

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE**

ALUCARD TAYLOR, HAN ZHENG, DAVID
LIAO, KAREN KING, LISA KNUDSON,
EYDALIA THURSTON, KYLE SILVA,
DALE KOGER, JOHN CADY, and REBECCA
BRUCALIERE, individually and on behalf of
themselves and all others similarly situated,

Plaintiffs,

v.

ZILLOW, INC., ZILLOW GROUP, INC.,
ZILLOW HOMES, INC., and ZILLOW
LISTING SERVICES, INC., Washington
Corporations, ZILLOW HOME LOANS, LLC,
a California Corporation, WORKS
INDUSTRIES, LLC, an Oregon Corporation,
GK PROPERTIES, a Nevada Corporation, and
FRANO TEAM, a Florida Organization,

Defendants.

Case No. 2:25-cv-01818-JLR

**AMENDED CLASS ACTION
COMPLAINT**

JURY TRIAL DEMANDED

AMENDED CLASS ACTION COMPLAINT
Case No. 2:25-cv-01818-JLR

011313-11/3353895 V1
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“The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal.”¹

Plaintiffs Alucard Taylor, Han Zheng, David Liao, Karen King, Lisa Knudson, Eydalia Thurston, Kyle Silva, Dale Koger, John Cady, and Rebecca Brucaliere bring this action on behalf of themselves and on behalf of proposed classes defined below, and allege upon information and belief and the investigation of counsel, as follows:

I. INTRODUCTION

1. The process of buying a home can be a harrowing ordeal. A home purchase is the largest investment most Americans will ever make. Home buyers in competitive markets have to make quick decisions to increase their offers or make other concessions to beat multiple bids for the house. The burden of this process is compounded by the opaque and byzantine rules of buying a home. Very few people truly understand the home buying process. Prospective buyers are uniquely vulnerable in this respect, and usually have no choice but to rely on real estate agents, who are supposed to represent them and serve their interests.

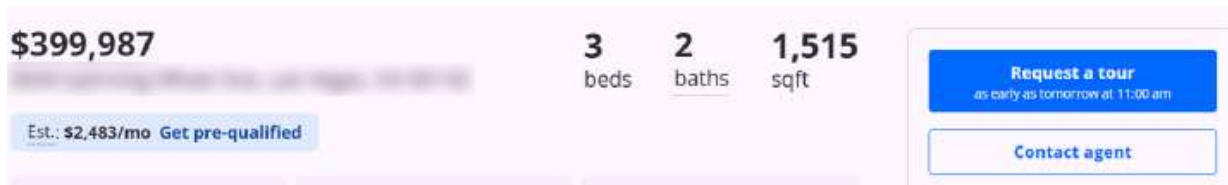
2. Zillow surveyed this landscape and only saw pots of gold. Zillow’s practices and policies in the real estate industry are not simply indifferent to the agents’ duties to protect their clients’ interests; Zillow actively schemes to subvert them. Zillow’s goal is simple: to monetize every step of the home buying process—even if illegally—and to encourage, incentivize, and ultimately coerce agents into violating their fiduciary duties by disregarding their clients’ interests. The very success of Zillow’s scheme *depends on* the agents’ willingness to place Zillow’s interests above their clients’ interests. Zillow promotes itself as “transforming the way people buy, sell, rent and finance homes,”² but this “transformation” comes at a steep cost for home buyers.

¹ Code of Ethics and Standards of Practice of the NATIONAL ASSOCIATION OF REALTORS, Preamble (eff. Jan. 1, 2025), available at <https://www.nar.realtor/about-nar/governing-documents/code-of-ethics/2025-code-of-ethics-standards-of-practice>.

² See <https://investors.zillowgroup.com/investors/news-and-events/news/news-details/2025/Zillow-Group-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results/default.aspx>.

3. The Zillow predatory practices begin as soon as consumers visit Zillow.com to look for a home. When potential buyers are on Zillow's website, Zillow frequently tricks them into signing up with a Zillow agent, as described below. If the agent is part of Zillow's "Flex" program, Zillow gets 40% of the agent's commission—a payment on the back end that is undisclosed to all parties involved.

4. When a house is for sale on Zillow, the Zillow website has a big button in bright blue lettering posted next to the house listing that says "Contact Agent":



5. After clicking that button, potential buyers are asked to provide their contact information, which Zillow provides to a Zillow-affiliated agent. Buyers, however, naturally believe they are contacting the *listing* agent. Instead, they are routed to a Zillow-affiliated *buyer's* agent, who arranges a tour of the home by getting the buyer to sign a "Touring Agreement." (The same process occurs if the potential buyer clicks the blue "Request a Tour" button.). The "Touring Agreement" promises the buyer that the agent's services are "free," but this is deceptive and not true: if the sale goes through, the buyer's agent still receives a commission. In addition, if the Zillow-affiliated agent is a "Flex" agent, he or she has to pay Zillow up to 40% of the agent's commission. This cut of the commission paid to Zillow, for no services rendered related to the real estate sale, is never disclosed to the buyer or the seller (the "Hidden Zillow Fees").

6. Zillow furthers its scheme to defraud buyers by effectively forcing home sellers and their agents to post on Zillow.com immediately after advertising the home for sale. If home sellers do not post on Zillow.com within 24 hours of going public, Zillow sends a violation notice to the seller's agent. If the selling agent violates this Zillow-imposed rule three times, the ad is banned on Zillow, effectively forcing the seller to fire her agent and find someone else who will acquiesce to Zillow's coercive tactics. This policy effectively requires sellers and their agents to forgo using other initial methods to advertise the home sale. The effect of this policy is to inflate the unjustly earned

1 profits Zillow receives from its deceptive conduct, as it continues to increase its dominance of the
2 market.

3 7. The effect of Zillow's policies and conduct is to increase the purchase price of homes
4 for the buyers. If buyers were directed to *sellers'* agents, they would be better positioned to negotiate
5 a lower purchase price, because the seller would not have to pay commissions to the seller's agent
6 and the buyer's agent. It also incentivizes Zillow Flex agents to prioritize receiving his/her full
7 commission at all costs, even if the buyer loses the bidding process. Since the Flex agents only
8 effectively receive a 1% commission from the purchase of a home (after paying the Hidden Zillow
9 fees and commissions to their team leadss), they have no practical flexibility in negotiating a lower
10 commission. Sellers are stuck with paying 6% commission (or more) because the buyer Flex agent
11 is receiving such a paltry sum in return, thereby increasing the purchase price of the home for the
12 buyer. Zillow's scheme has the intent and the effect of unlawfully maintaining high and inflexible
13 commissions that drive up the prices that buyers must pay.

14 8. As the buying process continues, Zillow has found another scheme to extract value at
15 the customers' expense. Zillow compels Zillow Flex agents to steer home buyers to use Zillow
16 Home Loans ("ZHL"), even though—as Zillow and the agents know—ZHL offers less loan packages
17 compared to competitors, its loans come with undisclosed and hidden fees, it has higher interest rates,
18 and it does not offer common assistance packages available to first time home buyers, who comprise
19 almost half of all buyers.³ If agents do not comply and fail to meet Zillow's steering quotas, the
20 agents are dropped from the Zillow Flex program, regardless of the agent's performance or the
21 client's satisfaction. This steering policy has driven ZHL's loan origination growth to nearly a billion
22 dollars last year, a 90% year-over-year increase.⁴ Former Zillow Flex agents have reported that they
23 are terminated from the program precisely because they made loan recommendations that serve their
24 clients' interests, rather than steering them to ZHL who offers a product that does *not* serve the
25 clients' interests. Zillow rewarded this behavior by terminating them from the Flex program.

26
27 ³ <https://www.zillow.com/research/buyers-housing-trends-report-2024-34383/>.

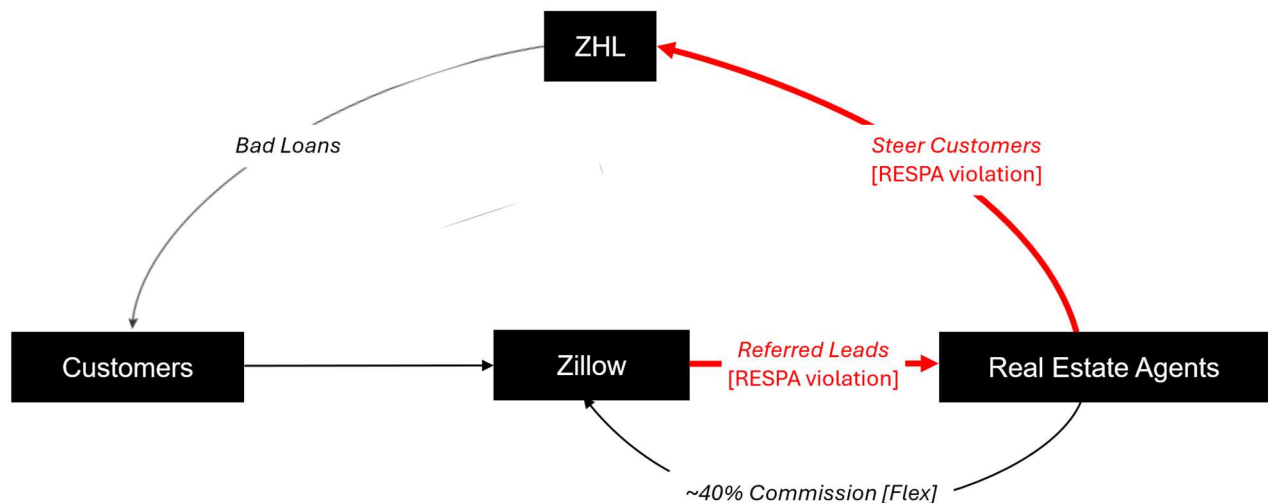
28 ⁴ See <https://investors.zillowgroup.com/investors/news-and-events/news/news-details/2025/Zillow-Group-Reports-Fourth-Quarter-and-Full-Year-2024-Financial-Results/default.aspx>.

