

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

EJ MGT LLC,

Plaintiff,

v.

ZILLOW GROUP, INC., and ZILLOW,
INC.,

Defendants.

Case No. 18-0584

**FIRST AMENDED COMPLAINT
DEMAND FOR JURY TRIAL**

Plaintiff EJ MGT LLC, a limited liability company organized under the laws of the State of New Jersey, through its undersigned attorney, by way of Complaint against Zillow Group, Inc., and Zillow, Inc. (collectively, “Defendants” or “Zillow”), with headquarters located at 1301 Second Avenue, Seattle, Washington, allege as follows:

I. INTRODUCTION

1. This antitrust action arises from Zillow’s conspiracy with certain real-estate brokerage companies to conceal “Zestimates” through agreements to alter their display (“Zestimate Agreements”) on certain Zillow listings.

2. Zillow is the dominant provider of online real-estate information. Zillow publishes millions of Zestimates—Zillow’s “estimated market value” for individual homes— and has agreed to allow only select brokers to conceal the display of Zestimates on their listings.

3. The Zestimate Agreements between Zillow and certain co-conspirator brokers of residential real estate (“Co-conspirator Brokers”) restrain trade and deprive Plaintiff and the

public in general of the benefits of open and robust competition in the market for residential real-estate listing services.

4. Together, Zillow and the Co-conspirators Brokers have made anticompetitive and illegal agreements regarding the display of the Zestimate on Zillow's website for properties listed through the Co-conspirator Brokers.

5. Unfettered, open price competition is the "central nervous system of the economy."

6. The Zestimate conveys unique information about the price of residential real estate.

7. Zillow has touted the importance of the Zestimate, claiming that it gives people "such a great sense for the value of the homes that are out there." (February 4, 2016 Zillow's founders Richard Barton and Lloyd Frink, which appears at the website:

<https://www.geekwire.com/2016/zillow-10-years>, attached transcript excerpt at Exhibit A.)

8. Price-related information can significantly impact decisions to buy or sell in a market, regardless of whether it accurately reflects fair-market value in a particular case.

9. Zillow promotes its Zestimates as a "user-friendly" tool intended to "promote transparent real estate markets and allow people to make informed decisions."

10. Zestimates are prominently displayed on most Residence Pages, and are among the first pieces of information listed on each of them. User traffic to Zillow's website skyrocketed after the introduction of the Zestimate.

11. How prominently information is displayed (or suppressed) makes a significant difference in how likely consumers are to see and respond to it. Evidence suggests that this is particularly true in online markets. For example, the top result on the first page of Google Search results reportedly receives 3,500% as many clicks as the top result on the second page. Press Release,

Eur. Comm'n, Antitrust: Commission Fines Google €2.42 billion for abusing dominance as search engine by giving illegal advantage to own comparison shopping service (June 27, 2017).

12. The selective concealment of Zestimates, as effectuated through the Zestimate Agreements, distorts the flow of critical information in the marketplace. The Zestimate Agreements allow Zillow's favored group of Co-Conspirator Brokers—but no other brokers, agents, or sellers—to suppress critical price information on their listings.

13. Zillow has acknowledged that Zestimates can add difficulties and complexities to listing and selling a home.

14. Zillow acknowledges that its Zestimates present an obstacle that brokers must work to conquer: “The Zestimate conversation: some real-estate agents avoid it; others conquer it. The conquering crowd would tell you they see the Zestimate as an opportunity [] to distinguish themselves as local experts around town. They're the Zestimate whisperers.” (The Zestimate Home Value Explained, Premier Agent Resources, January 5, 2015, available at <https://www.zillow.com/agent-resources/trends-and-data/tips-and-advice/the-zestimate-explained/>.)

15. Zillow, via the Zestimate Agreements, bestows upon its favored Co-Conspirator Brokers a unique option: they may simply avoid this obstacle by selectively suppressing unfavorable Zestimates from the view of Zillow users.

16. Other brokers and agents not affiliated with the Co-Conspirator Brokers (“Unaffiliated Broker/Agent”), as well as individual home owners who have not hired agents affiliated with the Co-Conspirator Brokers, are left with no choice but to have Zestimates appear prominently on their Residence Pages.

17. Unlike the Co-Conspirator Brokers, Unaffiliated Brokers and Agents and other non-favored individuals must attempt to compete on the merits. Yet the Zestimate Agreements tip the playing field against them, distorting free and open competition in the relevant market.

18. Zillow has acknowledged that it conceals Zestimates as a result of agreements with only “certain brokers,” who in turn receive a “certain treatment”:



Courtney H (Zillow Help Center)

May 25, 7:52 AM PDT

Hi Igor,

Due to agreements Zillow has with certain brokerages, the Zestimate may not display under the listing price on these brokers' listings. It will however still display on the listing under Zestimate details, just not directly under the price. Zillow Group does not completely remove Zestimates for any listing, but there are contracts in place for some brokers to receive a certain treatment. I apologize I am unable to edit or remove the Zestimate on your listing as these agreements and modifications are outside my administrative capabilities.

If I can be of assistance moving forward, please let me know.

Thanks and have a wonderful rest of your week!

Courtney
Agent Care Consultant
Premier Agents: [1-888-466-3501](tel:1-888-466-3501)
Zillow Group

19. Plaintiff EJ MGT LLC owns and has presented and marketed property located at 142 Hoover Drive, Cresskill, New Jersey (“142 Hoover”) through an Unaffiliated Agent. As a result, the Residence Page for 142 Hoover contained a prominently displayed Zestimate, while the Residence Page of another property in nearby Alpine, New Jersey listed through a Co-conspirator Broker, conceals the Zestimate:

142 Hoover Dr, Cresskill, NJ 07626

8 beds · 10 baths · 18,000 sqft

Magnificent custom-built palatial mansion situated on a private cliff. This former celebrity home eloquently blends Spanish and mid-century modern design. 18,000sf on 1.5 very private acres with 7 bedrooms and 9.5 baths. Featuring breathtaking city and mountain

● FOR SALE
\$7,788,000
Zestimate: \$3,703,597
EST. MORTGAGE
\$34,955/mo 
[Get pre-qualified](#)

**Prominent
Zestimate**

11 Tamareck Rd, Alpine, NJ 07620

6 beds · 7 baths · -- sqft

Splendorous contemporary located in prestigious Rio Vista section of alpine, completely renovated interior masterpiece of works by the world renowned designer with a 30' ceiling breathtaking grandeur floor to ceiling window wall and venetian plastered wall formal living room and great room with fireplace overlooking the gorgeous back yard, formal dining room, and lavish master suite with master bath. Immense kitchen with

● FOR SALE
\$5,308,000
EST. MORTGAGE
\$19,975/mo 
[Get pre-qualified](#)

**Concealed
Zestimate**

Listed by:



20. These illegal agreements are further evidenced by comparing (i) the Residence Page for a property while it was listed with a Co-conspirator Broker and (ii) the Residence Page for the same property once the property is off market. Below is the Residence Page for certain property captured on January 2, 2018, after that property had been taken off market, with a prominently displayed Zestimate. Below that is the Residence Page for the same property captured less than a week earlier (December 26, 2017) while listed for sale by Sotheby's with a concealed Zestimate:

930 Old Mill Rd
Franklin Lakes, NJ 07417

7 beds · 11 baths · -- sqft

*Note: This property is not currently for sale or for rent.
The description below may be from a previous listing.*

Spectacular private oasis on approximately 19.5 acres

OFF MARKET

Zestimate[®]

\$5,061,869

Rent Zestimate[™]: \$24,552 /mo

EST. REFI PAYMENT

\$19,321/mo

[See current rates](#)

**Prominent
Zestimate**

930 Old Mill Rd,
Franklin Lakes, NJ 07417

7 beds · 11 baths · -- sqft

Spectacular private oasis on approximately 19.5 acres
with private lake. Patios, pool guest house and so much
more. Incredibly situated and set back from Old Mill.

