster, not supported by any specific, articulable service by anyone, which Long & Foster “splits” with its independent contractor “broker associates;” just as these separate entities also split their share of the separately charged broker’s commission.

43. As related in greater detail in subsequent portions of this complaint, Long & Foster’s

uniform policy of imposing this additional, unearned \$345 “Fee” on class members violates RESPA and its governing regulations.

44. Long & Foster is on notice of the violative nature of its policy.

45. In 2010, the former Assistant General Counsel of HUD wrote an opinion letter which was published by the National Association of Realtors—of which Long & Foster is a member—warning real estate brokers that charging such a separate and unearned “fee,” for which no specific, identifiable, additional services are performed, may be a violation of rights arising under federal law.

46. As stated in the opinion letter published by the National Association of Realtors:

**“If HUD or a court were to determine that the broker’s services are duplicative of the services it already performs to earn a commission, the broker could face penalties under RESPA.”**

47. In addition, as described in greater detail herein, HUD has published an official policy statement—HUD Statement of Policy 2001-1—outlining HUD’s statutory and regulatory interpretation that a broker who charges any fee for which no separate, identifiable, additional services are rendered by the broker violates 12 U.S.C. §2607(b) and its applicable regulations.

48. Moreover, as outlined in greater detail herein, many well-publicized court opinions have held that similar separate “fees,” charged by brokers for which no specific, identifiable, additional service was performed, are unlawful.

49. Despite notice of the unlawful nature of this fee from all of these sources, Long & Foster continues to employ its unlawful policy of requiring that this extra \$345 “Fee” be charged at closings and Long & Foster continues its policy of accepting a portion--- or “split”--- of that unearned, duplicative \$345 “Fee.”



### THE RESPA CLAIMS RAISED

50. To help reform the real estate settlement process, Congress passed RESPA in order to give consumers certain rights, including the right to be **“provided with greater and more timely information on the nature and costs of the settlement process”** and the right that consumers will be **“protected from unnecessarily high settlement changes caused by certain abusive practices.”** See 12 U.S.C. §2601(a).

51. One significant and clearly established right granted to plaintiff and the class by RESPA is embodied in 12 U.S.C. §2607(b)—also known as Section 8(b)—which provides:

**“No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.”** (emphasis added).

52. The United States Department of Housing and Urban Development (“HUD”), the entity with the primary responsibility of interpreting and enforcing RESPA, has promulgated regulations pursuant to RESPA which make clear in no uncertain terms that Long & Foster may not charge an unearned “Broker Service Fee” in a real estate sale when Long & Foster performs no separate, identifiable, additional service in exchange for that fee. See 24 C.F.R. §3500(c), which states in relevant part:

**“A charge by a person for which no or nominal services are performed or for which duplicative fees are charged is an unearned fee and violates this Section.”**

53. Indeed, HUD has issued an official policy statement which makes abundantly clear that the practice challenged herein violates clearly established rights under federal law. See HUD Statement of Policy 2001-1, which states at 53053:

**“Through this Statement of Policy, HUD makes clear that Section 8(b)[ 12 U.S.C. §2607(b)] prohibits any person from giving or accepting any fees other than for payments for goods and facilities provided or services actually performed.”**

54. Consistent with the interpretation of HUD, courts have held that 12 U.S.C. §2607(b) is violated whenever an additional fee is charged on top of the realtor's commission, unless the realtor performed some specific, additional service related to the settlement, not already covered by its share of the realtor's commission. See Busby v. JRHBW Realty, Inc., 642 F.Supp.2d 1283, 1299 (N.D.Ala.2009), where the court rejected an argument that a realtor's additional “fee” did not violate 12 U.S.C. §2607(b) because the realtor helped plaintiff locate a house, since that “service” was already covered by the realtor's commission, stating:

**“the court struggles to see how charging Busby for helping her to find a house would not be a duplication (and thus unearned) of those percentage commission charges already accounted for on the HUD-1.”**

55. The clearly established rights granted to consumers by 12 U.S.C. §2607(b) are not limited to those situations where two entities “split” a fee, charge or commission.

56. HUD has issued an official policy statement stating that this section of RESPA prohibits any service provider from charging any fee for services which were not actually performed by that provider, even if there is only one broker involved in the sale and the fee is not shared with anyone. See HUD Statement of Policy 2001-1, which states at 53058:

**“Simply put, given that Section 8(b) [12 U.S.C. §2607(b)] proscribes unearned portions or percentages as well as splits, HUD does not regard the provision as restricting only fee splitting among settlement service providers.”**

57. As stated in HUD Statement of Policy 2001-1 at 53059:

**“The regulation also makes clear that a charge by a single service provider where little or no services are performed is an unearned**

**fee that is prohibited by the statute...Therefore, a single settlement service provider violates Section 8(b) [12 U.S.C. §2607(b)] whenever it receives an unearned fee.”**

58. This interpretation of the scope of the rights granted by RESPA to consumers was recently confirmed by the United States District Court for the Northern District of Alabama, which held in Busby v. JRHBW Realty, Inc., 642 F.Supp.2d 1283, 1300 (N.D.Ala.2009), that “a **disputed fee need not be ‘split’ in order for [§ 8(b) of] RESPA to be violated.”**