9. Zillow's scheme and the fraudulent enterprise it uses to effectuate that scheme have been confirmed by current and former Zillow Flex agents. As set forth below, Confidential Witnesses, consisting of numerous current and former agents, detail the facts surrounding the scheme that Zillow has implemented to capture the real estate market to the harm of home buyers. Commentators online have also described the worry about Zillow's practices. Collectively, they assert that Zillow is illegally forcing agents to refer customers to Zillow Home Loans, in violation of their fiduciary duty as agents, and in violation of the Real Estate Settlement Procedures Act (RESPA), as detailed below. Twelve Confidential Witnesses, agents and loan officers, provide details that expose just how deliberate and destructive Zillow's policies are, including:

- To avoid putting anything in writing, Zillow personnel are now flying out to real estate offices, in order to instruct Zillow Flex agents in person on the need to meet ZHL quotas.
- Zillow loan officers frequently misrepresent or omit important details about the borrowers' true costs at closing, which leads to buyers either paying excessive costs or losing the house.
- Based on the Hidden Zillow Fees, Zillow Flex Agents are incentivized to "burn and churn" through clients, at the expense of their clients' interests.
- Similarly, ZHL "cherry-picks" only the most qualified borrowers, because the ZHL loan officers are inexperienced, underpaid, and incentivized to churn as many borrowers as possible without any regard for the clients' interests.
- Many Zillow Flex agents know virtually nothing about the real estate process, or the neighborhoods in which they are showing homes, yet these same agents are falsely promoted as a "Top Agent" on Zillow based solely on their participation in the Zillow Flex program.
- The Zillow Hidden Fees drive up commissions and the purchase price of homes.
- Zillow's requirement that Flex agents use Zillow's "Follow-Up Boss" allows Zillow to eavesdrop on communications between the agent and the buyer, violating the agent's duty of confidentiality.
- Zillow also uses the "Follow-Up Boss" to "catch" Flex agents who may recommend other loan providers to their clients, in order to censure them appropriately.

10. Zillow's scheme hinges on cooperation from the Zillow Flex agents, and their collective ability to work together to fraudulently induce prospective buyers into using Zillow Flex agents. By working together as part of an enterprise, and using the mail in furtherance of their fraudulent scheme, Zillow, along with three real estate agencies and other unnamed co-conspirators, that acted as brokers for three Plaintiffs' sales, violated the Racketeer Influenced and Corrupt Organizations Act (RICO) (18 U.S.C. § 1962(c)). The three Real Estate Defendants that were involved in the enterprise which directly harmed the Plaintiffs are Works Industries, LLC, GK Properties, and the Frano Team.

11. Zillow's policy also violates RESPA (12 U.S.C. § 2607) in two ways. **First**, by requiring Flex agents to steer clients to ZHL, Zillow is illegally both giving and receiving a "thing of value" related to referrals. Zillow is providing leads to agents in exchange for compulsory referral of clients to ZHL. This is a clear RESPA violation. *See* 12 U.S.C. § 2607(a). In graphic form, it looks like this:



12. **Second**, by requiring Flex agents to pay these hidden fees, Zillow is further violating RESPA because Zillow is receiving a payment that is not in exchange for completing the property transaction. RESPA prohibits receiving payments that are not "in connection with a transaction involving a federally related mortgage loan." 12 U.S.C. § 2607(b). The Zillow Hidden Fees are not

in connection with the closing of the property sale, and Plaintiffs are entitled to treble damages under the statute. *See* 12 U.S.C. § 2607(d)(2).

13. Zillow’s conduct also constitutes a violation of Washington State consumer protection laws, which prohibit “unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce.” Wash. Rev. Code Ann. § 19.96.010. Zillow designs its website to trick potential buyers into connecting with a Zillow-affiliated agent instead of the seller’s agent. Zillow also unfairly and deceptively does not disclose to the buyer or the seller that it is receiving the Hidden Zillow fees from the Flex agents at the tail end of the transaction—facts that both the buyer and the seller would want to know as they negotiate the close of the property.

14. Zillow has also unjustly enriched itself as a result of this scheme. It engaged in patently unfair and deceptive behavior, and obtained a windfall of ill-gotten gains as a result. Zillow is liable to Plaintiffs and the Class for all profits earned from its deceitful conduct.

15. Plaintiffs on behalf of themselves and the proposed Classes accordingly brings this lawsuit for Defendants’ violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), the Real Estate Settlement Procedures Act (12 U.S.C. § 2607), consumer protection violations under the laws of the State of Washington, and common law unjust enrichment. Plaintiffs accordingly seek treble damages, single damages, injunctive relief, disgorgement, and the costs of this lawsuit, including reasonable attorneys’ fees.

II. PARTIES

A. Plaintiffs

1. Alucard Taylor

16. Plaintiff Alucard Taylor is a resident of Portland, Oregon. On July 1, 2022, Plaintiff Taylor purchased a home in Portland using a Zillow agent, R.H. (R.H. is identified as a “Top Agent on Zillow” on Zillow’s website, which strongly suggests R.H. is a Zillow Flex agent.⁵). Prior to his purchase, Plaintiff Taylor was browsing Zillow.com to look for houses, and identified a house that interested him. He clicked on the “Contact Agent” button, believing that he was contacting the listing

⁵ In addition, R.H.’s real estate agency posts on Instagram that it is part of “Zillow Flex Partners,” and the agents also posts job listings for a “Zillow Flex Partner.” *See* <https://www.indeed.com/cmp/Works-Real-Estate/jobs/l-Seattle,-WA>.

agent; he did not know that he would be routed to a Zillow agent. In his dealings with R.H. prior to and during the purchase of his home, he did not believe he had any other option than to use R.H. to make the purchase. Plaintiff Taylor purchased the home using a lender which is regulated by an agency of the Federal Government.

2. Han Zheng

17. Plaintiff Han Zheng is a resident of Seattle, WA. On March 20, 2025, Plaintiff Zheng purchased a home in Seattle using a Zillow agent, A.J. (A.J. is identified as a “Top Agent on Zillow” on Zillow’s website, which strongly suggests R.H. is a Zillow Flex agent). Prior to his purchase, Plaintiff Zheng was browsing Zillow.com to look for houses, and identified a house that interested him. He clicked on the “Schedule a Tour” on the belief that he was contacting the seller’s agent for a tour.

3. David Liao

18. Plaintiff Liao is a resident of Northridge, California. On February 12, 2021, Plaintiff Liao purchased a home in Las Vegas, Nevada, with agent V.P. (V.P. is identified as a “Top Agent on Zillow” on the Zillow website, which strongly suggest V.P. is a Flex agent). Plaintiff Liao used Zillow Home Loans to finance and close on the purchase.

4. Karen King

19. Plaintiff Karen King is a resident of Frankenmuth, Michigan. On September 8, 2023, Plaintiff King purchased a home in Frankenmuth using a Zillow agent, J.K. Prior to her purchase, Plaintiff King was browsing Zillow.com to look for houses, and identified a house that interested her. She clicked on the “Contact Agent” button, believing that she was contacting the listing agent; she did not know that she would be routed to a Zillow agent.

5. Lisa Knudson

20. Lisa Knudson is a resident of Black Mountain, North Carolina. On April 25, 2025, Plaintiff Knudson purchased a home in Black Mountain using a Zillow agent, C.G. (C.G. is identified as a “Top Agent on Zillow” on the Zillow website, which strongly suggests C.G. is a Flex Agent). Prior to her purchase, Plaintiff Knudson was browsing Zillow to look for houses, and identified a house that interested her. She clicked on the “Contact Agent” button, but did not

1 understand what “agent” she was contacting. Plaintiff Knudson believed that she overpaid for the
 2 property, because she had to pay for an agent that she did not need. She also did not have the
 3 opportunity to negotiate directly with the sellers’ agent.

4 **6. Eydalia Thurston**

5 21. Eydalia Thurston is a resident of Stevens City, Virginia. On December 27, 2024,
 6 Plaintiff purchased a home in Stevens City, using a Zillow agent, C.S. (C.S. is identified as a “Top
 7 Agent on Zillow” on the Zillow website, which strongly suggests C.S. is a Flex Agent.). Prior to
 8 her purchase, Plaintiff Thurston was browsing Zillow.com to look for houses, and identified a house
 9 that interested her. She clicked on the “Contact Agent” button, but did not understand what “agent”
 10 she was contacting.

11 **7. Kyle Silva**

12 22. Kyle Silva is a resident of Canton, Georgia. On February 21, 2025, Plaintiff Silva
 13 purchased a home in Canton, Georgia, using a Zillow agent, A.M. (A.M. is identified as a “Top
 14 Agent on Zillow” on the Zillow website, which strongly suggests A.M. is a Flex Agent). Prior to his
 15 purchase, Plaintiff Silva was browsing Zillow.com to look for houses, and identified a house that
 16 interested him. He clicked on the “Contact Agent” button, in the belief that he was contacting the
 17 buyer’s agent. He was put in touch with A.M., and initially believed A.M. was the seller’s agent.
 18 (However, once they met in person, A.M. clarified that he/she was a buyer’s agent.) Plaintiff Silva
 19 was referred to Zillow Home Loans and obtained a pre-approval letter from ZHL, but ultimately did
 20 not use ZHL to purchase the property.

21 **8. Dale Koger**

22 23. Dale Koger is a resident of Henderson, Nevada. On August 12, 2024, Plaintiff Koger
 23 purchased a home in Henderson, NV, using a Zillow agent, S.Z. Prior to his purchase, Plaintiff Koger
 24 was browsing Zillow.com to look for houses, and identified a house that interested him. He clicked
 25 on the “Contact Agent” button, believing that he was contacting the seller’s agent. Thereafter, he felt
 26 compelled to stay with that person as his agent. Plaintiff Koger believes that, because he was unable
 27 to contact the buyer’s agent, he paid higher commissions because he had to pay his buyer’s
 28 commission (as well as the seller agent’s commission).

9. John Cady

24. John Cady is a resident of Melbourne, Florida. On September 19, 2025, Plaintiff Cady purchased a home in Melbourne, FL, using a Zillow agent, E.L. (“E.L.” is identified as a “Top Agent on Zillow” on the Zillow website, which strongly suggests E.L. is a Flex Agent.). Prior to his purchase, Plaintiff Cady was browsing Zillow.com to look for houses, and identified a house that interested him. He clicked on the “Contact Agent” button, with the intent of contacting the seller’s agent directly. He wanted to contact the seller’s agent directly in order to avoid paying buyer agent commissions, which would reduce the overall price he would pay. Plaintiff Taylor purchased the home using a lender which is regulated by an agency of the Federal Government.