FOR SALE

\$8,250,000

EST. MORTGAGE

\$30,689/mo

[Get pre-qualified](#)

Listed by:



**Concealed
Zestimate**

21. In essence, Zillow selectively gives its favored Co-Conspirator Brokers a powerful competitive advantage over their rivals. Zillow's powerful position as the undisputed leader in online real-estate information is allowing it to pick and choose winners in related markets.

22. Zillow acknowledged the advantage conferred on the Co-Conspirator Broker when it described in briefing in this action how changes were made to Plaintiff's Zillow listing in response to the originally filed Complaint.

23. In Zillow's Brief in Support of its Motion to Dismiss, it conceded that changes were made to its platform and acknowledged that these changes to Plaintiff's listing conferred a

“benefit” on Plaintiff and placed it on “equal footing” with the Co-conspirator Brokers. *See* Zillow Brief in Support of Motion to Dismiss, p.5, Docket 11-1, March 23, 2018.

24. Accordingly, Zillow has acknowledged that the mere placement of a Zestimate on a listing confers certain advantages to a market participant.

25. Zillow’s founders have also acknowledged the “provocative” power of the Zestimate, particularly in its formulation as a single data point. (Exhibit A)

26. The changes referenced above that Zillow made to Plaintiff’s listing and those of others did not place them on completely equal footing with the Co-Conspirator Brokers, who remain to this day the only participants on Zillow who can place listings on Zillow without a Zestimate displayed directly under a property’s listing price on the landing page for a Zillow listing.

27. Unaffiliated Brokers and Agents, as well as individual home-owners, are left virtually powerless to affect the prominence and salience of Zestimates, regardless of whether the relevant Zestimate is unfavorable, inaccurate, or otherwise misleading.

28. Residential real-estate owners are forced to choose between hiring one of Zillow’s favored Co-Conspirators and having virtually no control over a critical piece of price-related information that can and does affect home buyers’ decision-making.

29. The manner in which Zillow has implemented this anticompetitive feature of its platform alters the workings of the market, inhibits the open flow of price-related information, and excludes Unaffiliated Brokers and homeowners from being able to compete on the same footing as Zillow’s favored Co-Conspirators.

30. By giving the Co-Conspirators a leg up over their competition, the Zestimate Agreements also prevent home-owners who wish to sell their houses from deciding among competing residential real-estate listing service providers purely on the merits.

31. The Zestimate Agreements also deprive home buyers of the benefits of a fully competitive marketplace. Because the Zestimate Agreements have the purpose and effect of selectively suppressing critical price-related information, home buyers making what is often the most important purchasing decision of their lives unknowingly do so based on incomplete and selectively distorted information.

32. These agreements unreasonably restrain trade in connection with the exchange of information regarding home pricing and valuation. The Zestimate Agreements provide anticompetitive advantages to only those select brokers that are given the opportunity to purchase a service package from Zillow that allows selective concealment of Zestimates, to the detriment of the Unaffiliated Brokers and Agents, as well as homeowners seeking to list their own properties for sale.

33. Plaintiff brings this action to prevent Defendants and certain Co-conspirator Brokers from engaging in the Zestimate Agreements and imposing certain rules, policies, and practices regarding the display of Zestimates.

34. The Zestimate Agreements and attendant rules, policies, and practices have the purpose and effect of stifling and distorting the flow of price-related information, anticompetitively tilting the playing field in favor of the Co-conspirator Brokers, and creating and heightening barriers to entry in the market for residential real-estate listing services.

35. The vertical Zestimate Agreements are directly aimed at restraining horizontal competition in the market for residential real-estate listing services.

36. By entering into, carrying out, and otherwise engaging in the Zestimate Agreements, each Defendant and the Co-conspirator Brokers have violated and continue to violate Section 1 of the Sherman Act, 15 U.S.C. § 1, and the New Jersey Antitrust Act, N.J.S.A. 56:9-3.

II. PLAINTIFF

37. Plaintiff EJ MGT LLC is a limited liability company organized under the laws of the State of New Jersey with an address of 50 County Road, Cresskill, New Jersey. EJ MGT LLC is the titled owner of a certain property, which is improved with a single-family home, located at 142 Hoover Drive, Cresskill, New Jersey.

III. DEFENDANTS

38. Defendant Zillow, Inc. is a corporation formed under the laws of the State of Washington, with its headquarters located at 1301 Second Avenue, Seattle, Washington.

39. Defendant Zillow Group, Inc., is a corporation formed under the laws of the State of Washington, with its headquarters located at 1301 Second Avenue, Seattle, Washington.

40. Zillow Group was incorporated in 2014 in connection with Zillow's acquisition of its only significant competitor, Trulia, another online residential real estate site for home buyers, sellers, renters and real-estate professionals that lists properties for sale and rent as well as provides tools and information used in the home search process.

41. Zillow is a wholly owned subsidiary of Zillow Group.

AGENTS AND CO-CONSPIRATORS

42. Each Defendant acted as the principal of or agent for the other Defendant with respect to the acts, violations, and common course of conduct alleged herein.

43. Various other persons, partnerships, sole proprietors, firms, corporations, and individuals not named as defendants in this lawsuit, and individuals, the identities of which are presently unknown, have participated as co-conspirators with the Defendants in the offenses alleged in this

Complaint, and have performed acts and made statements in furtherance of the conspiracy or in furtherance of the anticompetitive conduct.

44. Whenever in this Complaint reference is made to any act, deed, or transaction of any corporation or limited liability entity, the allegation means that the corporation or limited liability entity engaged in the act, deed, or transaction by or through its officers, directors, agents, employees, or representatives while they were actively engaged in the management, direction, control, or transaction of the corporation's or limited liability entity's business or affairs.

IV. JURISDICTION AND VENUE

45. Plaintiff brings this action pursuant to the Sherman Act 15 U.S.C. § 1, and pursuant to Sections 15 and 26 of the Sherman Act and Clayton Act, as amended, 15 U.S.C. §§ 4, 26, to obtain damages, equitable and other relief to prevent and restrain violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, and pursuant to New Jersey Law.

46. This Court has subject-matter jurisdiction over this action under Sections 15 and 26 of the Sherman Act and Clayton Act, 15 U.S.C. §§ 15, 26, and with respect to the violations of New Jersey law, this Court has supplemental jurisdiction under 28 U.S.C. § 1367.

47. This Court has subject-matter jurisdiction over the violations of New Jersey law pursuant to 28 U.S.C. § 1332 because the parties are completely diverse in citizenship and the amount in controversy exceeds \$75,000.