59. This interpretation of the scope of the rights granted by RESPA to consumers was also recently confirmed by the United States District Court for the Southern District of Ohio, which recently held that RESPA §8(b) [12 U.S.C. §2607(b)] can be violated—as in the case at bar—where a single realtor receives a share of the real estate commission and charges a separate service fee; even where the fee is not “split” with any other entity. See Augenstein v. Coldwell Banker Real Estate, LLC, 2010 WL 4537049 (S.D.Ohio November 9, 2010) at \*4:

**“This Court finds that the text of RESPA §8(b) [12 U.S.C. §2607(b)] clearly and unambiguously prohibits undivided unearned fees. The statute expressly states that “[n]o person shall give and no person shall accept” any part of a fee “other than for services actually performed.”**

60. The court in Augenstein adopted HUD’s interpretation of the RESPA §8(b) [12 U.S.C. §2607(b)] and rejected an argument that this section only applied where two or more service providers were sharing or splitting fees or charges. See Augenstein v. Coldwell Banker Real Estate, LLC, 2010 WL 4537049 (S.D.Ohio November 9, 2010) at \*4.

61. Rather, consistent with HUD Statement of Policy 2001-1, the Augenstein court held that 12 U.S.C. §2607(b) prohibited any service provider from charging a fee for which no additional work is performed beyond the services to be provided in exchange for the commission, even if there is only one service provider and that provider is not sharing fees with anyone else. See

Augenstein v. Coldwell Banker Real Estate, LLC, 2010 WL 4537049 (S.D.Ohio November 9, 2010) at \*4.

62. In the words of the Augenstein court, 2010 WL 4537049 at \*4:

**“§8 [12 U.S.C. §2607(b)] creates two prohibitions: it prohibits a settlement service provider from charging a fee for which no work is performed, and it prohibits a settlement service provider from receiving such a fee. The violation exists regardless of whether the provider is sharing that fee with another.”(emphasis added)**

63. Even if a violation of RESPA §8(b) [12 U.S.C. §2607(b)] does require two entities to “split” a fee, however, such a “split” of an unearned, duplicative fee has occurred in this case.

64. In the case at bar, Defendant Long & Foster and its “broker associates” are separate legal entities. The “broker associates” used by Long & Foster are classified by Long & Foster as independent contractors and are not employees of Long & Foster.

65. Long & Foster and its “broker associates” split the unearned, duplicative \$345 “Fee” at issue in this case between them, with Long & Foster accepting a portion of that unearned fee.

66. Under this policy, neither Long & Foster nor the “broker associates” perform any service whatsoever in exchange for the extra \$345 “Fee.”

67. Alternatively, the extra \$345 “Fee” is a duplicative fee under 24 C.F.R. §3500.14(c), in that no services are provided in exchange for this “Fee” beyond those which Long & Foster and the “broker associates” already provide—and are already obligated to provide—in exchange for their share of the separately charged real estate sales commission. Long & Foster accepts a portion or “split” of both the commission and the \$345 “Fee.”

68. The Long & Foster policy alleged herein violates RESPA §8(b) [12 U.S.C. §2607(b)].

69. Indeed, even if the form notices which Long & Foster provides to class members to

explain the factual basis for \$345 "Fee" were true---and they are not---the explanations for this extra \$345 "Fee" offered by Long & Foster in these form notices only confirm that a violation of RESPA has taken place.

70. The primary Long & Foster form notice, used in Pennsylvania and other states besides New Jersey, is entitled "**Explanation of Our Fee Structure,**" states to class members that the extra \$345 "Fee" is charged in order to recoup investments made by Long & Foster "**in software, equipment, high-speed telecommunications lines, and training for its agents and personnel.**" See Attachment A.

71. In actuality the extra \$345 "Fee" is not used for such purposes.

72. Even if the \$345 "Fee" was used for these purposes, however, RESPA does not permit a real estate broker to charge routine overhead costs of the brokerage business as a separate fee at real estate closings.

73. The software and telecommunication lines used by Long & Foster are part of the routine overhead of Long & Foster's brokerage business. Such costs are necessary to carry out Long & Foster's duties as a real estate broker and are needed in order for Long & Foster to earn its share of the separately charged real estate broker's commission.

74. Likewise, the costs of training Long & Foster's agents are also part of the routine overhead of Long & Foster's brokerage business. Such costs are necessary to carry out Long & Foster's duties as a real estate broker and are needed in order for Long & Foster to earn its separately charged real estate broker's commission.

75. Payment of the routine overhead costs of Long & Foster's brokerage business does not constitute a separate service performed by Long & Foster.

76. Indeed, several federal courts have held that a broker who imposes a "Service

Fee” at real estate closings in order to recoup routine office overhead costs of the broker is an unearned and improper fee which violates rights granted by RESPA, 12 U.S.C. §2607(b). See Busby v. JRHBW Realty, 642 F.Supp.2d 1283, 1299 (N.D.Ala. 2009), finding that a real estate broker who charged an “ABC Fee” at closings for to recoup routine brokerage office overhead violated RESPA, 12 U.S.C. §2607(b) stating:

**“to the extent that the ABC Fee goes to pay for RealtySouth's past and future increases in overhead, including regulatory compliance costs and other general administrative expenses, such variables fall outside the parameters of a loan settlement and, substantively, the borrower receives no benefit.”**

**THE UTPCPL CLAIMS RAISED ON BEHALF OF THE PENNSYLVANIA SUBCLASS**

77. Plaintiff also brings claims against Long & Foster, on behalf of a Pennsylvania sub-class, under Pennsylvania law, including the Pennsylvania UTPCPL.