10. Rebecca Brucaliere

25. Rebecca Brucaliere is a resident of Norwalk, Connecticut. On December 13, 2023, Plaintiff Brucaliere purchased a home in Norwalk, CT using a Zillow agent, H.D. (H.D. is identified as a “Top Agent on Zillow” on the Zillow website, which strongly suggests H.D. is a Flex Agent). Prior to her purchase, Plaintiff Brucaliere and her husband were browsing Zillow.com to look for houses, and identified a house that interested them. She clicked on the “Request a Tour” button, believing she was contacting the seller’s agent. When she first met H.D. in person, H.D. did not initially disclose that H.D. was a buyer’s agent, but instead insisted that Plaintiff Brucaliere sign a touring agreement. After she signed, H.D. told her that Zillow assigned her to H.D., and that H.D. would represent her going forward. Plaintiff Brucaliere did not feel she had any other practical option but to use H.D. as the buyer’s agent. During the buying process, H.D. urged her repeatedly to use Zillow Home Loans, but Plaintiff Brucaliere declined because she wanted to use USAA. Although Plaintiff Brucaliere was a first-time home buyer, H.D. never told her about first-time homebuyer assistance programs, which Plaintiff Brucaliere ultimately obtained through USAA. USAA is regulated by an agency of the Federal Government.

B. Defendants

1. The Zillow Defendants

26. Zillow, Inc. is an online real estate marketplace. It is a general corporation organized and existing under the laws of the State of Washington with its principal place of business at 1301

Second Avenue, Floor 31, Seattle, Washington. Zillow maintains real estate brokerage licenses in several states.

27. Zillow Group, Inc. offers online real estate services and is incorporated in the State of Washington with its principle executive offices located at 1301 Second Avenue, Floor 31, Seattle, Washington. Zillow is the most visited real estate website in the United States and provides its customers an on-demand experience for selling, buying, renting, and financing, “with transparency and nearly seamless end-to-end service.”⁶

28. Zillow Homes, Inc. is organized and existing under the laws of the State of Delaware, with its principal place of business at 1301 Second Avenue, Floor 31, Seattle, Washington.

29. Zillow Listing Services, Inc. offers a variety of real estate services. It maintains real estate brokerage licenses in several states. It is a general corporation organized and existing under the laws of the State of Washington with its principal place of business at 1301 Second Avenue, Floor 31, Seattle, Washington.

30. Zillow Home Loans, LLC (“ZHL”) is a wholly-owned subsidiary of Zillow, Inc., and is headquartered at 2600 Michelson Drive, Suite 834, Irving, CA. ZHL primarily originates mortgage loans and sells them to other mortgage companies.

31. Collectively, the Zillow entities identified above are referred to herein as the “Zillow Defendants.”

2. The Real Estate Defendants

32. Works Industries, LLC is an Oregon corporation that owns Works Real Estate, a real estate agency serving Portland, Oregon and Seattle, Washington.⁷ Works Real Estate is registered in the State of Washington.⁸ It advertises on Instagram that it is part of “Zillow Flex Partners,” and it also posts job listings for a “Zillow Flex Partner.”⁹ According to its Zillow profile, it has sold a

⁶ See *What is Zillow?*, ZENDESK.COM, <https://zillow.zendesk.com/hc/en-us/articles/202345030-What-is-Zillow> (last visited Aug. 22, 2025).

⁷ <https://www.seattleworksrealestate.co/>.

⁸ https://ccfs.sos.wa.gov/?_gl=1*ab4s6n*_ga*MTgyMjc0NDYzMy4xNzYyNDY4MTIy*_ga_7B08VE04WV*cze3NjM0MTI2MTgkbzlkZzEkdDE3NjM0MTI2MjgkajUwJGwwJGgw*_ga_X6SDF160YQ*cze3NjM0MTI2MTgkbzlkZzEkdDE3NjM0MTI2MjgkajUwJGwwJGgw#/BusinessSearch/BusinessInformation.

⁹ See <https://www.indeed.com/cmp/Works-Real-Estate/jobs/l-Seattle,-WA>.

total of 3,745 properties, including 1,030 sales in the past 12 months, with an average sales price of \$518,000.¹⁰ As a result, its approximate total sales are \$1.93 billion, including \$533 million in sales in the past 12 months. Of the 208 real estate agents listed on Works Real Estate's Zillow profile, all but one of them have the "Top Agent on Zillow" badge, despite the fact that 61 of these agents have had **zero** sales in the past 12 months, and 29 of them have only had one. One of Work Real Estate's agents, "R.H.," acted as the buyer's agent for Plaintiff Alucard Taylor.

33. GK Properties is a Nevada organization that houses the George Kypreos Team, part of the Signature Real Estate Group. According to its website, it is part of Zillow Flex.¹¹ According to its Zillow profile, the George Kypreos Team has sold a total of 7,050 properties, including 397 in the past 12 months, with an average sales price of \$453,000. As a result, its approximate total sales are \$3.2 billion, with \$180 million in the last 12 months alone. Of the 32 real estate agents listed on the George Kypreos Team's Zillow profile, all of them have the "Top Agent on Zillow" badge, despite the fact that three of the agents had zero sales in the past 12 months, and another agent had only one sale. One of the George Kypreos Team's agents, V.P., acted as the buyer's agent for Plaintiff David Liao.

34. Frano Team is a Florida organization that is part of Real Broker LLC. According to Instagram postings, Frano Team is part of Zillow Flex. For example, a member of the Frano Team recently posted on Instagram the Frano Team was "looking to add about 8 more hungry realtors to our Iconic Group at REAL Broker who want the possibility of working some new buyers with our Zillow Flex lead system We have a hybrid team structure that allows us to receive Zillow Flex leads and still continue to build ur [sic] name and brand[.]"¹² In addition, every single one of the Frano Team's agents has the "Top Agent on Zillow" badge, even as nearly a third of them either have zero sales (14 agents) or only one sale (8 agents) in the past 12 months.¹³ According to its website, the Frano Team has a total of 793 sales, including 491 in the past 12 months, at an average

¹⁰ <https://www.zillow.com/profile/Works%20RE>.

¹¹ <https://www.gkvegas.com/join-our-team/>.

¹² https://www.instagram.com/p/DHbhrbLTL_K/?utm_source=ig_web_copy_link&igsh=MzRIODBiNWFIZA==.

¹³ <https://www.zillow.com/profile/peter%20frano>.

price of \$344,000. As a result, its total sales are over \$272 million, with nearly \$169 million in the past 12 months. One of the Frano Team’s agents, E.L., acted as the buyer’s agent for Plaintiff John Cady.

35. Collectively, the entities identified above are referred to herein as the “Real Estate Defendants.”

III. JURISDICTION AND VENUE

36. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 because it arises from violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), 18 U.S.C. § 1961, et seq.

37. This Court also has subject matter jurisdiction under 28 U.S.C. § 1332(d)(2), because the Class defined herein contains more than 100 persons, the aggregate amount in controversy exceeds \$5,000,000, and at least one member of the Class is a citizen of a State different from Defendants. Subject matter jurisdiction over this action also exists under 28 U.S.C. §§ 1331, 1337.

38. This Court may also exercise supplemental jurisdiction over Plaintiffs’ state law claims under 28 U.S.C. § 1367 because they are so related to the RICO claim (within the Court’s original jurisdiction) that they form part of the same case or controversy under Article III of the United States Constitution. This case does not present novel or complex issues of state law that predominate over claims for which this Court has original jurisdiction, and there are no compelling reasons for declining supplemental jurisdiction over those of Plaintiffs’ claims that do not arise under RICO.

39. This Court has personal jurisdiction over the Zillow Defendants and Defendant Works Industries, LLC because these Defendants have: (1) transacted substantial business in the United States, including in this District; (2) transacted business with members of the Class throughout the United States, including in this District; (3) had substantial contacts with the United States, including in this District; and (4) committed substantial acts in furtherance of their unlawful scheme in the United States, including in this District.

40. This Court has personal jurisdiction over each of the Real Estate Defendants because the ends of justice require that they be brought before this court, pursuant to 18 U.S.C. § 1965. Specifically, all members of the RICO enterprise should be tried together in a single jurisdiction. *See Butchre's Union Local No. 498, UFCW v. SDC Inv., Inc.*, 788 F.2d 535, 539 (9th Cir. 1986).

41. Venus is proper in this District because each Zillow Defendant, and Defendant Works Industries, LLC, transacts substantial business in this District, as alleged throughout this Complaint. These Defendants reside in this District or transact business in this District. These Defendants also market and sell products and services in this District, have had continuous and systematic contacts with this District, and engaged in anticompetitive, unfair, and deceptive business practices that were directed at, and had the intended effect of causing injury to, persons and entities residing in, located in, or doing business in this District.

IV. FACTUAL ALLEGATIONS

A. Real Estate Industry Background

42. State licensing laws regulate who can represent sellers and buyers in the real estate market. There are two licensee categories: (1) the real estate broker (also known as a “brokerage firm”), and (2) the individual real estate licensee or agent. Brokerage firms license individual real estate realtors or agents and are legally responsible for the actions of their licensed realtors or agents.

43. Licensed brokers are the only entities permitted by state law to be paid to represent buyers or sellers in a real estate transaction. As a result, a real estate brokerage contracts with sellers and buyers are required to be with brokers, not agents, and all payments to individual realtors or agents pass through brokers.

44. In typical residential real estate transactions, real estate brokers and agents receive compensation through commissions that are calculated as a percentage of a home's sale price, and the commissions are paid when the home sells.

45. A seller broker's compensation is set forth in a listing agreement, which is a contract between the seller and the seller broker. The listing agreement specifies the total commission that a

home seller will pay to the seller broker and also specifies the amount earmarked to be paid to the buyer broker (in the event the buyer has a broker).

46. When a buyer retains a broker, the buyer enters into a contract with that broker. The contract typically discloses that the buyer broker will be compensated by receiving a commission from the seller broker.

47. If the buyer has a broker, the seller broker pays the buyer broker a commission out of the total commission paid by the seller.