48. Venue is proper in this District pursuant to 15 U.S.C. § 22 and 28 U.S.C. §§ 1391 (b), (c), and (d), because one or more of the Defendants reside in, are licensed to do business in, are doing business in, had agents in, or are found or transact business in this District, a substantial part of the events giving rise to Plaintiff's claims occurred in this District, and a substantial

portion of the affected interstate trade and commerce (discussed below) has been carried out in this District. Defendant's listings are and have been used for thousands of real-estate transactions in this District.

49. This Court has personal jurisdiction over the Defendants because each, either directly, or through the ownership and/or control of their subsidiaries, *inter alia*: (a) transacted business in New Jersey, including in this District; (b) directly or indirectly sold or marketed real-estate listing services or real-estate brokerage services in New Jersey, including in this District; (c) had substantial aggregate contacts with New Jersey, including this District; or (d) were engaged in an illegal conspiracy in restraint of trade that was directed at, and had a direct, substantial, reasonably foreseeable and intended effect of causing injury to, the business or property of persons and entities residing in, located in, or doing business in New Jersey, including this District. Defendants also conduct business throughout the United States, including in New Jersey and this District, and have purposefully availed themselves of the laws of New Jersey.

V. TRADE AND COMMERCE

50. Defendants operate listing services, monetize ad units on its website that reaches internet users across state lines, and/or offer services in the United States in the flow of interstate commerce. Defendants' products and services have a substantial effect on at least three elements of interstate commerce: (1) the financing of real-estate transactions; (2) the title-insurance business; and (3) the interstate movement of people.

VI. INDUSTRY BACKGROUND

51. Zillow's stated mission is to "build the largest, most trusted and vibrant home-related marketplace in the world." Zillow operates a website in nearly every vertical market related to residential real estate. The Defendants operate a number of consumer and business brands, all focusing on aspects of the home lifestyle: renting, buying, selling and financing. The Defendants' portfolio of consumer brands includes real-estate and rental marketplaces Zillow, Trulia, StreetEasy, HotPads and Naked Apartments. The Defendants also own and operate a number of brands for real estate, rental and mortgage professionals, including Mortech, dotloop, Bridge Interactive and Retsly.

52. The Zillow Website is the Defendants' flagship offering and the market leader in the online-real-estate-database space. According to comScore (a web analytics company that ranks the popularity of websites), for the month of June 2017, the Zillow Website was the 24th most popular website in the world and the leading website in the real-estate sector. According to Zillow's 2016 Annual Statement, during the last three months of 2016, Zillow and its affiliate sites averaged over 140 million unique monthly users.

53. In addition to being a market leader among competitor websites (the biggest of which was acquired by Zillow in 2014), Zillow essentially owns the search-engine-optimization results for individual street addresses. When a street address is entered into Google's or Bing's search engine, the first result is Zillow's Residence Page for that address. For example, when "142 Hoover Drive Cresskill New Jersey" is entered into Google Search's algorithm, the first hit is the Zillow Residence Page for 142 Hoover.

54. The Defendants' financial model depends on revenue generated primarily through the sale of advertising products and services to real-estate agents and brokers, rental professionals, mortgage professionals and other advertisers in categories relevant to real estate.

55. Zillow also works with tens of thousands of real-estate agents, lenders and rental professionals to, among other things, connect those professionals with Zillow's millions of users.

56. Zillow has compiled a self-described "inimitable" database of residences. It claims that this database includes detailed information on more than 110 million U.S. homes, and includes homes for sale, for rent and recently sold, as well as properties not currently on the market. It claims that this database is central to the value Zillow provides to consumers and real-estate, rental, and mortgage professionals.

57. Zillow aggregates extensive information that users can search, through an easy-to-use interface, to identify, analyze and compare homes.

58. Zillow claims that the database is relevant to a broad range of users, including buyers, sellers, renters, homeowners, real-estate agents and other real-estate professionals.

59. Zillow's database, which is reflected on the Zillow Website's Residence Pages, includes information such as:

- a. Property facts: Zestimate and its corresponding value range, number of bedrooms, number of bathrooms, square footage, lot size, assessed tax value and property type such as single-family, condominium, apartment, multifamily, manufactured home or land.
- b. Listing information: price, price history and reductions, dollars per square foot, days on the market, listing type (such as for sale by agent, for sale by owner, pre-market inventory, which includes foreclosure, pre-foreclosure, Coming Soon and

Make Me Move listings, new construction and rental homes), open houses, property photos and estimated monthly mortgage payment.

- c. Purchase and sale data: prior sales information and recent sales nearby.

60. A key piece of information that appears on each Zillow listing is the Zestimate. Zillow describes the Zestimate as its own self-prepared estimate of current market value of a home using a variety of information, including:

- a. Physical attributes: location, lot size, square footage, number of bedrooms and bathrooms and many other details.
- b. Tax assessments: property tax information, actual property taxes paid, exceptions to tax assessments and other information provided in the tax assessors' records.
- c. Prior and current transactions: actual sale prices over time of the home itself and comparable recent sales of nearby homes.
- d. User data: data provided directly by millions of users of our mobile applications and websites.

61. According to Zillow, the Zestimate home valuation is Zillow's estimated market value of a property.

62. Zillow has represented that the intent of the Zestimate is for it to be used by those in the home-buying market as a starting point to determine a home's value.

63. Zillow's founders have described the Zestimate as something that gives people "such a great sense for the value of the homes that are out there." (February 4, 2016 Interview of Zillow's founders Richard Barton and Lloyd Frink, which appears at the website:

<https://www.geekwire.com/2016/zillow-10-years>, attached transcript at Exhibit A.)

64. Zillow states that it provides this information to its users where, when, and how they want it.

65. While Zillow's primary revenue source is advertising dollars, it is also in the business of matching brokers with both buying and selling consumers. Zillow presents consumers with ratings and contact information for the listing agent and local buyer's agents alongside home profiles and listings for homes to assist them in evaluating and selecting the real-estate agent best suited for them.

66. Zillow's two primary revenue categories are its marketplace revenue and display revenue.

67. It describes its marketplace revenue as Premier Agent revenue, other real-estate revenue, and mortgages revenue.

68. Zillow explains that Premier Agent revenue is generated by the sale of advertising under its Premier Agent program, which offers a suite of marketing and business technology products and services to help real-estate agents grow their businesses and personal brands offered on a cost-per-impression basis.

69. Zillow reported a 30% increase in Premier Agent revenue from the three months ended March 31, 2016 to the three months ended March 31, 2017.

VII. RESTRAINTS ON COMPETITION

70. Technology implemented by Zillow has allowed for the ability to easily and conveniently share information about real estate and has given Internet users unprecedented access to this information.

71. Zillow openly represents and markets that the Zestimate is used by buyers and sellers as a starting point for considering the price of a home, and that the purpose of the Zestimate is to provide data in a user-friendly format to promote transparent real-estate markets and allow people to make informed decisions.