78. **“The purpose of the UTPCPL is to protect the public from fraud and unfair or deceptive business practices”** Keller v. Volkswagen of Am., Inc., 733 A.2d 642, 646 (Pa.Super.1999).

79. It is well-established that, in order to carry out that purpose, the UTPCPL must be liberally construed. See Chiles v. Ameriquest Mortg. Co., 551 F.Supp.2d 393, 398 (E.D.Pa.2008) (**“The UTPCPL must be construed liberally.”**); Pirozzi v. Penske Olds-Cadillac-GMC, Inc., 413 Pa.Super. 308, 605 A.2d 373, 376, appeal denied, 532 Pa. 665, 616 A.2d 985 (1992) (**“our supreme court held that the UTPCPL is to be liberally construed in order to effect its purpose.”**)

80. In order to prevail under the UTPCPL, a plaintiff must prove the transaction between plaintiff and defendant constituted “trade or commerce” within the meaning of the UTPCPL and that the defendant was engaged in unfair or deceptive acts or practices.

81. The term “trade and commerce” under the UTPCPL includes the sale of any services, including sale of real estate broker services.

82. Thus, the conduct alleged herein took place during “trade and commerce” within the meaning of the UTPCPL.

83. In addition, the conduct alleged herein constitutes a deceptive practice.

84. The UTPCPL 73 P.S. § 201-2(4)(xxi) defines unfair or deceptive acts or practices, inter alia, as any: **“deceptive conduct which creates a likelihood of confusion or misunderstanding.”**

85. Prior to 1996, 73 P.S. § 201-2(4)(xxi) required that a defendant engage in the equivalent of common law fraud. See Flores v. Shapiro & Kreisman, 246 F.Supp.2d 427, 432 (E.D.Pa.2002); Commonwealth of Pa. v. Percudani, 825 A.2d 743, 746-47 (Pa.Comm.w.2003).

86. In 1996, however, UTPCPL 73 P.S. § 201-2(4)(xxi) was amended to add the word “deceptive” as an alternative to “fraud” in describing the practices prohibited by this section. See Commonwealth of Pa. v. Percudani, 825 A.2d 743, 746-47 (Pa.Comm.w.2003) (a plaintiff who alleges deceptive conduct to proceed without proving all of the elements of common law fraud); Flores v. Shapiro & Kreisman, 246 F.Supp.2d 427, 432 (E.D.Pa.2002):

**“by adding a prohibition on ‘deceptive’ conduct, the 1996 amendment to the CPL eliminated the need to plead all of the elements of common law fraud in actions under the CPL. Under general principles of statutory interpretation, no word should be rendered redundant. The new word ‘deceptive’ in the statute, therefore, must have been intended to cover conduct other than fraud.”**

See also Rubenstein v. Dovenmuehle Mortg., Inc., 2009 WL 3467769 E.D.Pa.2009 at \*6:

**“The standard for alleging deceptive practices under the UTPCPL is less strict than that for alleging fraud in that it does not require allegations of scienter, and need not meet the requirements of Rule 9(b). To bring a viable claim of deceptive practices, however, plaintiffs must allege facts**

**showing a ‘deceptive act,’ that is, ‘intentionally giving a false impression,’ of ‘conduct that is likely to deceive a consumer acting reasonably under similar circumstances.’”**

87. Long & Foster’s uniform policy of requiring an extra, unearned \$345 “Fee” to be charged at closing, and then accepting a “split” of that “Fee,” violates the UTPCPL “is deceptive conduct which intentionally gives a false impression and which is likely to deceive the consumer and cause confusion or misunderstanding.

88. In addition, Long & Foster’s statement to Pennsylvania sub-class members in the Attachment A form notice, that the extra \$345 “Fee” was charged in order to recoup investments made by Long & Foster **“in software, equipment, high-speed telecommunications lines, and training for its agents and personnel”** was false and known to be false by Long & Foster when it was made.

89. Indeed, Long & Foster cannot deny this since Long & Foster provided a form notice in New Jersey which contained a mutually contradictory factual explanation for the same extra \$345 closing “Fee,” falsely claiming in the New Jersey notice that this same extra \$345 “Fee” was to cover the cost of storing settlement documents for six years. See Attachment C.

90. Thus, Long & Foster has made identical, written, false affirmative misrepresentations of fact to Plaintiff and the other Pennsylvania sub-class members in the Attachment A form notice.

91. Moreover, Long & Foster’s conduct involves material nondisclosures and omissions of material fact.

92. None of the materials provided by Long & Foster inform Plaintiff or the Pennsylvania sub-class that Long & Foster had offered a completely contradictory explanation of the factual basis for the same extra \$345 “Fee” to persons in New Jersey.

93. None of these materials reveal that the extra \$345 “Fee” at issue was simply an unearned



and duplicative fee which was not charged in exchange for any specific, articulable service; or that this "Fee" was being split between Long & Foster and its "broker-associates;" or that numerous federal courts have ruled such duplicative closing fees to be unlawful.