48. As a result, the buyer brokers and agents—who are supposed to assist their clients in negotiating against the seller – receive their compensation from the total commission paid by the seller, not from the buyer they represent. According to industry insiders, there is “a lot of confusion around how commissions work,” where even writers for real estate publications “never get[] a very clear cut answer from the industry or from anyone” on the subject.¹⁴ And other market participants agreed that the practice is “confusing” and that most consumers “just don’t understand how commission works.”¹⁵

49. A Multiple Listing Service (“MLS”) is a database of properties listed for sale within a certain geographic region. Only registered agents and brokerages that pay for membership can access an MLS database. There are over 500 MLSs in the United States.¹⁶

50. After a listing is registered with an MLS, companies like Zillow automatically obtain and display these listings through back-end technology feeds called the Internet Data Exchange (“IDX”) or the Virtual Office Website (“VOW”). Zillow has obtained and maintained real estate brokerage licenses for sole purpose of collecting listings—upon information and belief, Zillow itself does not provide any brokerage services. Zillow thereby exploits the listings at little cost to squeeze

¹⁴ FTC-DOJ Joint Public Workshop, Segment 1 Tr., June 5, 2018, *available at* https://www.ftc.gov/system/files/documents/videos/whats-new-residential-real-estate-brokerage-competition-part-1/ftc-doj_residential_re_brokerage_competition_workshop_transcript_segment_1.pdf (last visited Aug. 22, 2025).

¹⁵ FTC-DOJ Joint Public Workshop, Segment 2 Tr., June 5, 2018, *available at* https://www.ftc.gov/system/files/documents/videos/whats-new-residential-real-estate-brokerage-competition-part-2/ftc-doj_residential_re_brokerage_competition_workshop_transcript_segment_2.pdf (last visited Aug. 22, 2025).

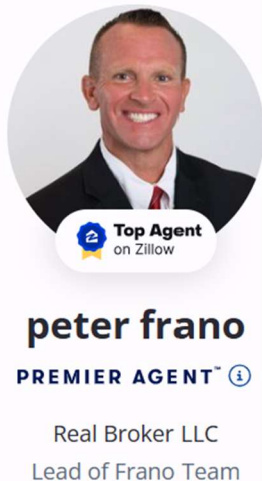
¹⁶ *What is an MLS and How Many MLSs Are There? Multiple Listing Service FAQ*, RESO.ORG, <https://www.reso.org/mls-faq/> (last visited Aug. 22, 2025).

1 out profits from the listings, without any compensation to the MLSs, agents, or sellers who created
2 the listings.

3 **B. Zillow’s Illegal Steering Practices and Conduct**

4 51. Zillow is the undisputed market leader in online real estate listings. In investment
5 presentations, it notes that it has 66% of the U.S. real estate audience share—twice as high as its
6 nearest competitors.¹⁷ It also promotes the fact that 80% of consumers come to Zillow directly, and
7 that “Zillow revenue growth has meaningfully outperformed a challenged housing market.”¹⁸
8 According to Zillow, it has a “leading category traffic position” and “market-leading audience,” with
9 “4x the daily active app users of nearest competitors.”¹⁹

10 52. Behind the scenes, Zillow operates two different programs for prospective buyers’
11 agents: the “Flex” Program and the “Premier” Program. Based on accounts from real estate agents,
12 if an agent has the following “Top Agent on Zillow” marker on his or her Zillow profile, then the
13 agent is most likely a “Flex” agent:



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23 53. The Flex Program requires Flex agents to pay Zillow up to 40% of the commissions
24 the agents earn on a sale (the Hidden Zillow Fees). Zillow Flex agents are also required to steer

25
26 ¹⁷ Zillow Group, *February 2025 Zillow Investor Presentation*, at 6, [efaidnbmnnnibpcajpeglefindmkaj/https://s24.q4cdn.com/723050407/files/doc_earnings/2024/q4/presentation/Zillow-4Q24-Investor-Presentation.pdf](https://s24.q4cdn.com/723050407/files/doc_earnings/2024/q4/presentation/Zillow-4Q24-Investor-Presentation.pdf) (last visited Aug. 22, 2025).

27 ¹⁸ *Id.* at 9.

28 ¹⁹ *Id.* at 3, 7.

buyers to Zillow Home Loans; if the agents fail to meet certain quotes, they are dropped from the program.²⁰

54. Zillow expressly ties ZHL referrals to continued leads on its “Flex Performance Terms – Compliance” website.²¹ The website is entitled “Flex Compliance Policies & The Disengagement Process.” The website states as follows:

Performance Standards

Flex Performance Standards are more than just benchmarks—they help you provide a consistent client experience and are your gateway to growth.

Meeting or exceeding standards means:

- Opportunity for more Flex connections
- Improved efficiency and team alignment
- Greater confidence in your client experience
- Continued eligibility and partnership with Zillow

Failing to meet the following minimum performance expectations may lead to disengagement and decreased connection volume for your team.

55. The “Performance Standards” include referring customers to ZHL:

Agent Performance Standards

The agent performance standards provide the metrics that help Zillow Preferred agent partners understand how to convert more home shoppers and streamline their home shopping process. These updates empower Zillow Preferred agent partners to stand out, grow faster, and earn access to more connections.

[]

Zillow Home Loans Pre-Approval Target:

- **Definition:** Number of agent’s customers who get pre-approved with Zillow Home Loans. This empowers consumers to navigate affordability during their home search by equipping them with Zillow Home Loans pre-approvals.
- **How it’s calculated:** Approximately 10% of an agent’s eligible Zillow Preferred connections that reached or passed “met with” status in the last 90 days. The pre-approvals do not need to solely be with Zillow Preferred delivered connections.
- **Standard:** 100% of target over the last three (3) month(s).[?]

56. Zillow is not even being coy about what its policy is, and agents are taking note—with many agents speaking out about their concerns about the legality of this policy. As just one

²⁰ See *Flex Program Standards*, ZILLOW.COM (<https://www.zillow.com/z/flex-performance-terms/performance-standards/> (last visited Sept. 19, 2025)).

²¹ See <https://www.zillow.com/z/flex-performance-terms/compliance/>.

1 example, in discussing the allegations in the previously filed Complaint in this case that Zillow
 2 requires agents to steer a certain percentage of its customers to ZHL, a real estate agent and
 3 commentator named Jared James on his podcast (posted on YouTube²²) stated:

4 My DMs, guys, have been flooded and they are flooded by team leads and agents who are
 5 Zillow Flex teams who basically say, “**Yeah, 100% true and worse than you think it is.**”
 6 And every single one of them says, “don’t mention my name. Anonymous. Do not mention
 my name.” But it’s 100% happening.

7 The first thing I want to do is one of you actually sent me the new manual for the new flex
 8 program updates that go into effect August, I’m sorry, October 1st. . . . And there are key
 9 metrics, and some of these flex teams are irate about this, not just because of the metrics, but
 10 because of how they’re being enforced and how it’s happening. And, uh, **one of them is that**
Zillow Home Loans pre-approval target. This is really interesting. It says the number of
 11 connections agents should help get preapproved with Zillow home loans. **Roughly 10% of**
Zillow eligible connections that reached or passed or uh met with status in 90 days. And
it’s SO interesting because you’re like, well, that’s a target; like that starts to smell of
RESPA otherwise you will not get these leads. And that’s a problem.

12 57. Jared James then discussed the notion that the 10% requirement is only for pre-
 13 approval, but in reality “you hear from a lot of these team leaders and flex agents that **behind the**
 14 **scenes they’re telling them no, if you – if they don’t close with us—if a certain percent do not**
 15 **close with us then you’re getting downgraded.** Like’s there’s a whole system, you know, green
 16 yellow red, like you will be downgraded green yellow red.”

17 58. James further stated, “Look, I’m used to people in our industry being angry toward
 18 Zillow, but **the messages people were sending me were, uh, pretty consistent,** all pretty much
 19 similar. And I mean, **evidence, like they were sending me copies, recordings of phone calls, um,**
 20 **with reps and what they were saying that completely break, you know, what they’re allowed**
 21 **to be doing[.]”**

22 59. James noted that the Zillow managers are *flying out in person* to deliver these
 23 messages directly to the teams and agents, to describe the program in ways that they did not want in
 24 writing: “Many of the big big teams that I talked to said that like the big ups, that **the bigger ups at**
 25 **Zillow flew out personally to tell them what was going to happen.** Um, and a lot of it, I got to be
 26 honest, was because **they were having conversations they couldn’t put on the record,** they
 27

28 ²² https://www.youtube.com/watch?v=p75ykIO_k4I&t=2s.

1 couldn't email, they couldn't put over the phone, like they're meeting with them so they can tell
2 them the real deal."

3 60. James stated he was not taking a position on whether this is steering, but "I'm just
4 reporting on my podcast what people are messaging me. Steering is a big one. You know, you're
5 not allowed to steer people to certain places. They're supposed to have choice. They're supported
6 to decide where they want to go based on who's the best rep. **And one of the biggest um complaints**
7 **that I got from people was that most of the Zillow Home Loan reps were newer and not great**
8 **and didn't have the same offerings as a lot of the other mortgage brokers."**

9 61. James commented that the agents are telling him that ZHL loan officers are inferior
10 and offer an inferior product, but the agents are forced to refer customers to ZHL anyway: "And so
11 here you [the agent] are going, 'well, I don't want to give it to them because they number one don't
12 do a great job. They're new. **They're not great at it. And they don't have the same offerings**
13 **that my person's going to need in order to be able to close. And yet, if they don't send them**
14 **there anyway, they're getting penalized."**

15 62. Although not expressing an opinion on RESPA, James was compelled to note that
16 "[g]etting or not getting those leads **is a thing of value. Huge.** I have people in my DMs right now
17 who are desperate, who 25 or 50% of their business is coming from these uh Zillow Flex deals that
18 are now changing completely. **And the idea the they don't think it's best for their client to go**
19 **talk to this [] loan officer through Zillow Home Loans, and if they don't they get downgraded,**
20 **these lose leads, they lose their business. I don't know how that's not a thing of value."**

21 63. Regarding the requirement that 10% of those who express interest in financing get
22 pre-approved, James stated that agents in his DMs "said the problem is that a buyer when they fill
23 out the form to talk to the agent **doesn't even realize at the bottom of the form it is auto-defaulted,**
24 **auto-checked as being 'yes, I want to a Zillow home agent[.]'** And the buyer doesn't even know
25 they've done that."