72. At least as early as January 5, 2015, Zillow understood that its Zestimate impacted the real-estate market: “The Zestimate conversation: some real-estate agents avoid it; others conquer it. The conquering crowd would tell you they see the Zestimate as an opportunity [] to distinguish themselves as local experts around town. They’re the Zestimate whisperers.” (The Zestimate Home Value Explained, Premier Agent Resources, January 5, 2015, available at <https://www.zillow.com/agent-resources/trends-and-data/tips-and-advice/the-zestimate-explained/>)

73. Zillow’s founders have also acknowledged the “provocative” power of the Zestimate, particularly in its formulation as a single data point. (Exhibit A)

74. To the exclusion of individual home owners and other brokers who are not parties to the Zestimate Agreements, Zillow will permit only certain brokers and those agents affiliated with only certain brokers to alter the display of the Zestimate so that it does not appear at the top of the listing’s page.

75. At the very least, it can be inferred that Zillow has entered into agreements with the following co-conspirators who are parties to certain agreements to conceal Zestimates on their listings (collectively, “Co-Conspirators”):

- a. Sotheby’s International Realty, Inc. (“Sotheby”).
- b. Coldwell Banker Real Estate LLC (“Coldwell Banker”)
- c. Century 21 Real Estate LLC (“Century 21”);
- d. The Corcoran Group ERA (“Corcoran”);¹ and
- e. Weichert Realty.

76. Through its dominant market position, Zillow has injured consumers and restrained competition by entering into agreements with the Co-Conspirators that allow for the limited, altered, or otherwise concealed display of the Zestimate for only the listings of agents affiliated with the Co-Conspirators:

- a. The Zillow Residence Page for a typical Sotheby’s listing as of January 2, 2018 displays as follows, with concealed Zestimates:

¹ Sotheby’s, Coldwell Banker, Century 21, and Corcoran are wholly owned subsidiaries of Realogy

← → ↻ Zillow, Inc. [US] | https://www.zillow.com/homes/for_sale/Cresskill-NJ/37867999_zpid/17621_rid/40.940498,-73.93488,40.920915,-73.963762_rect/14_zm/

Apps For quick access, place your bookmarks here on the bookmarks bar. Import bookmarks now...

Buy CONTACT AGENT SAVE SHARE HIDE MORE EXPAND CLOSE



Don't miss out! New homes are going fast and be the first to view.






Street View

97 Hoover Dr, Cresskill, NJ 07626

8 beds · 10 baths · 9,500 sqft

FOR SALE
\$3,895,000

EST. MORTGAGE
\$14,498/mo

[Get pre-qualified](#)

Listed by:
Sotheby's

CONTACT AGENT

I am interested in 97 Hoover Dr, Cresskill, NJ 07626.

[Contact Agent](#)

I want financing information

By pressing Contact Agent, you agree that Zillow Group and real estate professionals may call/text you about your inquiry, which may involve use of automated means and prerecorded/artificial voices. You don't need to consent as a condition of buying any property, goods or services. Message/data rates may apply.

b. The Residence Page for a typical Coldwell Banker listing as of January 2, 2018 displays as follows, with concealed Zestimates:

The screenshot shows a Zillow listing for a house at 213 Engle St, Tenafly, NJ 07670. The listing is for sale at \$1,988,888 with an estimated mortgage of \$7,403/month. The house is a 5-bedroom, 4-bathroom property. The page includes a large exterior photo, a map showing the location, and several interior photos of the home. A 'CONTACT AGENT' form is overlaid on the right side of the page, containing fields for name, phone, and email, along with a 'Contact Agent' button and a checkbox for financing information.

**213 Engle St,
Tenafly, NJ 07670**

5 beds · 4 baths · -- sqft

FOR SALE
\$1,988,888

EST. MORTGAGE
\$7,403/mo

[Get pre-qualified](#)

Listed by:
COLDWELL BANKER

CONTACT AGENT

Your Name

Phone

Email

I am interested in 213 Engle St, Tenafly, NJ 07670.

Contact Agent

I want financing information

c. The Residence Page for a typical Century 21 listing as of January 2, 2018 displays as follows, with concealed Zestimates:

https://www.zillow.com/homes/38-Armory-Pl-Teaneck-NJ-07666_rb/

Buy **CONTACT AGENT** SAVE SHARE HIDE MORE EXPAND CLOSE

Zillow

Don't miss out! New homes are going fast and be the first to...

38 Armory Pl, Teaneck, NJ 07666

Street View

38 Armory Pl, Teaneck, NJ 07666

FOR SALE
\$739,500

EST. MORTGAGE
\$2,753/mo

[Get pre-qualified](#)

Listed by:
Century 21

CONTACT AGENT

Your Name

Phone

Email

I am interested in 38 Armory Pl, Teaneck, NJ 07666.

Contact Agent

I want financing information

By pressing Contact Agent, you agree that Zillow Group and real estate professionals may call/text you about your inquiry, which may involve use of automated means and recorded/artificial voices. You don't need...

Brand new one family located on a corner lot of a beautiful street just steps from NYC transportation. Hardwood floors and crown moldings throughout. First floor features living room, dining room, family room, full tile bath and euro kitchen with granite counter tops, stainless steel appliances and central island. Access to paved patio and yard. Second floor features 4 bedrooms

d. The Residence Page for a typical Corcoran listing as of January 2, 2018 displays as follows, with concealed Zestimates:

**12 E 79th St,
New York, NY 10075**

8 beds · 7 baths · 16,000 sqft

FOR SALE
\$38,500,000

EST. MORTGAGE
\$143,199/mo

[Get pre-qualified](#)

Listed by:
corcoran

This historic mansion, one of a pair, stands at an ideal location, just off Fifth Avenue and Central Park. At 28 feet in width, 102 feet in length and with approximately 16,000 square feet dispersed over six stories above grade plus an English basement and a cellar, 12 East 79th Street possesses an impeccable provenance and stellar address on a landmark block bordering the Metropolitan Museum of Art. 12 East 79th Street and its twin, 14 East 79th Street, were designed in 1901 as a 56 foot...

[More >](#)

Facts and Features

- Type: Multi Family
- Year Built: 1910
- Heating: No Data

CONTACT AGENT

Daniel Douglas (AGENT)
5 stars (0)
Recent sales
Corcoran
(212) 875-2835

Your Name:

Phone:

Email:

I am interested in 12 E 79th St, New York, NY 10075.

[Contact Agent](#)

By pressing Contact Agent, you agree that Zillow Group and real estate professionals may call/text you about your inquiry, which may involve use of automated means and prerecorded/artificial voices. You don't need to consent as a condition of buying any property, goods or services. Message/data rates may apply.

[Learn how to appear as the agent above](#)

e. The Residence Page for a typical Weichert Realtors listing as of January 2, 2018 displays as follows, with concealed Zestimates:

The screenshot displays a Zillow listing for a property at 85 Creston Ave, Tenafly, NJ 07670. The page layout includes a navigation bar with options like 'Buy', 'Rent', 'CONTACT AGENT', 'SAVE', 'SHARE', 'HIDE', and 'MORE'. Below the navigation bar, there are tabs for 'Public View' and 'Owner View'. The main content area features a large photograph of a white, two-story colonial-style house with a white garage. To the right of the main photo is a map showing the property's location in Tenafly, NJ. Below the main photo, the listing details are provided: '85 Creston Ave, Tenafly, NJ 07670', 'FOR SALE \$950,000', 'EST. MORTGAGE \$3,536/mo', and '4 beds · 4 baths · -- sqft'. A 'CONTACT AGENT' form is visible in the bottom right corner, with the agent's name 'Patricia Feulner' and contact information. The form includes fields for 'Your Name', 'Phone', and 'Email', and a pre-filled message: 'I am interested in 85 Creston Ave, Tenafly, NJ 07670.' The page also features a 'Street View' icon and a 'Don't miss out! New homes are getting added' banner at the top left.

f. By contrast, the Residence Page for 142 Hoover, as of January 2, 2018, displayed as follows, with a prominently displayed Zestimate:

The screenshot shows a Zillow listing for a property at 142 Hoover Dr, Cresskill, NJ 07626. The listing is for sale at \$7,788,000, with a Zestimate of \$3,703,597. The property is described as a magnificent custom-built palatial mansion situated on a private cliff, featuring 8 bedrooms, 10 bathrooms, and 18,000 sqft. The listing includes a video player, a map, and a contact agent form.