94. Indeed, while a violation of the Real Estate Settlement Procedures Act ("RESPA") does not constitute a per se violation of the UTPCPL, the existence of a body of law holding that extra, unearned "Fees" of the type charged by Long & Foster violate RESPA help illustrate the deceptive and misleading nature of Long & Foster's policy and is also evidence that Long & Foster acted with intent to deceive, since HUD has expressly warned brokers to cease charging this type of phony "Broker Service Fee" and several courts have held such fees to be unlawful.

#### **CLASS ACTION ALLEGATIONS**

95. Plaintiff brings this action as a class action pursuant to Fed.R.Civ.P. 23, on behalf of a class defined as:

**All persons who, between September 2, 2010 and the present, paid the Long & Foster \$345 "Broker Service Fee" during a real estate sale involving a "federally related mortgage loan" as defined by 12 U.S.C. §2602(1).**

96. Plaintiffs also bring this matter as a class action pursuant to Fed.R.Civ.P. 23, on behalf of a sub-class defined as:

**All persons who, between September 2, 2010 and the present, paid the Long & Foster \$345 "Broker Service Fee" during a real estate sale in Pennsylvania.**

97. The class and sub-class for whose benefit this action is brought is so numerous that joinder of all members is impracticable.

98. The exact number and identities of the persons who fit within the proposed class and sub-class are contained in Long & Foster's records and can be easily ascertained from those

records, but the proposed class and sub-class is each composed of over 5000 persons.

99. The claims in this action arise exclusively from Long & Foster's uniform policy as alleged herein and from form documents.

100. No violations alleged are a result of any oral communications or individualized interaction between class members and Long & Foster.

101. There are common questions of law and fact affecting the rights of the class members, including, inter alia, the following:

- a. whether the alleged uniform policy of Long & Foster exists;
- b. whether the Long & Foster \$345 "Broker Service Fee" violates RESPA §8(b) [12 U.S.C. §2607(b)].
- c. whether recouping the costs of routine business overhead of the type described in Long & Foster's Attachment A form notice constitutes a lawful, separate "service" under RESPA, 12 U.S.C. §2607(b) and its implementing regulations.
- d. whether Long & Foster may lawfully charge a \$345 "Broker Service Fee," on top of the share of the real estate commission already Long & Foster receives;
- e. whether Long & Foster is entitled to keep the "Broker Service Fees" collected from plaintiff and the class or if it is required to divest itself of such fees.

102. There are common questions of law and fact affecting the rights of the sub-class members, including:

- a. whether Long & Foster's uniform policy violates 73 P.S. § 201-2(4)(xxi);
- b. Whether the factual representations made by Long & Foster in the Attachment A form notice were false; and
- c. whether Long & Foster has breached the fiduciary duties owed by a broker under Pennsylvania law.

103. Plaintiff is a member of the class and sub-class he seeks to represent.

104. The claims of plaintiff are not only typical of all class members and sub-class members, they are identical in that they arise from Long & Foster's uniform policy and are based on the same legal theories of all class and sub-class members.

105. Plaintiff has no interest antagonistic to, or in conflict with, the class or sub-class.

106. Plaintiff will thoroughly and adequately protect the interests of the class and sub-class, having retained qualified and competent legal counsel to represent himself and the class.

107. Long & Foster has acted and refused to act on grounds generally applicable to the class and sub-class, thereby making appropriate injunctive and declaratory relief for the class and sub-class as a whole.

108. The prosecution of separate actions by individual class members would create a risk of inconsistent or varying adjudications.

109. A class action is superior to other available methods for the fair and efficient adjudication of the controversy since, inter alia, the damages suffered by each class member are less than \$400 per person.

110. Indeed, individual actions to recover \$345 per person on complex claims would be economically impracticable. The complex nature of the causes of action pleaded precludes pro se litigation of such a claim and the costs of discovery and prosecution of such a claim on an individual basis will be prohibitive.

111. Common questions will predominate, and there will be no unusual manageability issues.

112. Defendant has acted on grounds generally applicable to the class and sub-class as a whole, rendering class-wide injunctive and declaratory relief appropriate.

**COUNT ONE**

**Injunctive and Declarative Relief**  
**Brought on Behalf of All Class Members**

113. Plaintiff and the class seek an order for injunctive and declarative relief as follows:

a. rescinding the provision of any form documents which call upon plaintiff and the class to pay a \$345 "Broker Service Fee" to Long & Foster;

b. enjoining Long & Foster from using form documents which call upon real estate buyers or sellers to pay Long & Foster an unearned "Broker Service Fee" of \$345;

c. enjoining the Long & Foster policy alleged herein;

d. establishing a court-supervised audit of Long & Foster's books and records to determine the amounts collected by Long & Foster as "Broker Service Fee" within the last year and the identities of those class members from whom such fees were collected;

f. requiring Long & Foster to divest itself of all monies collected as "Broker Service Fees"; and

g. establishing a court-supervised plan of restitution to class members or such other relief as the court deems appropriate.

**COUNT TWO**

**RESPA §8(b) [12 U.S.C. §2607(b)]**  
**Brought on Behalf of All Class Members**

114. Plaintiff incorporates all preceding paragraphs as though fully set forth at length herein.

115. Long & Foster's uniform policy of charging, splitting and accepting an unearned \$345 "Broker Service Fee" charged at closing violates RESPA. §8(b) [12 U.S.C. §2607(b)], its implementing regulations and the HUD Policy Statements outlined herein.