26 64. "And then when the agent is talking to the buyer, they have no – like the buyer is not
27 even ready yet to talk to a loan officer, has no interest in it, has no whatever, and then the agent's
28

1 getting penalized because the Zillow rep is calling going, ‘hey, why aren’t you having them talk to
 2 us? They’re ready to talk to us. They check that they want to talk to us.’ And the agent’s going, ‘no,
 3 they didn’t. You auto-defaulted that to check and they didn’t even see it. They’re not ready to talk
 4 to a loan officer.’ Like, **you tricked them into that.**”

5 65. As a result, “You [Zillow] are going to turn these agents against you and you’re almost
 6 holding them—not almost—**you’re holding them hostage** because it’s where most of their business
 7 is coming from.”

8 66. James continues: “And now you take all of that, and **this is where this gets really**
 9 **dirty**, because they’re telling me now how these people are coming into their offices, and this is
 10 what’s crazy. I had more than one tell me that, hey, **I know that we have to put in writing, it’s**
 11 **10%. But I’m telling you now in this area, this is a competitive area, it needs to be 50%.** Or
 12 the leads are going to someone else.’ . . . And they’re like, ‘hey, we’re not going to put it in writing
 13 because we’re not allowed to put that in writing, but we’re telling you, if it’s not 50%, we’re going
 14 to start moving your leads to other people.’ **Now, that is clearly not allowed.**”

15 67. “And now you have these Zillow reps that are [] **bypassing the team lead and going**
 16 **straight to the agents and chastising them and training them on how to not recommend other**
 17 **lenders.** I heard that from more than one, okay, many actually. They’re training the agents. . . . And
 18 they’re actually getting angry if they’re [the agent] recommending other lenders, which again is not
 19 choice. Okay? They buyer is supposed to have choice.”

20 68. “I had one guy tell me that he was fighting with the Zillow rep and he was telling
 21 them, ‘you can’t do that. That’s not allowed. Like, we have to give people what they want. We
 22 have to let them use the lender that’s going to close the loan and going to whatever.’ And the Zillow
 23 rep told them, uh, that you are such a pain in the butt and I’m just telling you now [] that **if you do**
 24 **not do the things that we need you to do, we are going to be sending your leads elsewhere; like,**
 25 **stop it's going to be 50% or we're going to send your leads elsewhere . . . I can't put this in**
 26 **writing but like that's not how it's going to work now.**”

27 69. In response, one commentator under the YouTube video stated:

1 You have no idea the pressure they place on the team leaders the brokerages. Every week we
 2 have a mandatory meeting. Can you believe that a mandatory meeting when you're an
 3 independent contractor? And every week it's the exact same thing. You're not making your
 4 numbers. You need to make your numbers. If you don't make your numbers you are no longer
 5 going to be part of flex. **It is a constant threat every single week.** You thought you were
 6 becoming a real estate agent to run your own business your way. Well if you're working for
 7 Flex you are working for Zillow. They may as well pay us hourly, but that's the scam. **They**
 8 **treat you like an hourly employee they force competition amongst you and your peers**
 9 **and they make all the money just for supplying you a name and number, and sometimes**
 10 **you dont even get a name.**

70. In another example, on October 21, 2025 *The Capitol Forum* reported on agents'
 mounting concern and anxiety about Zillow's steering policies in an article entitled "Relators Are
 Required to Drive Business to Zillow's In-House Lending Arm, Potentially Raising Buyer Costs;
 Agents Express Concern they are Violating RESPA."²³ One real estate agent told *The Capitol Form*
 that, when the agent's team signed up for Zillow Flex, "the 'red flag' appeared when Zillow began
 coaching the team on how to refer buyers to ZHL products . . . 'Our team felt like they were basically
 forcing us to connect (buyers) to ZHL, and they were forcing us to sell ZHL services[.] **It just made**
us sick. We felt like we were working for Zillow."

71. *The Capitol Forum* further describes the harmful economic impact on buyers from
 Zillow's policies: "Retail lenders like ZHL can have higher rates and may offer fewer mortgage
 products, which can lead to buyers missing out on discount programs targeting groups like veterans
 or first-time homebuyers. One Virginia real estate agent currently in the Flex program said one of
 her discomforts is it '**absolutely**' **raises costs to buyers to refer them to Zillow's lending**
business." The agent stated that, if she referred her first-time homebuyer clients to ZHL, they "would
 miss out on some really good first-time homebuyer programs that offer significant rebates." The
 Virginia agent further stated that Zillow is "holding leads hostage from agents that do not send clients
 to get preapproval from ZHL. I just don't understand how this could be legal."

72. The article further noted that Zillow "keeps close tabs on Flex agents." (This is
 corroborated by accounts of agents themselves, as summarized below.) According to the *Capitol*
Forum, the Zillow platform "has immense ability to monitor how they do their jobs. Agents must

²³ <https://thecapitolforum.com/zillow-realtors-are-required-to-drive-business-to-zillows-in-house-lending-arm/>.

1 take calls and manage their clients through the Zillow app or Zillow-owned Follow Up Boss, a
 2 customer relations management app. Agents said that through these apps **Zillow records their**
 3 **phone calls and rates them on metrics like how quickly they start reciting a script provided by**
 4 **Zillow.”**

5 73. Pressure on Zillow agents to steer clients to Zillow Home Loans has been ongoing
 6 since at least 2018. Zillow announced on August 6, 2018 that it had acquired Mortgage Lenders of
 7 America.²⁴ Upon acquisition, Zillow immediately pivoted to pressuring agents to steer clients to
 8 Zillow Mortgage (the predecessor to Zillow Home Loans).

9 74. One leading real estate trainer, Glennnda Baker, recently appeared on Jared James’
 10 podcast (quoted above),²⁵ and discussed steering allegations against Zillow. According to Baker, she
 11 was a founding member of the Zillow Agent Advisory Board, and described how she “absolutely
 12 had a love affair with Zillow,” and spent hundreds of thousands of dollars on leads with them. But
 13 she stopped using Zillow based on a meeting with Zillow and 200 agents on October 16, 2018 in
 14 Boston, Massachusetts. At that meeting, an agent confronted Greg Schwarz (the then-Zillow
 15 President of Media and Marketplace) about the fact that her leads dropped 70% “in a heartbeat,” and
 16 she wanted to know why. In response, Schwarz presented a slide deck on how Zillow is changing.
 17 According to Baker, Mr. Schwarz stated “we are going to send leads to [] elite agents based on their
 18 integration of software and services provided by Zillow.” Ms. Baker further explained that “I’ve
 19 gotten hundreds of messages from agents that are [] absolutely it all depended on how many, how
 20 many uh, deals we sent to Zillow Mortgage.”

21 75. Confidential Real Estate Agent 7 (“CA7,” more fully summarized below), a longtime
 22 Zillow agent, corroborates Baker’s account. According to CA7, beginning at least as early as 2019,
 23 Zillow representatives were pressuring CA7 to push clients to use Zillow’s products, including
 24 Zillow Mortgage. Zillow representatives told CA7 that CA7 needed to push these products,

27 ²⁴ <https://investors.zillowgroup.com/investors/news-and-events/news/news-details/2018/Zillow-Group-to-Acquire-Mortgage-Lenders-of-America/default.aspx>.

28 ²⁵ <https://www.youtube.com/watch?v=GfY98eYRwHc&t=3040s>.

including Zillow Mortgage, and if not, CA7's leads would dry up. CA7 also knows that other agents were facing similar pressure during that time period.

76. Another real estate agent ("CA 11") confirmed that, as early as 2018, Zillow was pressing Zillow agents to use Zillow products, including Zillow Mortgage. CA11 worked as both a Flex and a Premier Zillow agent. CA11 stated that other teams were performing worse than CA11's team, but were still getting rewarded with more leads, because they were referring clients to Zillow Mortgage at a higher rate.

C. The Harmful and Long-Lasting Economic Impacts of Zillow's Steering

77. Zillow's steering practice can have long-lasting impacts on the housing market. As one article described Zillow's steering practice, "experts warn this apparent efficiency is masking a system designed to steer homebuyers to the platforms' own mortgage lenders, squeezing out competition and discouraging buyers from finding cheaper options. It's part of massive consolidation and restructuring efforts by Zillow and Redfin's corporate owners to corner the trillion-dollar mortgage market, **which is already driving up housing costs and could heighten the risk of a financial crisis.**"²⁶

78. Zillow's illegal conduct can also have devastating impacts on buyers over the long run, particularly those saddled with a higher interest rate mortgage: "Unbeknownst to many consumers, shopping around for a home loan can save homebuyers an average of more than \$80,000 over a thirty-year mortgage. In states like California, Hawaii, and Washington, lifetime savings can reach more than \$100,000. Consumers who use real estate companies' in-house lenders may also be forced to pay higher fees and interest charges than those who use alternative options."²⁷

79. At the same time, Zillow has profited handsomely from its steering policies. According to Zillow, as of October 31, 2025, loan origination volume grew 57% year-over-year to \$1.3 billion. Mortgage revenue increased 36% to \$53 million in the third quarter this year.²⁸ By that measure, its steering program has been a resounding success.

²⁶ <https://jacobin.com/2025/09/zillow-redfin-mortgage-lending-competition>.

²⁷ <https://jacobin.com/2025/09/zillow-redfin-mortgage-lending-competition>.

