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Contents

- Listing Support Program - 02
- Zillow beats back one lawsuit, but
can't shake another - 03
- What every Realtor should know
about Owner's Title Insurance. - 08
- COVID-19 Now a Pandemic- 10

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ZILLOW BEATS BACK ONE LAWSUIT, BUT CAN'T SHAKE ANOTHER

Real estate giant Zillow has beaten back an antitrust lawsuit regarding its Zestimates, but continues to fight another lawsuit stemming from its agent-lender co-marketing program.



The first was brought in 2018 by New Jersey-based company EJ MGT which owns 142 Hoover Drive, an 18,000 square-foot, seven-bedroom, 10-bathroom home in Cresskill, New Jersey. The company blamed the home's failure to sell on buyers being turned off by the Zestimate on the property's detail page on Zillow.com, which put the property's value at less than half of the listing price: \$3.7 million (Zestimate) vs. \$7.8 million (list price).



The suit alleged Zillow and parent company Zillow Group were restraining competition between real estate brokers by making deals with certain brokerages to hide Zestimates on the brokerages' for-sale listings by putting the Zestimate under the Zestimate details section of the listing page and not directly under the list price. The suit, which alleged violations of state and federal antitrust laws, was tossed once before, but the plaintiff submitted an amended complaint.

On March 3, Judge John Michael Vasquez dismissed the suit again, granting Zillow's motion to dismiss the case. Vasquez found that the plaintiff had failed to establish that it was due to Zillow's Zestimate agreements with certain brokerages that the plaintiff was unable to sell the property.

Moreover, the plaintiff did not claim to have suffered any of the antitrust injuries the complaint claimed the Zestimate agreements caused, according to Vasquez.

Therefore, Vasquez concluded EJ MGT lacked standing to pursue the case. But he has given the plaintiff 30 days to file a second amended complaint. If the plaintiff does not, the case will be dismissed permanently. An attorney for EJ MGT did not respond to an emailed request for comment.

"Here, Plaintiffs alleged causal connection between its injury and Defendants' conduct appears to concern the value of the Property's Zestimate rather than the location of the Property's Zestimate, and certainly does not appear to concern the location of Zestimates on the co-conspirators' property listings," Vasquez wrote.

"At best, it is speculative and conjectural to infer that Plaintiff would not have encountered the same inability to sell the Property had Defendants not entered into Zestimate Agreements with other brokers," he added.

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In an emailed statement, Zillow spokesperson Lindsey Lombardi told Inman, “We are pleased the court dismissed the case and again found the claims in this lawsuit to be completely without merit.”

In a separate case, the court rejected Zillow’s bid to toss a lawsuit from a group of shareholders that alleged Zillow senior staff and its board of directors failed to protect the company properly while allowing it to violate a federal anti-kickback law through its agent-lender co-marketing program and made misleading statements about the program’s compliance.

The case is related to class-action securities fraud suits brought by shareholders against Zillow in August and September 2017 after the company divulged the Consumer Financial Protection Bureau had been investigating its co-marketing program for the previous two years for compliance with the Real Estate Settlement Procedures Act (RESPA). The shareholder cases were consolidated in January 2018. The CFPB investigation ended in June 2018 with no action.

A company’s board of directors has the authority to bring lawsuits on the company’s behalf and therefore shareholders are first required to make a demand on the board to initiate such litigation — unless the shareholders can show such a demand would be “futile” because the majority of directors would not be impartial in responding to a demand.



At the time when this shareholder derivative suit was filed, Rich Barton, Erik Blachford, Lloyd Frink, Jay Hoag, Gregory Maffei, Spencer Rascoff, Gordon Stephenson and April Underwood were the eight directors on Zillow’s board. Zillow admitted that three of these directors — Barton, Frink and Rascoff — were not independent because they were employed by Zillow, or in Rascoff’s case, had been in the previous year.

Rich Barton



But Zillow had argued that the shareholders had failed to adequately plead that any of the outside directors in question — ones not employed by Zillow — were not independent. Federal judge John Coughenour disagreed. He wrote that the plaintiffs had raised “a reasonable doubt as to Blachford and Maffei’s disinterestedness.”

Lloyd Frink

The plaintiffs had pointed out that Blachford and Maffei had been on Zillow’s audit committee and therefore allegedly knew that Zillow’s co-marketing program potentially violated federal law before they signed statements to shareholders about Zillow’s legal and regulatory compliance — statements the court has previously found could plausibly be considered false and misleading.

Zillow CEO Spencer Rascoff
Credit Zillow Group





What every Realtor should know about Owner's Title Insurance.

Make sure all of your clients are protected

You're a realtor, so you know that buying a home can be overwhelming for your clients. Homebuyers can feel confused and frustrated by the mounds of paperwork they have to sign. Plus, the fees associated with closing can sometimes be overwhelming even to an experienced buyer.

Owner's title insurance is one of those items often misunderstood by homebuyers at closing, yet its value is tremendous. As an important advisor to your clients, you are in a position to help homebuyers understand the benefit of an owner's title insurance and the dangers that can be incurred without it.