116. In actuality, under this policy, neither Long & Foster nor its "broker associates"

perform any service whatsoever in exchange for the \$345 “Broker Service Fee” and thus this is an unearned fee.

117. Alternatively, the \$345 “Broker Service Fee” is a duplicative fee within the meaning of 24 C.F.R. §3500.14(c), for which Long & Foster and its “broker associates” perform no service beyond those services they already perform---and were already required to perform—in exchange for their share of the separately charged real estate commission.

118. Long & Foster splits this unearned and/or duplicative \$345 Fee with its “broker associates,” who are separate legal entities from Long & Foster and are not employees of Long & Foster.

119. Long & Foster accepts a portion of the unearned and duplicative \$345 “Fee,” knowing it to be unearned and unlawful.

120. Plaintiff and the class have suffered a loss of money and property as a result of the policy described herein.

### **COUNT THREE**

#### **Pennsylvania Unfair Trade Practices and Consumer Protection Law Brought on Behalf of the Pennsylvania Sub-class Only**

121. Plaintiff incorporates all preceding paragraphs as though fully set forth at length herein.

122. Long & Foster’s uniform policy of charging an unearned and separately listed \$345 “Broker Service Fee” at closing, without performing any separate, identifiable, service in exchange for this “Fee,” constitutes deceptive conduct which creates a likelihood of confusion or misunderstanding.

123. Alternatively, charging an extra \$345 “Broker Service Fee,” when Long & Foster

performed no service beyond those services it already performed---and was already required to perform—in exchange for its share of the separately charged real estate commission, constitutes “double billing” for the same service. This is deceptive conduct which creates a likelihood of confusion or misunderstanding.

124. Such conduct by Long & Foster involves both affirmative misrepresentations and material nondisclosures and omissions.

125. Long & Foster distributed an identically worded form notice to the Pennsylvania sub-class which falsely claims that the extra \$345 “Fee” charged at closing was charged in order to recoup investments made by Long & Foster **“in software, equipment, high-speed telecommunications lines, and training for its agents and personnel.”**

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126. That statement was false when it was made and was known by Long & Foster to be false when it was made.

127. Indeed, Long & Foster’s knowledge of the falsity of the statement in Attachment A is demonstrated by the fact that Long & Foster has made mutually contradictory statements to other real estate sales participants as to the factual basis for the same extra \$345 “Fee,” such as Attachment C, a Long & Foster form notice which claimed that the same extra \$345 “Fee” was for storage of settlement documents for six years.

128. In addition, by labeling this phony \$345 charge a “Broker Service Fee,” Long & Foster has misrepresented that it performed some type of “Service” in exchange for this “Fee,” when no such service was actually performed.

129. Moreover, any materials provided by Long & Foster to Plaintiff and the sub-class contain material nondisclosures.

130. None of the materials provided by Long & Foster inform Plaintiff or the Pennsylvania

sub-class inform sub-class members that Long & Foster had offered a completely contradictory explanation as to the factual basis for the extra \$345 "Fee" to persons in New Jersey.

131. None of these materials reveal that the extra \$345 "Fee" at issue was simply an unearned and duplicative fee which was not charged in exchange for any specific, articulable service; or that this "fee" was being split between Long & Foster and its "broker associates;" or that numerous federal courts have ruled such duplicative closing fees to be unlawful.

132. The conduct alleged herein took place during "trade and commerce" within the meaning of the UTPCPL.

133. In addition, the conduct alleged herein constitutes a deceptive practice.

134. 73 P.S. § 201-2(4)(xxi) defines unfair or deceptive acts or practices, inter alia, as any: "deceptive conduct which creates a likelihood of confusion or misunderstanding."

135. Numerous cases have held that, after 1996, 73 P.S. § 201-2(4)(xxi) does not require actual fraud. See Flores v. Shapiro & Kreisman, 246 F.Supp.2d 427, 432 (E.D.Pa.2002); Commonwealth of Pa. v. Percudani, 825 A.2d 743, 746-47 (Pa.Comm.w.2003); Rubenstein v. Dovenmuehle Mortg., Inc., 2009 WL 3467769 (E.D.Pa.2009) at \*6.

136. In the case at bar, however, the elements of actual fraud are met.

137. By the acts alleged herein, Long & Foster made misrepresentations of material fact and material nondisclosures, as described herein.

138. Long & Foster with knowledge that its conduct was deceptive and with intent that such conduct deceived consumers.

139. While it is not clear that actual reliance is required, Plaintiff and the sub-class did justifiably rely upon the misrepresentations and material nondisclosures; a reliance which may be presumed in this case where a defendant has engaged in a common course of identical conduct

by causing the same inflated and unearned “fees” to be listed on the HUD-1 of all class members. See Markocki v. Old Republic Nat. Title Ins. Co., 254 F.R.D. 242, 251 (E.D.Pa.2008), certifying a class under the Pennsylvania UTPCPL, where the defendant allegedly placed unearned and inflated title insurance fees on the HUD-1, stating:

**“this Court concludes that the proposed class is entitled to a presumption of class-wide reliance which Defendant may rebut. Presuming reliance class-wide is proper when the material nondisclosure is part of a common course of conduct.”**

140. The case at bar involves a common course of conduct and the same type of misconduct at issue in Markocki: placing inflated and unearned fees on the HUD-1 Settlement Statement.