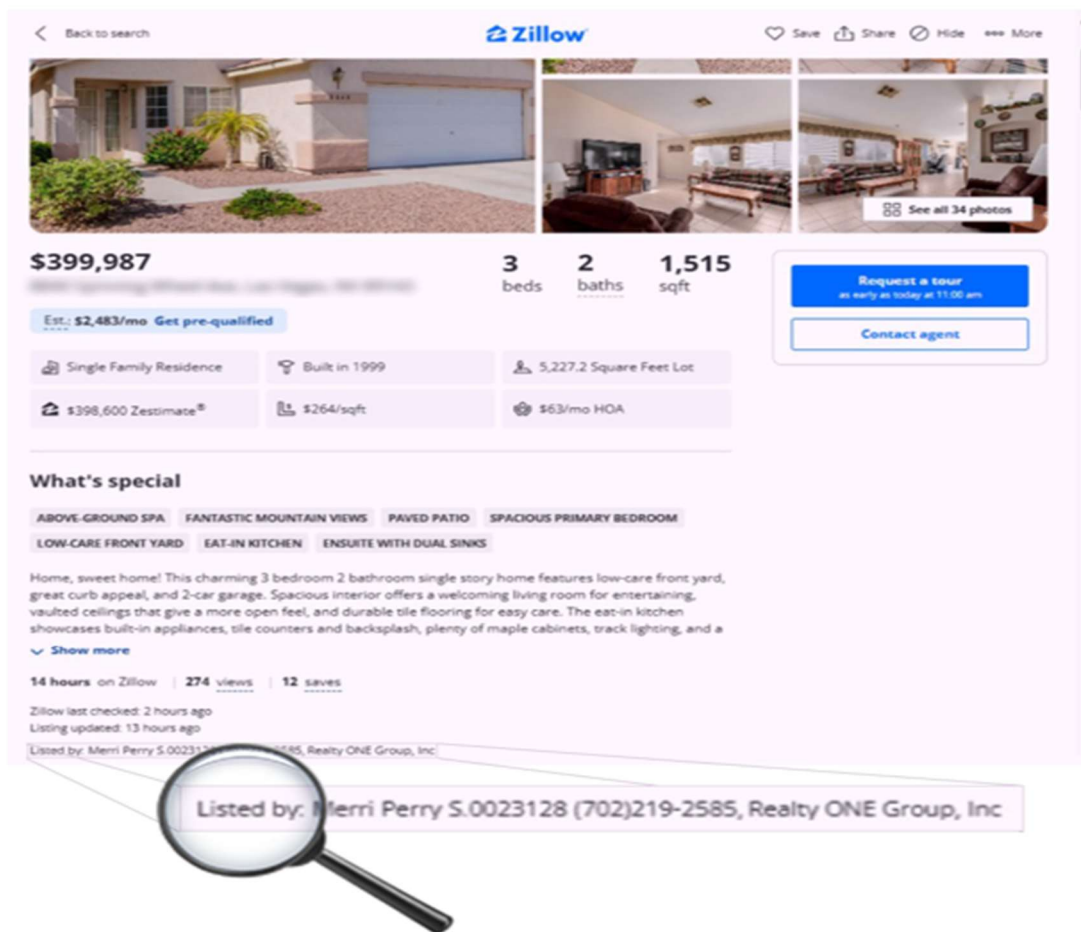
²⁸ <https://zillowgroup.mediaroom.com/2025-10-30-Zillow-Group-Reports-Third-Quarter-2025-Financial-Results>.

D. Defendants' Fraudulent Conduct

80. The overwhelming majority of houses for sale listed in an MLS are displayed on Zillow's home search platform, and most prospective buyers search for homes on Zillow. But buyers and sellers are not aware that Zillow generates the majority of its revenues by engaging in deceptive business practices that inflate the purchase price of the homes. Financial analysts have called Zillow the "clear leader" in the market and have stated that "Zillow's traffic share appears larger than that of its next three competitors combined, and it reports that about 80% of its traffic comes from organic or direct sources. This is a major competitive advantage for Zillow."²⁹

81. When prospective buyers identify homes they are interested in purchasing, Zillow presents them with the option to click a large button with bold type labeled "Request a Tour" or "Contact Agent" in close proximity to the home photos, sale price, and key property details—creating the appearance that the potential buyer can contact the listing agent to ask questions about the property, schedule a tour, or make an offer. Meanwhile, Zillow buries the listing agent in tiny print, barely visible to the average reader. Below is an example:

²⁹ See *Zillow Group, Inc.: Initiation of Research Coverage*, WILLIAMBLAIR.COM (April 21, 2025), <https://www.williamblair.com/News/Zillow-Group-Inc-Initiation#:~:text=%E2%80%9CImportantly%2C%20Zillow's%20traffic%20share%20appears,from%20organic%20or%20direct%20sources> (last visited Aug. 22, 2025).



82. Prospective buyers who click on the “Request a Tour/Contact Agent” buttons naturally believe they are reaching out to the *listing* agent who was hired by the home seller to “list” the property. This is a ruse. Zillow actually directs the buyer *away* from the listing agent, and redirects the buyer to a buyer agent who is working on a Zillow team, who lacks any specialized knowledge about the subject property. In addition, Zillow Flex agents have agreed to pay the Hidden Zillow fees. The Zillow agent who pays for the lead then attempts to contact the buyer and insert herself into the transaction between the buyer and the listing agent so that she can extract a buyer agent commission – typically around 3% of the purchase price of the property.

83. On Zillow’s website (as shown in the screenshot above), if potential buyers select “Contact Agent” or “Request a Tour,” the ultimate outcome is the same: they are prompted to provide their name, email, and phone number. Zillow then farms out these leads to Zillow-affiliated

agents who are part of the Zillow Flex program. The agents contact the buyers, propose a tour, and ask the buyers to sign Zillow’s “Touring Agreement.”³⁰ The “Touring Agreement” emphasizes that the services are purportedly “free,” as follows:

4. No Fee for the Touring Services.

(a) Buyer shall not owe or pay Broker any fee for the Touring Services.

84. Although the touring services are technically “free,” buyers are being tricked into believing that the agent’s services are free. In reality, if the buyer purchases the home, the buyer agent will add a provision to the purchase offer agreement requiring the Seller to pay a commission to the buyer agent (with no disclosure of the Hidden Zillow Fees if a Flex Agent is involved). Listing agents have recently observed that approximately 80% of the prospective buyers they communicate with about their listings have already spoken with a Zillow Agent who was using a Touring Agreement.³¹

85. This is precisely what happened to Plaintiff Taylor. In 2022, when browsing Zillow.com to look for houses of interest to him, he clicked on the “Contact Agent” button, assuming that he would be contacting a *listing* agent. Instead, he was routed to a Zillow agent. During the touring and closing process, Plaintiff Taylor did not believe he had any other option other than to use the Zillow agent. If Plaintiff Taylor was able to contact the listing agent, the seller could have paid less commissions, and the purchase price could have been lower. The Hidden Zillow Fees were not disclosed to Plaintiff Taylor.

86. As Forbes’ Magazine described it, this is a classic bait-and-switch scheme by Zillow:

[The Premier Agent Program], for many years Zillow’s primary source of revenue, is based on what appears to me to be a classic bait-and-switch. Each Zillow property page contains, in bold letters at the top, the name of an agent to contact. Ah, thinks the reader, this is the exclusive listing agent who handles the property and is the person most knowledgeable about it.

³⁰ Touring Agreement Oregon, ZILLOWGROUP.COM, https://delivery.digitallibrary.zillowgroup.com/public/OR-FinalTouringAgreement_pdf_Original.pdf (last visited Sept. 19, 2025).

³¹ See, e.g., Jordan Teicher, *What Happens When a Buyer Contacts a Premier Agent Partner?*, ZILLOW.COM (July 19, 2024), <https://www.zillow.com/premier-agent/when-buyers-contact-premier-agent/> (“78% of buyers use Zillow has part of their home-buying journey.”) (last visited Aug. 22, 2025).

But no, it's not. It's just the name of the agent who has PAID Zillow/StreetEasy for the privilege of being listed there.³²

87. Zillow acknowledges that the Touring Agreement is designated to “set[] up the expectation of representation.”³³ Zillow further explains the Touring Agreement (described as a “buyer agreement” below) as follows (*id.*):

Why buyer agreements are important

Buyer agreements typically lay out exactly what the agent will do for a client. However, requiring an exclusive commitment upfront before the buyer feels comfortable can negatively impact the consumer experience. To put it simply, most people want to date before becoming exclusive.

At the same time, agents deserve to be compensated for the value they provide to buyers. Since this is an introductory agreement, we still anticipate that buyers and agents will sign a longer-term agreement that outlines compensation terms, if they choose to work together throughout the buying process.

The reference to “compensation terms” relates to commissions, not the Hidden Zillow Fees, which are not disclosed to the buyer or the seller.

88. Zillow describes its Touring Agreement as a “buyer agreement,” even though it is not labeled as such. But the “buyer agreement” is “limited,” as Zillow acknowledges. Again from Zillow’s website (*id.*):

This could be someone's first introduction to buyer agreements, so this approach lets you and the buyer enter the first showing with a signed limited services agreement that satisfies requirements outlined in the NAR settlement.

89. Notwithstanding this “buyer’s agreement,” Zillow fails to disclose to home buyers that if they work with a Zillow-affiliated Flex agent, Zillow will collect up to 40% of that agent’s commission (the Hidden Zillow Fees). Zillow-affiliated Flex agents, who must pay up to half of their commission to Zillow, are driving up the commission amounts to cover their costs. And buyers are

³² See Frederick Peters, *Buyers Beware of this Advertising Tactic by Zillow and StreetEasy*, FORBES (Dec. 9, 2020), available at <https://www.forbes.com/sites/fredpeters/2020/12/09/buyers-beware-of-this-advertising-tactic-by-zillow-and-streeteasy/> (last visited Sept. 18, 2025).

³³ See Zillow Premier Agent, *Zillow’s New Touring Agreement Helps Agents Seamlessly Adjust to Industry Changes*, ZILLOW.COM (Aug. 1, 2024), <https://www.zillow.com/premier-agent/zillow-touring-agreement-nar-settlement/#state> (last visited Aug. 22, 2025).

1 forced to pay more for homes based on the rising commission costs. Traditionally, when necessary,
 2 in an ordinary situation non-Zillow agents are often willing to make concessions on their commission
 3 rates to get a deal done. But Zillow-affiliated Flex agents, who operate on far tighter margins, are
 4 less willing to reduce their commission amount to satisfy the demands of a home seller.

5 90. Zillow takes steps to hide the Hidden Zillow Fees from buyers and sellers. Zillow's
 6 webpage suggests that the Hidden Zillow Fees are paid out of escrow,³⁴ but this is not true. The
 7 Hidden Zillow Fees are actually paid by the buyer broker directly to Zillow, so that the buyer and
 8 seller are never made aware of it during the closing process.