WHAT IS TITLE INSURANCE

The owner's title insurance is a policy that the homebuyer obtains to protect against possible claims on the title. This means that the owner's title insurance protects the property rights of the buyer. for more information about title insurance contact us at (813) 876 - 4373

ENDURING VALUE

The good news is that owner's title insurance protects the homebuyer's financially, as long as they own their home. for a low, one-time fee, homebuyers can rest assured, knowing they are protected against possible debts or claims to their property.

HOW IT PROTECTS

Obtaining an owner title insurance policy is the best way to be protected against unforeseen legal and financial discrepancies over the title of the property.

Some examples of unforeseen lawsuits include:

- *Pending mortgages and lawsuits or lien against the property for non-payment of taxes from the seller.*
- *Legal action pending against the property that could affect you.*
- *Undisclosed heir of a previous owner who claims ownership of the property.*
-

If a problem does arise, the insurance company will pay to have the problem resolved for the client. (Clear the title) If the problem can't be solved the insurance company will pay you the price you paid for the home. That's peace of mind.



“Thus, Plaintiffs have alleged facts sufficient to support an inference that Blachford and Maffei could face a substantial likelihood of liability,” which could impact their impartiality, according to Coughenour.

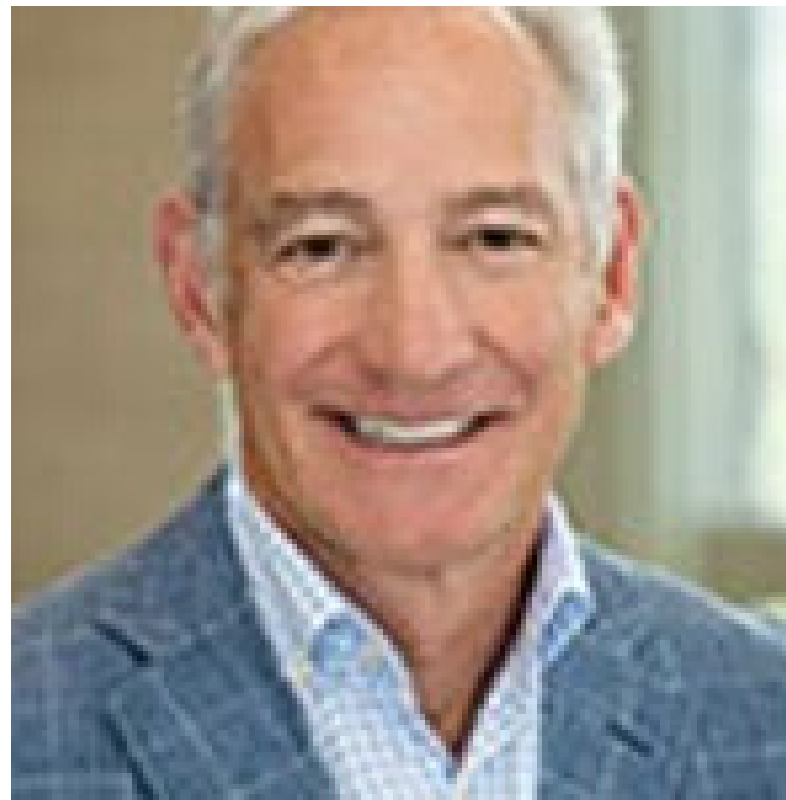
Erik Blachford

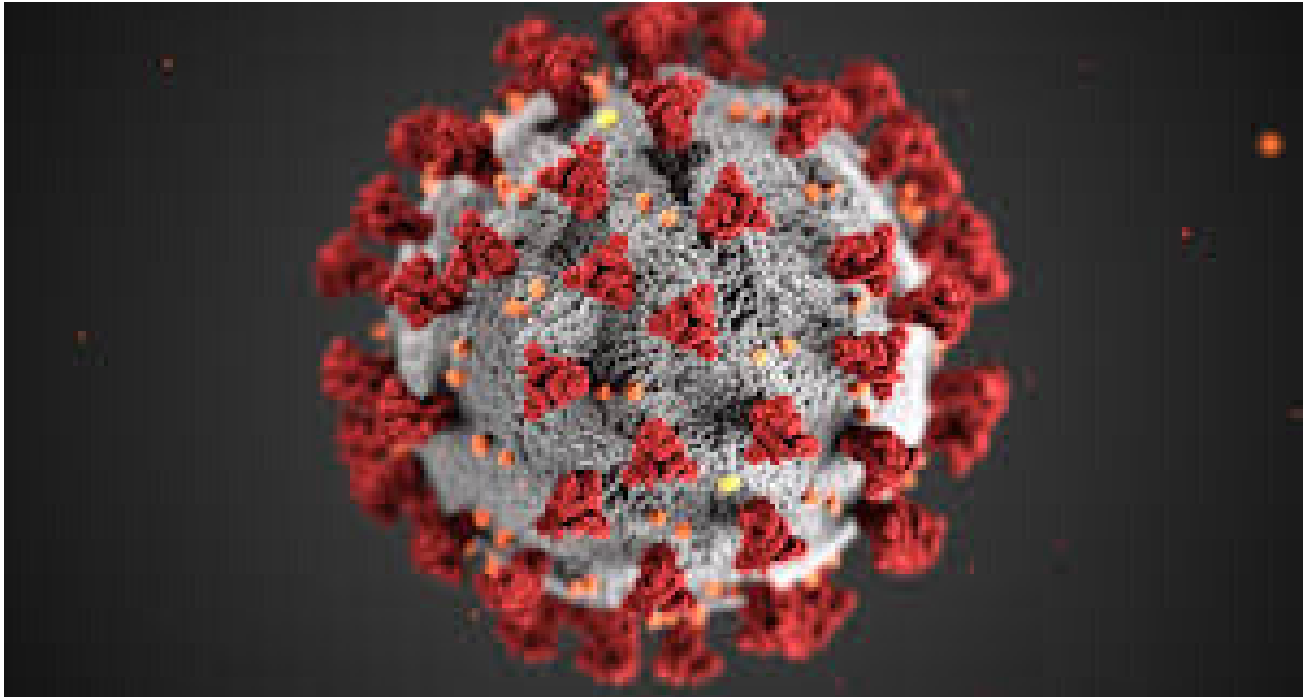
Therefore, he excused the plaintiffs from having to make a demand on the board and denied Zillow’s motion to dismiss the suit. Shareholders’ allegations of breach of fiduciary duties and unjust enrichment against Zillow’s current and former directors will proceed.