141. As a proximate result of this conduct, Plaintiff and the sub-class have suffered an ascertainable loss of money.

#### **COUNT FOUR**

##### **Pennsylvania Breach of Fiduciary Duty**

##### **Brought on Behalf of the Pennsylvania Sub-class Only**

142. Plaintiff incorporates all preceding paragraphs as though fully set forth at length herein.

143. Under Pennsylvania law, a real estate broker owes a fiduciary duty to the principal who hired them. See Richard E. DeDonato and Barbara V. DeDonato, 1986 WL 01484(Pa.Com.Pl. 1986)(certifying class against real estate broker for, inter alia, breach of fiduciary duties); Toscano v. Horton, 14 Pa. D. & C.3d 784, 1980 WL 956 (Pa.Com.Pl. 1980)(A real estate broker owes a fiduciary duty to his principal).

144. This fiduciary duty required Long & Foster to exercise good faith, fidelity and



primary devotion to the interests of Plaintiff and the sub-class.

145. By the acts and conduct alleged herein, Long & Foster breached its fiduciary duties to Plaintiff and the sub-class.

146. Indeed, the separately charged, phony “Broker Service Fee” imposed on Plaintiff and the sub-class was not for the benefit of Plaintiff and the class, but rather solely for the benefit of Long & Foster, at the expense of Plaintiff and the sub-class.

147. Plaintiff and the sub-class received no additional benefit in exchange for this extra \$345 fee and its imposition on them was contrary to their best interests.

148. As a result of this breach of fiduciary duty, Plaintiff and the sub-class have suffered damages.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff asks this court to:

- a. Certify the proposed class and sub-class as a class action pursuant to Fed.R.Civ.P. 23;
- b. Enter an order for injunctive and declaratory relief as described herein;
- c. Enter judgment in favor of each class member for damages suffered as a result of the conduct alleged herein, to include interest and pre-judgment interest;
- d. Award plaintiff reasonable attorneys’ fees and costs; and
- e. Grant such other and further legal and equitable relief as the court deems just and equitable.

**JURY DEMAND**

Plaintiff hereby demands a trial by jury as to all issues so triable.

SHABEL & DeNITTIS, P.C.

By: /S/ Stephen P. DeNittis  
Stephen P. DeNittis (SD-0016)  
Joseph A. Osefchen (*Pro Hac Vice Pending*)  
525 Route 73 North  
5 Greentree Centre, Suite 302  
Marlton, NJ 08053  
(856) 797-9951

Dated: December 2, 2011

# ATTACHMENT A



**Executive Offices**  
14501 George Carter Way  
Chantilly, VA 20151  
(703) 653-8500

Office: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_  
Agent: \_\_\_\_\_

### **EXPLANATION OF OUR FEE STRUCTURE**

Long & Foster Real Estate, Inc. charges a Broker's Fee for its services that is comprised of two elements: a percentage of the sales/purchase price (sometimes referred to as the "commission % portion") and a flat fee. The flat fee portion is \$345.00.

### **WHY IS OUR FEE STRUCTURED THIS WAY?**

The real estate industry has changed dramatically over the years. As consumer needs for services and information have changed, so have the costs associated with meeting those needs. Long & Foster has invested heavily, for example, in software, equipment, high-speed telecommunications lines, and training for its agents and personnel. With the evolution of the real estate business model, so have come changes to its pricing structure. Long & Foster now includes a flat fee portion of the Broker's Fee as a means of avoiding an increase in our percentage portion, while continuing to provide customers and clients with the highest level of homeownership services in the industry. This pricing structure of a percentage portion plus a flat fee offers you better value, since the flat fee portion can often amount to a fraction of a percent of the sales price. We look forward to serving your real estate needs.

Acknowledged and Agreed to:

\_\_\_\_\_  
**Name/Signature**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Name/Signature**