142 Hoover Dr, Cresskill, NJ 07626
 8 beds · 10 baths · 18,000 sqft

FOR SALE
\$7,788,000
 Zestimate: \$3,703,597

EST. MORTGAGE
\$28,988/mo

[Get pre-qualified](#)

Magnificent custom-built palatial mansion situated on a private cliff. This former celebrity home eloquently blends Spanish and mid-century modern design. 18,000sf on 1.5 very private acres with 7 bedrooms and 10 bathrooms. Features include a grand entrance with a double staircase, a large living area with a fireplace, a formal dining room, a kitchen with a large island, a breakfast room, a family room, a library, a study, a master bedroom with a private bathroom, a second master bedroom with a private bathroom, a third master bedroom with a private bathroom, a fourth master bedroom with a private bathroom, a fifth master bedroom with a private bathroom, a sixth master bedroom with a private bathroom, a seventh master bedroom with a private bathroom, a eighth master bedroom with a private bathroom, a ninth master bedroom with a private bathroom, a tenth master bedroom with a private bathroom.

CONTACT AGENT

I am interested in 142 Hoover Dr, Cresskill, NJ 07626.

I want financing information

77. Zillow has acknowledged that the concealment of the Zestimates above occurred as the result of certain agreements with only certain brokers:



Courtney H (Zillow Help Center)

May 25, 7:52 AM PDT

Hi Igor,

Due to agreements Zillow has with certain brokerages, the Zestimate may not display under the listing price on these brokers' listings. It will however still display on the listing under Zestimate details, just not directly under the price. Zillow Group does not completely remove Zestimates for any listing, but there are contracts in place for some brokers to receive a certain treatment. I apologize I am unable to edit or remove the Zestimate on your listing as these agreements and modifications are outside my administrative capabilities.

If I can be of assistance moving forward, please let me know.

Thanks and have a wonderful rest of your week!

Courtney

Agent Care Consultant

Premier Agents: [1-888-466-3501](tel:1-888-466-3501)

Zillow Group

78. Zillow at first explained that a Zestimate could be removed only by a “Premier Agent”:

 **Richard (Zillow Help Center)**
Dec 28, 4:40 PM PST

Hi Elliott,

Unfortunately this feature is only available on our premier agent program for real estate agents. You can pass this information to your agent to inquire further about our Premier Agent program:
http://agents.zillow.com/get-more-leads-premier-agent-branded?utm_source=google&utm_medium=cpc&utm_campaign=zaw_br_branded_nat!c73dhg33&utm_term=Branded_Premier_Agent_Zillow_Exact-premier%20agent%20zillow-e_kwd-365771798557_c_g&utm_content=230543502880_9033305__adpos1t1_%7C91ec3adf-cbd4-4245-aebb-313c2a8267c1

Thank you for using Zillow!

Richard
Zillow Consumer Care
<https://zillow.zendesk.com/hc/en-us>

 **Elliott**
Dec 28, 2:45 PM PST

Hi Richard,

Thank you for the explanation. Can I as a homeowner enter into a partnership with Zillow to display a listing page differently? If so, I'm interested in learning more about how I can have my listing page not show the Zestimate on the top right but rather lower down in the page, as in the example that I sent you. I'd also like to know if there is a fee and if so what that fee is.

Thank you,

 **Richard (Zillow Help Center)**
Dec 28, 11:52 AM PST

Hi Elliott,

Sorry for the late response. Zillow will display a Zestimate on every property page that we have enough data points to run our algorithmic function on. Zillow has various partnerships with Agents, Brokerages, and Vendors that may display a listing page differently than others. If a Zestimate value is available, it will always appear on the listing page.

Thank you for using Zillow!

Richard
Zillow Consumer Care
<https://zillow.zendesk.com/hc/en-us>

79. However, Zillow subsequently admitted that even Premier Agents cannot conceal the display of Zestimates unless they are affiliated with a brokerage that is party to the Zestimate Agreements.

80. Thus, at some point Zillow determined that it could profit through its manipulation and presentation of data through the display of Zestimates by allowing certain brokers to pay in order to avoid gain an unequal advantage over their rivals—the ability to conceal a Zestimate at will.

81. These practices conceal information from users, who may be unaware that it exists in a concealed or suppressed format. The degree of prominence with which information is displayed

to consumers plays an important role in shaping whether consumers see and respond to that information. Evidence indicates that this may be particularly true in online markets.

82. Zillow has conceded that the Zestimate Agreements confer a benefit to the Co-Conspirator Brokers and create an unequal playing field between them and other competitors

83. Given the Zestimate Agreements, Zillow users are forced either to make decisions based on selectively distorted information or to expend additional time and effort to scour each listing for potentially concealed information.

84. Zillow has expressly refused Plaintiff's request that his Zestimate be treated in the same manner as those listings of the Co-conspirators.

85. This concerted and effective effort to withhold or limit the display of Zestimates for only select Residence Pages of for-sale properties listed with only certain brokers disrupts the proper functioning of the price-setting mechanism of the market, reduces incentives to compete of those brokers who are a party to the Zestimate Agreements, and imposes increased and unjustified costs on the excluded brokers and homeowners in the sale of their homes who must pay additional fees to Zillow or brokers that are party to the Zestimate Agreements if they want to be placed on equal footing with the Co-Conspirator Broker/Agents, who are able to have the display of the Zestimate on their listings concealed.

VIII. HARM TO COMPETITION

86. Zillow describes itself as the operator of the leading real estate and home-related information marketplace on the web. It operates a broad portfolio of consumer brands related to the listing of residential real estate and rental marketplaces, including Zillow, Trulia, StreetEasy, HotPads, Naked Apartments, and HREO.

87. Zillow also states that it works with tens of thousands of real-estate agents, lenders, and rental professionals.

88. Zillow also owns and operates a number of brands for real estate, rental, and mortgage professionals, including Mortech, dotloop, and Bridge Interactive.

89. Zillow's "living database" of more than 110 million U.S. homes has resulted in the creation and dissemination of exclusive home profiles not available anywhere else.

90. Zillow operates in the online real-estate-information market. Zillow's CEO has observed that Zillow controls more than 67% of the total market, and 78% of the submarket for mobile users. It enters into arrangements, agreements, and in this case conspiracies in restraint of trade, with real-estate brokers and agents offering services in the field of real-estate listings.

91. Online real-estate portals like Zillow offer unique features to users, including instantaneous, easy access to an unparalleled amount of relevant information, such that there are no reasonable substitutes for users.