In an emailed statement, Lombardi told Inman, “We are disappointed in last week’s ruling but continue to believe these claims are without merit and intend to vigorously defend ourselves against the lawsuit.”

Gregory Maffei

**By Andrea V. Brambila
Inman Writer Staff**





COVID-19 Now a Pandemic

Background

CDC is responding to an outbreak of respiratory disease caused by a novel (new) coronavirus that was first detected in China and which has now been detected in more than 100 locations internationally, including in the United States. The virus has been named “SARS-CoV-2” and the disease it causes has been named “coronavirus disease 2019” (abbreviated “COVID-19”).

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the outbreak a “public health emergency of international concern” (PHEIC). On January 31, Health and Human Services Secretary Alex M. Azar II declared a public health emergency (PHE) for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency.

Source and Spread of the Virus

Coronaviruses are a large family of viruses that are common in people and many different species of animals, including camels, cattle, cats, and bats. Rarely, animal coronaviruses can infect people and then spread between people such as with MERS-CoV, SARS-CoV, and now with this new virus (named SARS-CoV-2).

The SARS-CoV-2 virus is a betacoronavirus, like MERS-CoV and SARS-CoV. All three of these viruses have their origins in bats. The sequences from U.S. patients are similar to the one that China initially posted, suggesting a likely single, recent emergence of this virus from an animal reservoir.

Early on, many of the patients at the epicenter of the outbreak in Wuhan, Hubei Province, China had some link to a large seafood and live animal market, suggesting animal-to-person spread. Later, a growing number of patients reportedly did not have exposure to animal markets, indicating person-to-person spread. Person-to-person spread was subsequently reported outside Hubei and in countries outside China, including in the United States. Some international destinations now have ongoing community spread with the virus that causes COVID-19, as do some parts of the United States. Community spread means some people have been infected and it is not known how or where they became exposed. Learn what is known about the spread of this newly emerged coronaviruses.



Severity

The complete clinical picture with regard to COVID-19 is not fully known. Reported illnesses have ranged from very mild (including some with no reported symptoms) to severe, including illness resulting in death. While information so far suggests that most COVID-19 illness is mild, a report out of China suggests serious illness occurs in 16% of cases. Older people and people of all ages with severe chronic medical conditions — like heart disease, lung disease and diabetes, for example — seem to be at higher risk of developing serious COVID-19 illness.

COVID-19 Now a Pandemic

A pandemic is a global outbreak of disease. Pandemics happen when a new virus emerges to infect people and can spread between people sustainably. Because there is little to no pre-existing immunity against the new virus, it spreads worldwide.

The virus that causes COVID-19 is infecting people and spreading easily from person-to-person. Cases have been detected in most countries worldwide and community spread is being detected in a growing number of countries. On March 11.

This is the first pandemic known to be caused by the emergence of a new coronavirus. In the past century, there have been four pandemics caused by the emergence of novel influenza viruses. As a result, most research and guidance around pandemics is specific to influenza, but the same premises can be applied to the current COVID-19 pandemic. Pandemics of respiratory disease follow a certain progression outlined in a “Pandemic Intervals Framework.” Pandemics begin with an investigation phase, followed by recognition, initiation, and acceleration phases. The peak of illnesses occurs at the end of the acceleration phase, which is followed by a deceleration phase, during which there is a decrease in illnesses. Different countries can be in different phases of the pandemic at any point in time and different parts of the same country can also be in different phases of a pandemic.

There are ongoing investigations to learn more. This is a rapidly evolving situation and information will be updated as it becomes available.

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