\_\_\_\_\_  
**Date**

# ATTACHMENT B

CMB NO. 2502-0265

U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT		3. TYPE OF LOAN:	
SETTLEMENT STATEMENT		1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FTHA 3. <input checked="" type="checkbox"/> CONV. UNINS. 4. <input type="checkbox"/> VA 5. <input type="checkbox"/> CONV. INS.	
		6. FILE NUMBER: 11-2764-A	
		7. LOAN NUMBER:	
		8. MORTGAGE INS CASE NUMBER:	
C. NOTE This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.			
D. NAME AND ADDRESS OF BORROWER: ALAN E. RAMBAM MICHAEL POUR-AZAR 75 Glen Drive Yardley, PA 19087		E. NAME AND ADDRESS OF SELLER: THE AGNES M. HERDMAN DEED OF TRUST DATED 5-14-01	
		F. NAME AND ADDRESS OF LENDER: DONALD C. YOUNG MOORESTOWN OFFICE BUILDING 113 MADER AVE. MOORESTOWN NJ 08057	
G. PROPERTY LOCATION: 20 MOYER ROAD YARDLEY, PA 19067 Bucks County, Pennsylvania 20-37-92 & 20-37-95 LOWER MAKEFIELD TOWNSHIP		H. SETTLEMENT AGENT: American Land Transfer, Inc.  PLACE OF SETTLEMENT LONG & FOSTER REAL ESTATE 89 S. MAIN ST., YARDLEY PA 19067	
		I. SETTLEMENT DATE: June 17, 2011	
J. SUMMARY OF BORROWER'S TRANSACTION			
100. GROSS AMOUNT DUE FROM BORROWER:			
101. Contract Sales Price	497,000.00		
102. Personal Property			
103. Settlement Charges to Borrower (Line 400)	31,117.75		
104. MECHANICS LIEN PAYOFF to SCOTT B. LESSER CUS	6,000.00		
105.			
Adjustments For Items Paid By Seller in advance			
106. City/Town Taxes	to		
107. County Taxes	05/17/11 to 01/01/12	1,037.73	
108. SCHOOL	05/17/11 to 07/01/11	279.29	
109. Tax Adjustment on 2 parcels			
110.			
111.			
112.			
120. GROSS AMOUNT DUE FROM BORROWER	535,434.87		
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:			
201. Deposit or earnest money	95,906.51		
202. Principal Amount of New Loan(s)	360,000.00		
203. Existing loan(s) taken subject to			
204.			
205.			
206.			
207.			
208.			
209. SELL TO BUYR CREDIT AS AGREED	6,353.00		
Adjustments For Items Unpaid By Seller			
210. City/Town Taxes	to		
211. County Taxes	to		
212. SCHOOL	to		
213.			
214.			
215.			
216.			
217.			
218.			
219.			
220. TOTAL PAID BY/FOR BORROWER	461,371.51		
300. CASH AT SETTLEMENT FROM/TO BORROWER:			
301. Gross Amount Due From Borrower (Line 120)	535,434.87		
302. Less Amount Paid By/FOR Borrower (Line 220)	( 461,371.51)		
303. CASH ( X FROM ) ( TO ) BORROWER	74,063.36		
K. SUMMARY OF SELLER'S TRANSACTION			
400. GROSS AMOUNT DUE TO SELLER:			
401. Contract Sales Price	497,000.00		
402. Personal Property			
403.			
404.			
405.			
Adjustments For Items Paid By Seller in advance			
406. City/Town Taxes	to		
407. County Taxes	05/17/11 to 01/01/12	1,037.73	
408. SCHOOL	05/17/11 to 07/01/11	279.29	
409. Tax Adjustment on 2 parcels			
410.			
411.			
412.			
420. GROSS AMOUNT DUE TO SELLER	499,317.12		
500. REDUCTIONS IN AMOUNT DUE TO SELLER:			
501. Excess Deposit (See Instructions)			
502. Settlement Charges to Seller (Line 400)	30,425.50		
503. Existing loan(s) taken subject to			
504. Payoff First Mortgage to DEPARTMENT OF HOUSING &	255,472.67		
505. Payoff Second Mortgage to SAVVY TR PAYMENT OF RT			
506.			
507. (Deposit disb. as proceeds)			
508.			
509. SELL TO BUYR CREDIT AS AGREED	6,353.59		
Adjustments For Items Unpaid By Seller			
510. City/Town Taxes	to		
511. County Taxes	to		
512. SCHOOL	to		
513.			
514.			
515.			
516.			
517. radon test to Radon Testing Systems	150.00		
518. Radon Remediation escrow to FOX ROTHSCHILD ESCI	1,590.00		
519.			
520. TOTAL REDUCTION AMOUNT DUE SELLER	294,001.17		
600. CASH AT SETTLEMENT TO/FROM SELLER:			
601. Gross Amount Due To Seller (Line 420)	499,317.12		
602. Less Reductions Due Seller (Line 520)	( 294,001.17)		
603. CASH ( X TO ) ( FROM ) SELLER	204,315.95		

The undersigned hereby acknowledge receipt of a completed copy of pages 1 &amp; 2 of this statement &amp; any attachments referred to herein.

Borrower

ALAN E. RAMBAM  
MICHAEL POUR-AZAR

Seller

DAVID M. HERDMAN, SUCCESSOR TRUSTEE OF THE  
AGNES M. HERDMAN DEED OF TRUST DATED 5-14-01  
BY: DAVID M. HERDMAN, Successor Trustee