92. The conduct, operations, and agreements between Zillow and the Co-Conspirators impacts relevant local geographic markets around the country, including the Northern New Jersey Metropolitan Real Estate market, in which Plaintiff's property is located.

93. Zillow's and the Co-Conspirator's actions involve and impact the product market for real estate, real-estate listings, and real-estate portals in both national and local markets.

94. The public interest and competition in general is served by the gathering and dissemination in the widest possible manner of information with respect to costs and prices of actual sales in a market.

95. The making available of such information tends to stabilize trade and industry, produce fairer price levels, and avoids waste that inevitably attends the uninformed conduct of economic enterprise.

96. Restraint upon free competition begins when improper use is made of information through any concerted action which operates to restrain the freedom of action of those who buy and sell.

97. Selective concealment of information, even if that information is still technically accessible, disrupts the proper functioning of a competitive marketplace. Evidence suggests that this is particularly true in online markets.

98. When a select group of competitors receives a unique advantage that is unavailable to others, existing rivals have less ability to compete on the merits, and prospective entrants have less incentive and ability to enter the market and compete—no matter how high-quality or innovative they may be.

99. The vertical Zestimate Agreements are directly aimed at restraining horizontal competition in the residential real-estate market and the residential real-estate-brokerage market. Each Defendant's actions restrains and harms competition by:

- a. Harming the competitive process and disrupting the proper functioning of the price-setting mechanism and information exchange of a free market;
- b. Insulating brokers (and their agents) that are party to the Zestimate Agreements from competition from rival sellers that would otherwise fairly compete for listings;

- c. Causing increased prices in the form of advertising fees, brokers' commissions, or other costs incurred solely to alter or conceal the display of Zestimate;
- d. Selectively depriving consumers of access to price information as displayed in the Zestimate; and
- e. Imposing additional barriers to entry in the listing and sale of residential real estate.

100. Defendants' actions substantially reduce price and non-price competition for brokerage services and the sale of real estate. Without these practices, many brokers and sellers would be faced with an equal playing field regarding the listing of their properties, display of the Zestimate, and potential buyers' reactions to it.

101. By imposing the restraints, Zillow has permitted the Co-conspirator Brokers to insulate themselves from competition with each other and with other brokers. The restraints reduce incentives for the Co-conspirator Brokers to competitively list their properties and otherwise free them from other practices and concerns that other brokers and individual home sellers address when faced with a prominently displayed Zestimate.

102. The Zillow Agreements also cause additional revenues to flow to Zillow, facilitating its own ability to maintain and further entrench its dominant position in the online real-estate information market.

103. There exists no procompetitive justification for the Zestimate Agreements.

104. Zillow confirmed the harm to competition that results from the Zestimate Agreements when it explained how changes were made to its platform following the filing of the original Complaint in tis action, and acknowledged that these changes to Plaintiff's listing

conferred a “benefit” on Plaintiff and placed it on “equal footing” with the Co-conspirator Brokers. *See* Zillow Brief in Support of Motion to Dismiss, p.5, Docket 11-1, March 23, 2018

IX. 142 HOOVER DRIVE

105. Plaintiff EJ MGT LLC is the titled owner of 142 Hoover Drive, Cresskill, New Jersey. 142 Hoover measures 1.5 acres and is improved with a single-family home measuring 18,000 square feet.

106. EJ MGT LLC acquired 142 Hoover in or around March of 2015. At that time, after years of neglect, the property and single-family home were in a state of disrepair. EJ MGT LLC acquired the home with the intention to restore this home to its former glory.

107. EJ MGT LLC spent significant time and resources renovating and refurbishing the single family residence and grounds.

108. In January 2017, 142 Hoover was listed for sale, with Keller Williams being the broker/listing agent.

109. When Keller Williams’s listings appear on the Zillow Website, the Zestimate is not concealed and, therefore, prominently displayed. Since at least January 2017, the Zestimate for 142 Hoover has been prominently displayed on that property’s Residence Page.

110. EJ MGT LLC has been unable to sell 142 Hoover. Potential buyers have advised EJ MGT LLC’s agents and/or representatives that the difference between the Zestimate and the listing price has impacted and/or informed their decision not to purchase 142 Hoover.

111. Throughout January of 2017 and up to the filing of the original Complaint in this matter, the Zestimate for 142 Hoover Drive remained around \$3 million. This Zestimate was well below the appraised value of 142 Hoover Drive.

112. Two potential buyers have explained to the principal of EJ MGT, LLC that they viewed 142 Hoover Drive in 2017 and also viewed the Zestimate at this same time when it was around \$3 million and were turned off from considering a potential purchase of the property based on the discrepancy between the listing price and the Zestimate.

113. Agents and representatives, on behalf of EJ MGT LLC, requested that the listing for 142 Hoover be treated in the same manner as those listings of the Co-Conspirators.

114. Zillow refused to deal with the agents and representatives of EJ MGT LLC, advising that the ability to conceal the Zestimate was subject to agreements between Zillow and certain brokerage houses.

115. Only after the filing of the original Complaint in this action did Zillow change its practices in certain ways, both generally and specifically to EJ MGT's Hoover listing.

116. These changes included the way Zillow published Zestimates for Plaintiff's and others' listings. If the Zestimate was lower than the listing price for a property, then it would not appear at the top of the property page on Zillow, rather a link with "View Zestimate" would appear. (*See Exhibit B, screenshot of 142 Hoover Drive Zillow listing following the filing of the original Complaint*)..

117. Still, the listing for co-conspirator brokers remained unchanged as to the display of Zestimates and the Zestimate Agreements remain in effect. (*See Exhibit C, example of Zillow listing in effect following the filing of the original Complaint*).

118. The Zestimate for 142 Hoover also began to fluctuate shortly after the original complaint was filed.

119. For example, on April 11, 2018 at 7:18 am it was \$3,649,959, at 6:04 pm it was \$6,988,251, at 6:08 pm it was \$3,751,865. (*See e.g., Exhibit D, 142 Hoover Zillow listing at*

7:18am on April 11, 2018; Exhibit E, 142 Hoover Zillow listing at 6:04pm on April 11, 2018; and Exhibit F, 142 Hoover Zillow listing at 6:08pm on April 11, 2018).

120. Exhibits D, E, and F also reflect additional changes that Zillow made to its listings following the filing of Plaintiff's original Complaint, which include a graphic and text stating "The list price and Zestimate for this home are very different, so we might be missing something."

121. As of March 25, 2019, the Zestimate for 142 Hoover was \$5,415,788.

122. While EJ MGT has not been able to sell 142 Hoover, the property is currently being rented and is not presently listed for sale.

X. COUNTS/VIOLATION ALLEGED

COUNT ONE: CONSPIRACY TO RESTRAIN TRADE (15 U.S.C. § 1)

123. Each Defendant's actions constitute agreements that unreasonably restrain competition in the residential real-estate market and the residential real-estate-brokerage market in the United States in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

124. These agreements have had and will continue to have anticompetitive effects by insulating the Co-Conspirator Brokers from competition over the listing and sale of real estate; restraining Unaffiliated Brokers, Agents, and individual sellers from advertising and marketing their properties on Zillow on the same terms as the Co-Conspirator Brokers; imposing barriers to entry; and otherwise by restraining the flow and exchange of information in the residential real-estate market and the residential real-estate-brokerage market. Defendants' actions unlawfully increase transaction costs and prices, reduce output, harm the competitive process, raise barriers

to entry and expansion, and stifle innovation. Defendants' actions also facilitate Zillow's ability to maintain and further entrench its dominance in the market for online real-estate information.