9 91. Zillow maintains recordings of all introductory calls between buyers and Zillow-
 10 affiliated agents who paid for their referrals. Upon information and belief, Zillow-affiliated agents
 11 on these calls do not readily disclose that they are not the listing agent.³⁵

12 92. Sales of referrals or "leads" to real estate agents are Zillow's primary source of
 13 revenues, which grew to over \$2 billion last year. As sellers pay inflated commissions, and traditional
 14 real estate brokers experience declining revenues, Zillow revenues continue to grow. Real estate
 15 agent and commentator Jon Brooks further describes Zillow's deceptive business practices and
 16 referral fees as follows:³⁶

25 ³⁴ See *Flex Compliance Policies & The Disengagement Process*, ZILLOW.COM, [https://www.zillow.com/z/flex-
 26 performance-terms/compliance/#:~:text=Payment%20must%20be%20remitted%20to,.must%20show%.20Gross.%20
 Commission%20earned](https://www.zillow.com/z/flex-performance-terms/compliance/#:~:text=Payment%20must%20be%20remitted%20to,.must%20show%.20Gross.%20Commission%20earned) (last visited Aug. 22, 2025).

27 ³⁵ See Byron Lazine, *From Lead to Appointment: The Zillow Buyer Script that Works* YOUTUBE.COM (Dec. 23,
 2024), available at <https://www.youtube.com/watch?v=Hcd2vROkyV0&t=114s> (last visited Sept. 18, 2025).

28 ³⁶ See John Brooks, *Zillow's Hidden 40% Agent Fee is Costing You Big*, YOUTUBE.COM (June 4, 2025),
<https://www.youtube.com/watch?v=QnDli-JT1SA> (last visited Aug. 22, 2025).



These referral fees are what make it so expensive for agents to operate in the market because there's 204 million unique active users on Zillow.

[]

Zillow continues to gobble up more and more and more of your money that you're paying in commissions, and you didn't even know about it when you clicked the button on Zillow.

[]

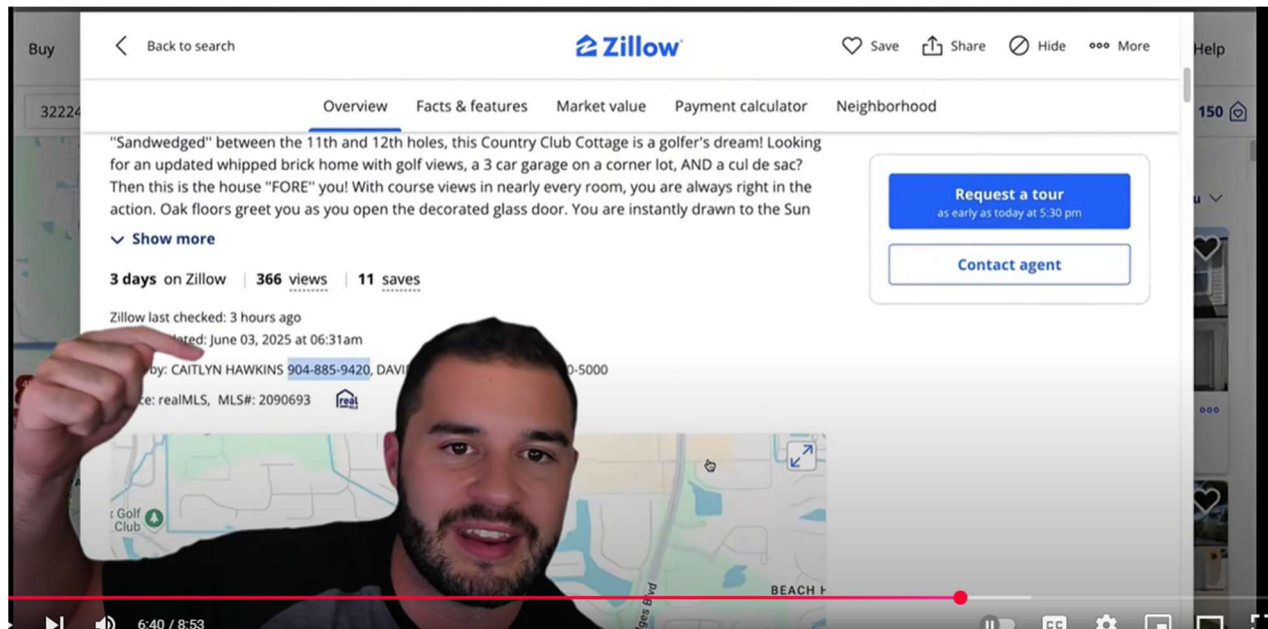
This is a ton of money—of your money—that you think is going to the real estate agent that's not going to the real estate agent or the broker; it's going straight to Zillow off the top, and by the way, they have been raising these fees over time, as you can see that the top range actually increased it from 35% to 40%.

[]

Zillow is making just as much money as the agent is making and all Zillow is doing is selling your information to the real estate agent.

[]

Now where can you find the information of the agent who actually has the listing? So they are selling your information to the buyer agent; you're not getting in touch with the listing agent, the one who actually has the listing. The one who actually -- and this is where they hide it -- it is the person right here. You need to call this number right there in order to get in touch with the real estate agent who actually has the listing and knows about the property. And this is one of the problems; it's hidden down a little bit on the page where you can barely find it.



93. In truth, contrary to Jon Brooks' statement, the Zillow listings do not routinely even include the seller agent's phone numbers. Many times it simply provides the agent's name, as excerpted below:

\$1,395,000**2** beds **2** baths **1,442** sqftEst.: **\$8,375/mo** [Get pre-qualified](#)[Request a tour](#)
as early as today at 4:30 pm[Contact agent](#)

Single Family Residence

Built in 1976

5,998.21 Square Feet Lot

\$1,329,600 Zestimate®

\$967/sqft

\$134/mo HOA

What's special

NO-BANK SHORELINE

SPACIOUS DECK

TIMELESS CHARM

Experience quintessential Whidbey Island waterfront living with this well-maintained, classic 1976 single-level home offering 60 feet of coveted no-bank shoreline. Enjoy panoramic views of the Olympic Mountains and the Puget Sound shipping lanes from your spacious deck—perfect for entertaining or simply relaxing with the sights and sounds of the Salish Sea. The home is filled with timeless charm and has been lovingly

[Show more](#)

1 day on Zillow | 496 views | 13 saves | Likely to sell faster than 91% nearby

Zillow last checked: 6 minutes ago

Listing updated: August 06, 2025 at 08:35am

Listed by: Louis Muniz, Windermere RE/South Whidbey, Jane A. Johnson, Windermere Real Estate Co.

Source: NWMLS, MLS#: 2412956

No Phone Number Listed

94. Zillow charges Flex Agents up to 40% of their commission in exchange for the leads, and agents who are willing to pay this outsized fee are typically less skilled and experienced with real estate transactions, and less knowledgeable about the local residential real estate market, than agents who are not willing to pay the fee. Buyers are stuck with agents who offer inferior services for an inflated price.

95. Ironically, Zillow promotes “independent representation” of buyers and sellers, while engineering a relationship such that the agents are entirely dependent on – and compromised by—Zillow. As the website states, “We strongly believe in the value of independent representation: Buyers and sellers deserve to work with an agent who is committed their best interests and only represents them.”³⁷ This is plainly false; the agents effectively represent Zillow.

96. Through its Hidden Zillow Fees scheme, Zillow is aiding and abetting the breaching of the agents’ fiduciary duties to their clients. Under Oregon law, for example, a real estate agent representing a buyer has several duties, including an obligation to “act under a written representation

³⁷ See Zillow Premier Agent, *Zillow’s New Touring Agreement Helps Agents Seamlessly Adjust to Industry Changes*, ZILLOW.COM (Aug. 1, 2024), <https://www.zillow.com/premier-agent/zillow-touring-agreement-nar-settlement/#state> (last visited Aug. 22, 2025).

1 agreement with the buyer. The representation agreement must (a) Be entered into before, or as soon
 2 as reasonably practicable after, the licensee has commenced efforts to assist the buyer in purchasing
 3 real property or in identifying real property for purchase.” O.R.S. § 696.810(1). In addition:

4 (5) A buyer’s agent owes the buyer, other principals and the principals’ agents
 5 involved in a real estate transaction the following affirmative duties:

6 (a) To deal honestly and in good faith;

7 (b) To present all written offers, written notices and other written
 8 communications to and from the parties in a timely manner without regard
 9 to whether the property is subject to a contract for sale or the buyer is
 10 already a party to a contract to purchase; and

11 (c) To disclose material facts known by the buyer’s agent and not apparent
 12 or readily ascertainable to a party.

13 (6) A buyer’s agent owes the buyer involved in a real estate transaction the
 14 following affirmative duties:

15 (a) To exercise reasonable care and diligence;

16 (b) To account in a timely manner for money and property received from
 17 or on behalf of the buyer;

18 (c) To be loyal to the buyer by not taking action that is adverse or
 19 detrimental to the buyer’s interest in a transaction;

20 (d) To disclose in a timely manner to the buyer any conflict of interest,
 21 existing or contemplated;

22 (e) To advise the buyer to seek expert advice on matters related to the
 23 transaction that are beyond the agent’s expertise;

24 (f) To maintain confidential information from or about the buyer except
 25 under subpoena or court order, even after termination of the agency
 26 relationship; and

27 (g) Unless agreed otherwise in writing, to make a continuous, good faith
 28 effort to find property for the buyer, except that a buyer’s agent is not
 required to seek additional properties for the buyer while the buyer is
 subject to a contract for purchase or to show properties for which there is
 no written agreement to pay compensation to the buyer’s agent.
 [O.R.S. § 696.810(5) & (6).]

97. Zillow Flex Agents are violating their fiduciary duties in many respects, including by
 not disclosing their Hidden Zillow fees, and not exercising reasonable skill and care on behalf of the
 buyers.

E. Current and Former Flex Agents Confirm Zillow’s RESPA Violations and Fraudulent Conduct

98. Current and former Flex agents, as well as bank loan officers, have confirmed that the allegations detailed in this Complaint are not isolated incidents, or the result of “rogue” agents. Instead, it is Zillow’s deliberate policy to (1) trick potential buyers into believing that they are dealing with the seller’s agent when they click the “Contact Agent” or “Request a Tour” button; and (2) steer clients to ZHL, even though Zillow knows—and the agents know—that the customers are receiving an inferior product at ZHL. The accounts of these agents are detailed below.