L. SETTLEMENT CHARGES									
700. TOTAL COMMISSION Based on Price		\$	@	%	24,850.00	PAID FROM		PAID FROM	
Division of Commission (line 700) as follows						BORROWERS		SELLER'S	
701. \$ 12,425.00 to LONG AND FOSTER						FUNDS AT		FUNDS AT	
702. \$ 12,425.00 to LONG AND FOSTER						SETTLEMENT		SETTLEMENT	
703. Commission Paid at Settlement									
704. BROKER SERVICE FEE to LONG AND FOSTER						345.00		24,850.00	
800. ITEMS PAYABLE IN CONNECTION WITH LOAN									
801. Loan Origination Fee		%	to						
802. Loan Discount		%	to						
803. Appraisal Fee			to						
804. Credit Report			to						
805. Lender's Inspection Fee			to						
806. Mortgage Ins. App. Fee			to						
807. Assumption Fee			to						
808. LENDER'S FEE \$18,000.00			to	DONALD D. YOUNG	POC \$2,000.00		16,000.00		
809. UNDERWRITING FEE			to	DONALD D. YOUNG			1,000.00		
910. ATTORNEY FEE			to	SETH BRODER ESQUIRE			2,500.00		
911. APPRAISAL FEE			to	DONALD D. YOUNG	75 GLEN DRIVE		350.00		
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE									
901. Interest From 06/15/11 to 07/01/11		@	\$	125.00/1000/day	( 16 days	%)	2,000.00		
902. Mortgage Insurance Premium for		months to							
903. Hazard Insurance Premium for		1.0 years to							
904.									
905.									
1000. RESERVES DEPOSITED WITH LENDER									
1001. Hazard Insurance		months @	\$	per month					
1002. Mortgage Insurance		months @	\$	per month					
1003. City/Town Taxes		months @	\$	per month					
1004. County Taxes		months @	\$	per month					
1005. SCHOOL		months @	\$	per month					
1006.		months @	\$	per month					
1007.		months @	\$	per month					
1008.		months @	\$	per month					
1100. TITLE CHARGES									
1101. Settlement or Closing Fee		to	American Land Transfer, Inc.						
1102. Abstract or Title Search		to	American Land Transfer, Inc.	75 GLEN DRIVE		283.00			
1103. Title Examination		to							
1104. Title Insurance Binder		to							
1105. Document Preparation		to							
1106. Notary Clerical Fees		to	American Land Transfer, Inc.			35.00		15.00	
1107. Attorney's Fees		to							
(includes above item numbers)									
1108. Title Insurance		to	Stewart Title Guaranty Company	BASIC		2,843.75			
(includes above item numbers)									
1109. Lender's Coverage		\$	350,000.00						
1110. Owner's Coverage		\$	497,000.00	2,843.75					
1111. ENDORSEMENTS		to	American Land Transfer, Inc.	100/300/5.1		150.00			
1112. CLOSING SERVICE LETTER		to	STEWART TITLE			75.00			
1113. WIRE		to	American Land Transfer, Inc.			20.00			
1114. express payee		to	American Land Transfer, Inc.						
1115. ADDITIONAL PARCEL SEARCH		to	American Land Transfer, Inc.	20 MOYER RD		150.00		15.50	
1116.									
1117. RECORD SATISFACTION		to	American Land Transfer, Inc.	75 GLEN DRIVE		59.00			
1118.									
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES									
1201. Recording Fees: Deed \$		70.00; Mortgage \$	98.00; Releases \$						
1202. City/County Tax Stamps: Deed		4,970.00; Mortgage		168.00					
1203. State Tax Stamps: Deed		4,970.00; Mortgage		4,970.00					
1204. RECORD ASSIGNMENT OF LEASES		to	Bucks County Recorder of Deeds	4,970.00					
1205. RECORD MORTGAGE 75 GLEN DRIVE		to	Bucks County Recorder of Deeds	71.00					
1300. ADDITIONAL SETTLEMENT CHARGES		68.00							
1301. Survey		to							
1302. Pest Inspection		to							
1303. reimb tax/sewer pers		to	Long & Foster Real Estate						
1304. SEWER ESCROW		to	Lower Makefield Township Sewer	80.00					
1305. ATTORNEY FEES \$6200 POC		Fox Rothschild		150.00					
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502/Section K)							31,117.75		30,425.50

American Land Transfer, Inc., Settlement Agent

# ATTACHMENT C





LONG & FOSTER REAL ESTATE, INC.  
PRINCETON OFFICE  
33 Princeton-Hightstown Road  
Princeton Junction, New Jersey 08550  
Office: 609-275-5101  
Toll Free: 888-565-8445  
Office Fax: 609-275-5925

**Executive Offices**  
14501 George Carter Way  
Chantilly, VA 20151  
703-653-8500  
[www.longandfoster.com](http://www.longandfoster.com)

### *Document Fee*

Long & Foster Real Estate, Inc., charges a Document Fee at the time of settlement to buyers and sellers who have received real estate services from Long & Foster.

The Document Fee charged to buyers and sellers who have received services is:  
Three Hundred and Forty Five Dollars (\$345.00)

This Document Fee, in part, covers the increasing costs of printing, processing, transmitting and storing the numerous required documents that are associated with the closing of a real estate transaction. The New Jersey Real Estate Commission mandates that all files be retained for a period of six years. A present-day real estate transaction typically involves multiple parties, multiple settlement service providers and as many as 250 pieces of documentation. A number of these documents are required disclosure forms designed to enhance the quality and level of service provided to the buyer and seller.

As customer needs for greater communication and disclosure increases, and as state and federal requirements become greater, so do administrative costs associated with these needs and legal requirements.

Long & Foster Real Estate, Inc. continues to invest heavily in up-to-date training and equipment for its agents and personnel. The Document Fee covers, in part, these increasing associated costs. Long & Foster continues our commitment to provide our customers with the highest level of service in the real estate industry.

Agree to and accepted this 10<sup>th</sup> day of December, 20 08

\_\_\_\_\_  
Customer's Signature

\_\_\_\_\_  
Customer's Signature

\_\_\_\_\_  
PRINT name

\_\_\_\_\_  
PRINT name