125. These agreements are not reasonably necessary to produce any procompetitive effects. Any procompetitive benefits are outweighed by anticompetitive harm, and there are less restrictive alternatives by which Defendants would reasonably be able to produce any asserted procompetitive effects.

126. Plaintiff has been injured and will continue to be injured in their business and property by taking longer to sell its property, receiving less for its property, and otherwise incurring lost profits in connection with the sale of 142 Hoover because of the presence of a prominently displayed Zestimate when other sellers who are represented by brokers who are party to the Zestimate Agreements are able to conceal their Zestimates.

127. Plaintiff is entitled to an injunction against Defendants, preventing and restraining the violations alleged herein.

WHEREFORE, Plaintiff prays that final judgment be entered against each Defendant declaring, ordering, and adjudging that:

- a. The aforesaid agreements unreasonably restrain trade and are illegal under Section 1 of the Sherman Act, 15 U.S.C § 1;
- b. Each Defendant be permanently enjoined from engaging in, enforcing, carrying out, renewing, or attempting to engage in, enforce, carry out, or renew the agreements in which it is alleged to have engaged, or any other agreement having a similar purpose or effect in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1;

- c. Each Defendant eliminate and cease acting under any agreements referenced herein and be prohibited from otherwise acting to restrain trade unreasonably;
- d. Plaintiff be awarded compensatory and punitive damages, trebled under 15 U.S.C. § 15.
- e. Plaintiff be awarded its costs of this action, reasonable attorney's fees, and such other relief as may be appropriate and as the Court may deem just and proper, pursuant to 15. U.S.C. §§ 15, 26.

**COUNT TWO: CONSPIRACY TO RESTRAIN TRADE
(N.J.S.A. 56:9-3)**

128. Plaintiff incorporates by reference all of the allegations previously set forth in this Complaint as if set forth at length herein.

129. In addition to the violations of the Sherman Act, as alleged above, the unlawful acts and conduct of the Defendants also violate the New Jersey Antitrust Act prohibition on conspiracies in restraint of trade within the State of New Jersey.

130. As a result of the unlawful acts perpetuated by the Defendants, Plaintiff has suffered and will continue to suffer antitrust injury in an amount to be proven at trial, including hindering, impeding, delaying, obstructing, and/or preventing Plaintiffs from promptly selling the Hoover Property.

WHEREFORE, Plaintiff prays that final judgment be entered against each Defendant declaring, ordering, and adjudging that:

- a. The aforesaid agreements unreasonably restrain trade and are illegal under the New Jersey Antitrust Act, N.J.S.A. 56:9-3.

- b. Each Defendant be permanently enjoined from engaging in, enforcing, carrying out, renewing, or attempting to engage in, enforce, carry out, or renew the agreements in which it is alleged to have engaged, or any other agreement having a similar purpose or effect in violation of the New Jersey Antitrust Act.
- c. Each Defendant eliminate and cease acting under any agreements referenced herein and be prohibited from otherwise acting to restrain trade unreasonably;
- d. Plaintiff be awarded compensatory and punitive damages, trebled under the New Jersey Antitrust Act.
- e. Plaintiff be awarded its costs of this action, reasonable attorney's fees, and such other relief as may be appropriate and as the Court may deem just and proper.

JURY DEMAND

Plaintiff EJ MGT, LLC demands a jury trial on all issues so triable.

Respectfully submitted,

By: /s/ Edward R. Grossi

Edward R. Grossi
Javerbaum Wurgaft Hicks
Kahn Wikstrom & Sinins, P.C.
505 Morris Ave.
Springfield, NJ 07081
Tel: 973-379-4200
Email: egrossi@lawjw.com

Attorneys for Plaintiff

CERTIFICATION UNDER LOCAL CIVIL RULE 11.2

I hereby certify that the matter in controversy is not the subject of any other action pending in this or any other court.

Respectfully submitted,

By: /s/ Edward R. Grossi

Edward R. Grossi
Javerbaum Wurgaft Hicks
Kahn Wikstrom & Sinins, P.C.
505 Morris Ave.
Springfield, NJ 07081
Tel: 973-379-4200
Email: egrossi@lawjw.com

Attorneys for Plaintiff

CERTIFICATION PURSUANT TO LOCAL CIVIL RULE 201.1

I hereby certify that the above-captioned matter is not subject to compulsory arbitration because Plaintiff seeks damages in excess of \$150,000 and injunctive relief.

Respectfully submitted,

By: /s/ Edward R. Grossi

Edward R. Grossi
Javerbaum Wurgaft Hicks
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Attorneys for Plaintiff

GeekWire – Zillow Interview Transcription Excerpt

Todd Bishop & John Cook interview with Zillow Co-Founders Rich Barton & Lloyd Frink
February 4, 2016

Available at <https://www.geekwire.com/2016/zillow-10-years/>
Excerpt begins at 17:29

[Interviewer]: The Zestimate—it’s probably the most engaging and controversial feature of Zillow. Do you ever regret launching it? Is there something you would have done differently with it and we should say the reason people think it’s controversial is because everyone wants to debate the value of their home and you jumped right in there. Talk about the launch of the Zestimate, why you did it and the kind of value it brings to homeowners’ and the company today in terms of exposure.

Lloyd Frink: So, when we were first starting out buying homes—Rich and myself—we went to the King County website and we pulled the public data down on what the recent sales were and then we’d go up to the MLS websites and we’d pull that data down—you know what homes are on the market and we’d try to put it into a spreadsheet to try to figure out...okay, what is the home that we’re looking at, how much should that be worth on a dollar’s per square foot, okay that one sold a year ago so it must have appreciated this much by now and we were basically doing all this simple math to get a general idea for what a home would be worth and it was just mind boggling that there was no website that did this, you know? I was like, it’s just math to do this and you know, we’ve always said and you know we knew when we did it that that’s just a starting point to figure out what a valuation is. In order to figure out what the valuation is, you really have to talk to experts in the market. You have to talk to the real estate agents. **And so yeah not for a second have we regretted taking a you know dollar value and putting it on a map on every single home because it gives people such a great sense for the value of the homes that are out there.**

[Interviewer]: Was it intentional though to—I mean there’s an element to it that I think—you know sparks people or maybe pokes people a little bit in the nose with it...with the idea—was that intentional or were you surprised by the reaction when people came out and were battling over their estimate?

