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MEMBER POLICY

March 28, 2011

Mr. Dale Stinton
Chief Executive Officer
NATIONAL ASSOCIATION OF REALTORS®
430 North Michigan Avenue
Chicago, IL 60611

Dear Dale:

Please accept this formal request to have NAR grant our brokerage network, Leading Real Estate Companies of the World® ("LeadingRE"), the same rights as national franchise organizations to index affiliates' IDX listings with their permission.

LeadingRE is a downtown Chicago-based international brokerage services network whose members compete directly with members of national franchise networks, albeit with a different business model. Our 500 U.S. affiliate brokerages represent 3,600 offices and 128,000 sales associates in this country alone, in addition to coverage in 30 other countries, bringing our total to 150,000 agents. Our company (legal name Reliance Relocation Services, Inc.) holds a broker's license and is a member of NAR. Just as our franchise competitors do, we have affiliates under contract to our organization who pay annual fees to receive diverse brokerage support services, including lead generation, technology systems and services, brand enhancement and marketing collateral, and a robust learning platform for agents and managers.

We are not a "virtual" organization or a loose amalgamation of independent brokerages. Rather, we are a privately held corporation owned by 35 of the largest residential brokerages in the country, with affiliate brokerages who consider LeadingRE to be their national/global network just as independently owned franchisee brokerages do with their national brands, and we operate national and global websites just at franchisors do.

Our company was formed in 1997 as the result of a consolidation of several networks (RELO®, Genesis, All Points) and 50 of the largest Cendant/HFS brokerages. Since that time, we have consistently been a well-capitalized, highly profitable enterprise even during this market downturn. Our organization – like franchisor corporations – is heavily invested in the success and competitive strength of our affiliate firms. We function much like a franchisor, with the principal difference being that our affiliates are all locally branded companies organized under the LeadingRE umbrella. In recent years, about 20 percent of our new affiliates are former franchisees who have elected to transition to a local brand and our franchise-comparable service offerings. In other words, LeadingRE competes directly with national franchise organizations, and because local brands resonate with consumers based on the evolution of Internet search and the preferences of the X and Y generations, we do so quite successfully.

continued...

Mr. Stinton
March 28, 2011
Page two

Our network represents a significant constituency of NAR, with the following credentials:

- Nearly \$250 billion in U.S. sales in 2009 (2010 figures are yet to be finalized), more than any single franchise brand.
- Six* of the top ten brokerages in the country and 35 of the top 100 firms, with the highest sales production among the nation's top 500 companies – 27% of the total. These figures are from the third-party **REAL Trends** annual report. According to that report, our members are also the #1 market share ranked companies in 39 of the top 90 companies in the country, with our next competitor (Coldwell-Banker) holding that distinction in 22 markets.
**Majority of Home Services companies, Long & Foster, Howard Hanna, Crye-Leike, Realty USA and Real Estate One.*
- Our affiliates are the #1 market share companies in 39 of the nation's top 90 markets, per **REAL Trends**, with our closest competitor being #1 in just 22 such markets.
- We are recognized as a national brokerage network alongside the franchises by **REAL Trends**, **Inman News**, and other industry media outlets.

We would be happy to provide references from any of our member firms, including shareholders as well as newer affiliates who were formerly long-time franchisees with the original BH&G/GMAC, Prudential, Century 21, and Coldwell-Banker.

LeadingRE operates several websites, including the premier luxury showcase, LuxuryPortfolio.com, but this particular request relates to our all-price-points consumer search site, RELOHomeSearch.com. If given the same rights as our franchisor colleagues, this is the site on which we would display IDX listings – with the approval of our affiliates. RHS features about 400,000 listings of our affiliate companies and operates as a portal to drive traffic to our member brokerage sites via 1) aggressive search engine optimization and 2) member-to-member website traffic channeled through RHS.

Collectively, LeadingRE affiliate websites attract over 100 million unique users annually, and RHS is the “connector” that unites those sites. Its purpose is no different than that of a national franchise site and, like theirs, would generate valuable exposure to all REALTOR® listings.

I have no doubt that the intent of NAR's ruling was not to discriminate or competitively disadvantage LeadingRE versus our franchisor competitors, but that is what the ruling as it stands effectively accomplishes. Our hope is that by being made aware of the “apples to apples” nature of the LeadingRE network vis à vis the franchise networks, NAR will extend this ruling to include Leading Real Estate Companies of the World*.


continued...

Mr. Stinton
March 28, 2011
Page three

Attached is background information on LeadingRE and a list of our affiliate brokerages, which include future NAR President Steve Brown of Irongate Realtors, and other past and present NAR contributors - Lennox Scott, Ebby Halliday, Bill Moore, Merle Whitehead, Helen Hanna Casey, Ron Peltier, Nestor Weigand, Joe Aveni, and many more.

Dale, we would be happy to meet with you and any other appropriate NAR representatives at your offices or ours or at the NAR mid-year meeting in Washington to further explain our position and provide any other pertinent information.

Thank you very much for your consideration, and I look forward to hearing from you.

Sincerely,


Pamela J. O'Connor
President/CEO

cc: Ron Phipps, 2011 NAR President
Steve Brown, Irongate Realtors
William Watson, Watson Realty, FL (Chairman)*
Robert Sibcy, Sibcy Cline, OH (Vice Chairman)*
Pat Riley, Allen Tate Company, NC (Secretary)*
Jeff Detwiler, Long & Foster, VA (Treasurer)*
Stephen Baird, Baird & Warner, IL*
Harold Crye, Crye-Leike, TN (Past Chairman)*
Dan Elsea, Real Estate One, MI*
Joe Horning, Shorewest Realtor, WI*
Christopher Meyers, Houlihan Lawrence, NY*
Ronald Peltier, HomeServices of America, MN*
Michael Robinson, Weichert Realtors, NJ*
Michael Saunders, Michael Saunders & Co., FL*
** LeadingRE Board of Directors*