

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

**EARL J. STANDIFER, II,**

**Plaintiff,**

v.

**JRHBW REALTY, INC. d/b/a  
REALTYSOUTH, et al.**

**Defendants.**

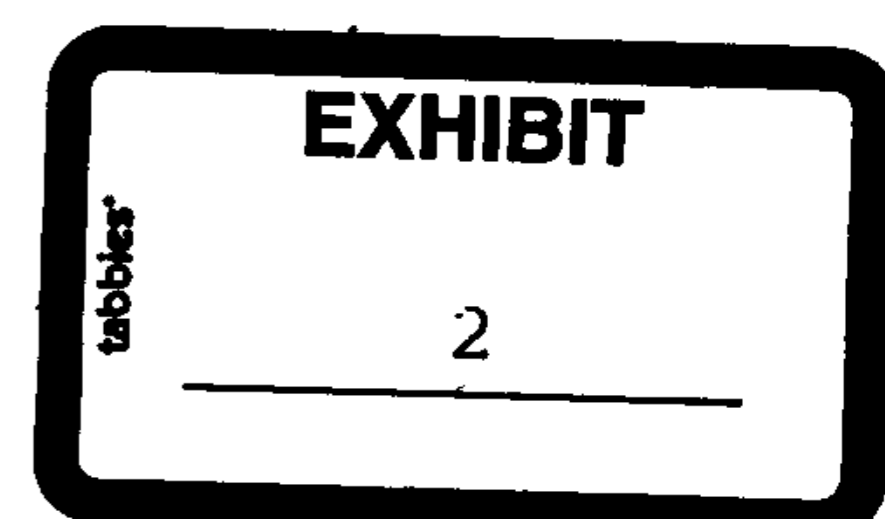
**Civil Action No.: 04-HS-1130-S**

**AFFIDAVIT OF C. TYLER DODGE**

STATE OF ALABAMA )  
COUNTY OF Jefferson )

Before me the undersigned Notary Public, in and for said State and in said County, personally appeared C. Tyler Dodge, who after being duly sworn deposes and says under oath as follows:

1. I am C. Tyler Dodge, and I am employed as Senior Vice President and Chief Operating Officer at JRHBW Realty, Inc. d/b/a RealtySouth.
2. I make this Affidavit based on personal knowledge.
3. RealtySouth's commission structure, until about March, 2003, had been essentially the same for many years. However, while its commission structure may have been static, its costs and level of service was changing. Consumers are and had been demanding a higher level of service and new services. And, while the cost of providing such services was steadily increasing, RealtySouth was paying out an ever increasing percentage of its revenues to



its sales agents in the form of higher commission splits such that the sales agents were receiving a higher percentage of the commission dollars generated.

4. In order to continue to be able to provide consumers with the services they were demanding and to remain the superior provider of real estate brokerage services in the market, RealtySouth needed to ensure that its income was sufficient to meet its needs.

5. Accordingly, in or around the beginning of 2003, RealtySouth determined to increase its commission by a flat fee of \$149.00. This charge was to go entirely to RealtySouth and not be split with the sales agents. The charge was called an "administrative brokerage commission" ("A B Commission"), to contrast it with the normal percentage commission charged and split with sales agents. Accordingly since its introduction, the A B Commission generally is charged to both buyers and sellers along with a percentage commission based on the purchase price of the home. This is generally the case even when a buyer who uses a RealtySouth agent purchases a home that the seller had listed through RealtySouth and for which a percentage commission is charged.

6. The administrative brokerage commission was not intended to cover any specific service. On the contrary, it simply was an increase in the price or fee that RealtySouth charged for all its brokerage services rendered to both buyers and sellers.

7. Attached hereto as Exhibit A is:

A. A series of questions and answers on the administrative brokerage commission that was prepared and distributed in connection with the charge of the administrative brokerage commission.

C. Tyler Dodge  
C. Tyler Dodge

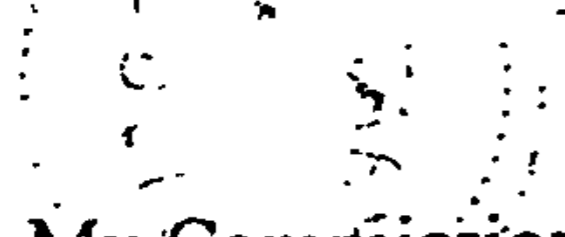
STATE OF ALABAMA )

COUNTY OF Jefferson )

I, the undersigned, a Notary Public in and for said County and State, hereby certify that C. Tyler Dodge, whose name is signed to the foregoing document and who is known to me, comes before me on this day and, being informed of the contents of such instrument, he executed the same voluntarily on the day the same bears date.

Under my hand and seal this 18<sup>th</sup> day of August, 2004.

Rebecca Jane Bellenger  
NOTARY PUBLIC



NOTARY PUBLIC STATE OF ALABAMA AT LARGE  
MY COMMISSION EXPIRES: Feb 27, 2008  
BONDED THRU NOTARY PUBLIC UNDERWRITERS

My Commission Expires: \_\_\_\_\_