Richard Barton: No, totally intentional, of course. **The Zestimate is very provocative and personal and a little voyeuristic.** You know, we knew when we thought up the Zestimate we knew we were onto something, you know, pretty big. We didn’t talk to anybody about what we were doing, you know, we didn’t talk to you about what we were doing...you were sleuthing but we didn’t lead on. The first 30 people we hired—we did interview loops for—we didn’t even tell them what we were working on until a job had been accepted and somebody came to work for us because we knew we were onto something interesting and intriguing and as, you know, it does have the **provocative voyeuristic appeal**, the Zestimate, but it turns out **it’s a critical piece of marketplace information.** You know, it really is a critical piece of practical information as well as emotional and it was the intersection of those two things is the reason I think it was so successful and as Lloyd said, I’ll just loop back, we knew it was a starting point that a point we **argued a lot about whether we should do a range or a point, whether the Zestimate should**

**EXHIBIT
A**

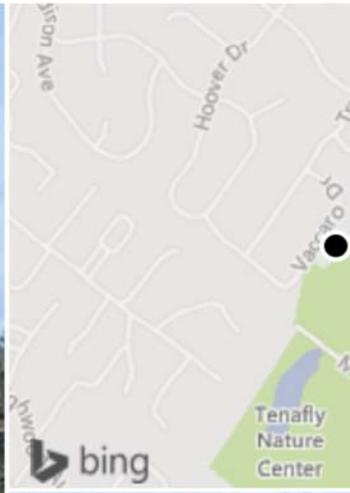
be a range or a point and we decided it should be a point because points are more provocative than ranges.

Lloyd Frink: And we decided that we were gonna do it on every home. A lot of these existing AVM's, automated valuation models, would only, you know, do the homes they were certain of, the ones kind of in the middle of the market, not at the high end or the low end and we said nope, we're gonna take our best guess on every one of them.

[Interviewer]: To your point Lloyd, it's a starting point and a real estate agent would come in and see that difference and come up with a different...an actual valuation.

[Interviewer]: So when you were launching the Zestimate, what was the process like—I mean did you know you were gonna go out...I guess from a P.R. standpoint, um did you go out aggressively to pump this out there? I'm remembering back from some of our own coverage that it seemed like it was very intentional like you said to go out there with a P.R. message.

Lloyd Frink: It was. It was between four and six months when we came up with the initial idea and when we launched the site so there was a long period of time when we were bringing on new employees and raising capital and bringing on the product but nobody knew what we were doing so there was a lot of intrigue of what were the Expedia people up to and people knew it was real estate but nobody knew what. And so for about two weeks prior to launch we went on a media tour and as I recall, it was Rich and myself and probably Amy _____ or the head of marketing and we met with probably 100 different journalists from around the country, we showed them test versions of the site under embargo, which meant that they promised not to write about it until it was time. And then so the day that we launched there was a huge hubbub. There was a big article in the Wall Street Journal and every ----- broke the story at the time in the P.I. and it was in the New York Times and mass media picks up very quickly and we had over a million people visit the site by the second day. And I think by the fifth day we had over 2 million people and the site crashed. We were down for probably about six hours or so and we were scrambling to add capacity and to get the site back up—it turned out to be a blessing in disguise of course because going down it extended the story and people were more intrigued. That was not intentional. That was inadvertent but beneficial. And so, I knew before we launched that we were gonna have a great reaction because I remember when the test site was up I was Zillowing all my friends and family just for a couple of weeks pulling up just any address I could remember or had some association with or lived in or had a friend that lived in and I saw how fun and interesting it was to do this. Almost like the feeling you had when you first googled yourself or googled a friend. And now of course it's like second-nature.



204 Vaccaro Dr, Cresskill, NJ 07626

9 beds · 15 baths · 18,000 sqft

This refined French chateau designed by Robert Zampolin and featuring 18,000 square feet of living

♥ FOR SALE

\$9,899,000

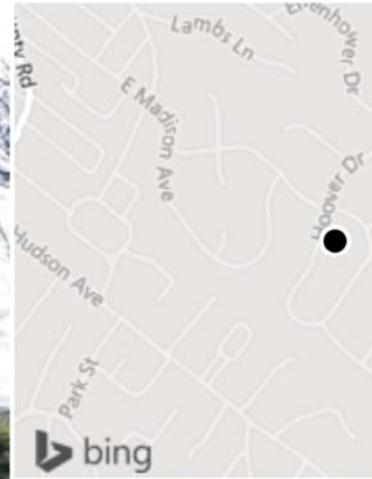
[View Zestimate](#)

EST. MORTGAGE

\$54,757/mo

[Get pre-qualified](#)

**EXHIBIT
B**



110 Hoover Dr, Cresskill, NJ 07626

8 beds · 9 baths · -- sqft

Never before on the market! Regal colonial manor located in Tammybrook Estates. Approximately 8,500 square feet of luxury living on 2 floors. The Formal rotunda foyer leads to distinguished principle rooms,

● FOR SALE

\$3,650,000

EST. MORTGAGE

\$20,163/mo

[Get pre-qualified](#)

Listed by:

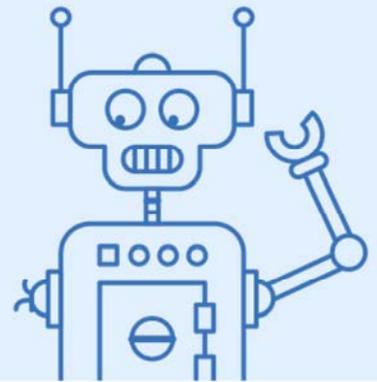


**EXHIBIT
C**

Home Value



The list price and Zestimate for this home are very different, so we might be missing something.



Zestimate [?]
\$3,649,959



ZESTIMATE RANGE [?]
\$2.23M - \$5.07M



LAST 30 DAY CHANGE
-\$4,806,808 (-56.8%)

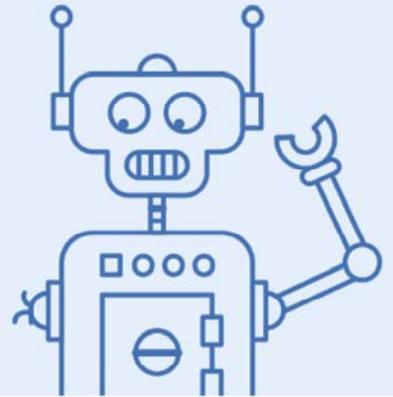


ONE YEAR FORECAST [?]
\$3,665,654 (+0.4%)

**EXHIBIT
D**

Your Home Value

The list price and Zestimate for this home are very different, so we might be missing something.



Zestimate [?]
\$6,988,251



ZESTIMATE RANGE [?]
\$3.35M - \$10.62M



LAST 30 DAY CHANGE
-\$1,439,467 (-17.1%)



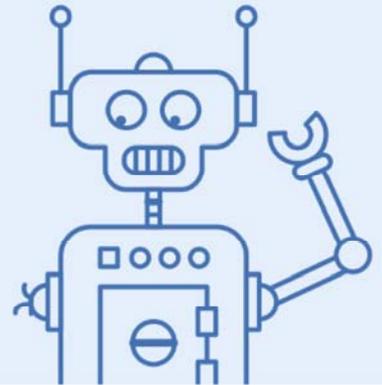
ONE YEAR FORECAST [?]
\$7,018,300 (+0.4%)

**EXHIBIT
E**

Home Value



The list price and Zestimate for this home are very different, so we might be missing something.



Zestimate [?]
\$3,751,865



ZESTIMATE RANGE [?]
\$1.80M - \$5.70M



LAST 30 DAY CHANGE
-\$4,675,853 (-55.5%)



ONE YEAR FORECAST [?]
\$3,767,998 (+0.4%)

**EXHIBIT
F**