



February 1, 2012

Texas Real Estate Commission  
Standards & Enforcement Services  
P.O. Box 12188  
Austin, Texas 78711-2188  
sherry.martinets@trec.texas.gov

ATTN: Douglas E. Oldmixon, Kerri T. Galvin, and Sherry Martinets

Re: File No. 120677

Ladies and Gentlemen:

This is a response to your letter dated January 6, 2012.

Your letter refers to a complaint alleging that Owners Advantage, LLC acted as or held itself out as a licensed real estate broker in Texas by offering "listing packages that may include real estate brokerage services," but you do not specify any act of the company that would constitute brokerage services.

In this letter, we are pleased to give you a general overview of the services we offer in Texas and to explain that we are not offering brokerage services.

Owners Advantage LLC, doing business as "Owners.com" ("Owners.com," "we," "us," "our," or the "company"), does not hold itself out as a licensed real estate broker in Texas and does not conduct activities that require a real estate brokerage license in Texas.

In Texas, we provide homeowners with web pages for advertising their properties, and we provide licensed real estate agents who offer discounted listing services with an advertising and marketing venue to reach sellers. Our marketing services include lead-generation services. From sellers of real estate, we receive information for online advertising directly via online forms that they complete and submit online. We use this information to display the advertising on our website in the original form provided by our customers. On our website, we give buyers and sellers the means to communicate directly with each other via email or telephone.

Aside from facilitating advertising and communication as described above, our service does not facilitate real estate transactions.

We provide marketing services to licensed brokers in Texas. Our services provide a marketing conduit for licensed brokers in Texas who want to sell discounted brokerage services and establish relationships with owners for selling traditional real estate services such as buyer representation for the purchase of their next home. These licensed brokers submit bids for customer leads through the Owners.com web site. The discounted services that licensed brokers sell to customers that they reach through Owners.com include MLS listing services. The company is not a member of any Texas MLS. We do not enter into any MLS listing agreements. We take steps to insure that leads for brokerage services are sent only to Texas licensed brokers who are exclusively responsible for entering and maintaining MLS listings.

When a seller of residential real estate decides that he or she wants to use an agent or broker who offers brokerage services for a discounted fee, we route the seller to the lowest bidder in our network. Once the order is routed to the licensed agent or broker, we are no longer involved with marketing the MLS listing service. We never provide any services that require a brokerage license. The licensed brokers and agents are exclusively responsible for making, changing, maintaining, and terminating the MLS listing and for responding to inquiries on the MLS listing from other agents and buyers. All of our efforts that relate to MLS listing services stop at promotion of licensed brokers and agents who choose to bid on the leads we obtain for them. The agent completes the paperwork offline and handles all change requests directly with the customer. Our only obligation to the agents is to provide them with customer leads, and we earn revenue from the difference between the cost of buying search advertising and the price of marketing leads, which is a common practice among media buyers.

We allow sellers of real estate in Texas to advertise their property for sale. We provide these advertising services directly to sellers in Texas. Some states, including Texas, require a brokerage license for certain kinds of real estate listing or advertising. Our activities are closely analogous to real estate listings in newspapers, which do not require a license and have long been exempt from licensing requirements. Our advertising and marketing activities are also protected by the First Amendment.

In 2000, California enacted laws to require websites that advertised real estate for sale to obtain a broker's license. The constitutionality of the law was challenged in federal court as a violation of First Amendment rights. The plaintiff said that it "simply provides an advertising platform and information to homeowners for a flat fee, empowering individuals to sell and purchase homes on their own." Just as newspapers show classified ads to advertise homes without being licensed by the state, we should not be required to obtain a broker's license to show homes online. Finding the licensing requirement "wholly arbitrary", the Federal District Court granted summary judgment in favor of the plaintiff. FORSALEBYOWNER.COM CORP. v. ZINNEMANN, 347 F.Supp.2d 868 (2004).

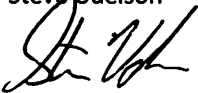
Since the listing services described above are analogous to newspaper listings and are also protected commercial speech under the First Amendment and don't require a license, it seems clear that offering consumers the opportunity to purchase listing services from licensed brokers does not require us, as an advertising or marketing agent, to obtain a license.

We have received and replied to inquiries from regulators in a few other jurisdictions and they all concluded that our activities do not require a license.

More important, we advocate the interests of consumers in Texas. Texas consumers are better protected using our match-making services than when looking around themselves for a discount broker. We offer a 100% money-back guarantee on bundles that include our matchmaking service. We do background checks on all of participating licensed brokers to ensure they are licensed and experienced. We maintain a high level of customer satisfaction and rate A+ with the BBB.

In conclusion, we are a marketing and advertising company; we never act as agents of buyers or sellers in real estate transactions in Texas. We never represent our company as a licensed brokerage and always inform consumers who want brokerage services that we will match them with a licensed third-party for such services. We never provide any kind of closing services. We never receive fees that are contingent on closing or calculated as a function of real estate sales or offering prices. We act as an advertising, marketing, and communication medium for the benefit of brokers and, above all, consumers in Texas.

Steve Udelson



cc: Michael Christian, Esq.