1. Confidential Real Estate Agent 1

99. Confidential Real Estate Agent 1 (“CA1”) worked in the Zillow Premier Agent Flex program (as an agent and a team lead) from the Fall of 2019 to Spring 2023 in the Southwest. CA1 was very successful in the program; during CA1’s time in the Flex program, CA1 completed over \$45 million in sales from Zillow referrals, resulting in over four hundred thousand dollars paid to Zillow in referral fees.

100. According to CA1, Zillow tracked the performance of the agents participating in the Flex program through multiple metrics, including customer satisfaction, or “CSAT,” and closed transactions (a/k/a “conversions”).

101. According to CA1, in 2023, Zillow introduced a new performance metric, “transfers to Zillow Home Loans,” to its Flex agent partners. The new performance metric required Flex partners to refer buyers (who had been referred to the agent/team by Zillow) back to Zillow Home Loans during the home buying process, provided that the buyer in question had “opted-in” on the Zillow website to receive information from Zillow Home Loans. The requirement was for 25% of these leads to be referred to Zillow’s lender through a “transfer” initiated by the agent through the Zillow Premier Agent app. The “opt-in” by the buyer was based on the pre-ticked box on the Zillow website, and was often unintentionally left there by buyers, who indicated that they had no interest in speaking with Zillow Home Loans.

102. According to CA1, this performance metric (transferring buyers to Zillow Home Loans) became a central performance metric that was used to define which agents were allowed to

1 continue participating in the Flex program (i.e. who would continue to receive leads generating
2 business income) and who would be dropped from the program.

3 103. CA1 is and was familiar with RESPA, and understands that RESPA prohibits giving
4 anything “of value” in exchange for a referral of a settlement service, including residential mortgage
5 loans. According to CA1, the ability to continue participating in the Flex program was undoubtedly
6 something of substantial value.

7 104. According to CA1, based on CA1’s experience, including speaking with Zillow Home
8 Loans loan officers, the rates offered by Zillow Home Loans were substantially higher than that of
9 other lenders (often times by more than a full point). CA1 also knows this from the purchase of
10 CA1’s own house.

11 105. CA1 was deeply uncomfortable with steering buyers to Zillow Home Loans, which
12 CA1 believed were more expensive and not beneficial to the buyers. CA1 was dropped from the
13 program based on CA1’s “failure” to steer sufficient buyers to ZHL.

14 106. During CA1’s participation in the Flex program, CA1 “failed” to comply with the
15 performance requirement to transfer at least 25% of Zillow buyers who had “opted in” to Zillow
16 Home Loans for a number of reasons. But the majority of the “opt in” buyers assigned to CA1 and
17 CA1’s team made it clear they had, in fact, not deliberately opted in to be contacted by Zillow Home
18 Loans (but had rather failed to untick the pre-ticked box as an oversight). In addition, when CA1
19 discovered that the interest rates charged by ZHL greatly exceeded the interest rates offered by other
20 lenders (and thereby market rates), CA1 felt that it would be unethical and a violation of CA1’s
21 fiduciary duties to CA1’s clients if CA1 encouraged his/her clients to use Zillow Home Loans.

22 107. According to CA1, it was, and remains, Agent’s 1’s belief that Zillow is abusing the
23 consumer trust that it has gained over the years to charge buyers excessive interest on its mortgage
24 loans.

25 2. Confidential Real Estate Agent 2

26 108. According to a real estate broker in the mid-Atlantic region of the United States
27 (Confidential Real Estate Agent 2, or “CA2”), who has supervised a Zillow Flex Agent team, as well
28

as Premier Zillow agents, a prospective buyer on the Zillow website has “no idea” that they are not connecting with the listing agent. CA2 has had to access the Flex training program, and in training agents are encouraged to not reveal that they are buyer agents until they meet with the clients at the home. Agents are also encouraged to take buyers out to show them properties, even if the buyers are under contract with a different buyers’ agent.

109. According to CA2, buyers are completely unaware that many of the agents who receive a Zillow lead are new, newer and/or completely inexperienced in the real estate market. Many of these agents are trained just to convert the Zillow referral (sometimes called a “lead”) and get them in to show a property. According to CA2, these agents often know virtually nothing about the real estate process, have no understanding of the real estate contracts and addendum, and are woefully unequipped to properly represent these buyers. Their understanding of the real estate market often centers around converting as many leads as possible into home buyers, and converting home buyers into Zillow Home Loans customers, so they can keep the lead flow turned on. According to CA2, he/she has witnessed this “ineptitude” personally in his/her own transactions, as well as having to intervene as the Principal Broker in other transactions.

110. According to CA2, Flex agents are facing increased pressure to steer buyers to ZHL; otherwise, they will lose their Flex status. As of now, they must meet a specific quota in order to retain their Flex status and lead flow. As a result, the buyers are receiving an inferior product, in that they are not being informed about loan programs that Zillow does not offer, including first time buyer down payment assistance. As a whole, Zillow customers are receiving loans that could have higher costs and less benefits as a result when compared to local lender products. This also affects buyers in that it makes them less likely to win an offer when in a competitive bidding scenario.

3. Confidential Real Estate Agent 3

111. Confidential Real Estate Agent 3 (“CA3”) has been in real estate and mortgage banking for over 25 years. CA3 is currently in the Zillow Flex program. According to CA3, Zillow is currently taking away leads provided via the Premier program, and moving agents to the Flex program.

112. According to CA3, Zillow only offers basic loans, and buyers need to have very good credit or they have difficulty getting pre-approved. Zillow also does not offer chattel loans (which are used, for example, for manufactured housing in trailer parks).

113. According to CA3, Zillow is steering customers to Zillow Home Loans, with consistent threats to drop agents from the Flex program if they do not meet certain quotas. Through ZHL, buyers are paying more at the back end, at closing, than other loan programs.

4. Confidential Real Estate Agent 4

114. Confidential Real Estate Agent 4 (“CA4”) has been a real estate agent for over six years in the mid-Atlantic region of the United States. CA4 is a team lead, with over 10 agents on CA4’s team. CA4 has not participated in the Zillow Flex or Premier program, but has seen and observed the impact of Zillow on the real estate industry.

115. According to CA4, as a listing agent, CA4 spends considerable funds to prepare a listing, including staging the property, and taking photos and videos of the property. Through MLS, and at CA4’s expense, Zillow monetizes CA4’s listing for free, and diverts leads away from CA4 through its website to an agent that often is inexperienced and is incentivized to simply close the deal quickly, without real regard for the buyers’ interests. In contrast, CA4 follows the approach that “not every house has to close,” and he/she doesn’t push a buyer into buying a specific house.

116. According to CA4, buyers, to their detriment, trust the Zillow name, and assume that they are getting skilled and knowledgeable agents, which often is not true. Flex agents tend to be the least experienced, because more established agents are not willing to pay up to 40% of their commissions to Zillow.

117. According to CA4, Zillow’s Flex program, which requires agents to pay up to 40% of their commissions to Zillow, means that buyers’ agents have no real flexibility to reduce their commissions to close a deal. Zillow Flex agents are incentivized to “turn and burn” leads, so that they can sell more houses to compensate for the high commissions paid to Zillow. The net effect is to keep commission inflated. CA4, on the other hand, has more flexibility to shave part of his/her commission to help soften the blow for clients.

118. According to CA4, Zillow also does not include all material information on its website, in order to encourage potential buyers to request a tour or contact an agent. For example, in the MLS, agents must indicate if a house is under contract, and must indicate whether the sale is contingent on certain conditions. But Zillow does not disclose this information, because it wants buyers to express an interest (and provide their contact information), even if a property is under contract. According to CA4, through the presentation of the homes, Zillow is creating “clickbait” that Zillow monetizes at the expense of the buyer.

119. According to CA4, most sellers will want to see the buyer use a local lender, and not a Zillow Home Loan. Zillow Home Loans sometimes does not run all the necessary credit checks, and it does not offer competitive rates on its loans.

5. Confidential Real Estate Agent 5

120. Confidential Real Estate Agent 5 (“CA5”) has been in real estate since 2021 in California, and worked as a Zillow “Flex” agent for two years. According to CA5, the Flex program is presented to certain high-achieving agents without any real option to decline. He/she is no longer in the Flex program, for reasons provided below.

121. According to CA5, many home buyers are caught off guard when meeting with Zillow Flex Agents in person, because they were unaware that the agents were a buyers’ agent, and not the listing agent. According to CA5, in training Zillow teaches agents during the initial phone call to avoid any conversation about whether the agents are buyers’ agents, and – if customers do ask about it – to brush it off as unimportant.

122. According to CA5, Zillow’s commission structure violates RESPA because, under the law as CA5 understands it, a referral fee can only be paid to a licensed agent, and Zillow is not a licensed agent.

123. According to CA5, beginning in 2022, Zillow has been adamant that agents should send leads to Zillow Home Loans. CA5 believed that this also violated RESPA, but was told to not worry about it because, if this was Zillow’s policy (which had been vetted by lawyers), then it must be fine. But CA5 had his/her own loan officers that he/she liked to use, and did not think ZHL was

1 a good deal for his/her clients. In particular, CA5 stated that, in his/her experience, ZHL has higher
 2 fees and higher interest rates. ZHL would “cherry-pick” the clients to get the best and easiest clients,
 3 and disregard or drop clients that required more work. CA5 believed that the pressure to steer clients
 4 to ZHL violated CA5’s fiduciary duties, and as a result CA5 quit the Flex program.

5 124. According to CA5, the net effect of Zillow’s policies is to keep commissions inflated.
 6 Since Flex agents have to pay up to 40% of the agent’s commission to Zillow, they are less willing
 7 to given up a quarter or half a point of their commission to close the deal.

8 **6. Confidential Real Estate Agent 6**

9 125. Confidential Real Estate Agent 6 (“CA6”) has been a real estate agent for about 10
 10 years in the Mountain West area of the United States. CA6 has been on a Flex team since the year
 11 2020.

12 126. According to CA6, although Zillow does not put it in writing, Zillow’s representatives
 13 tell agents in the Zillow Flex and Premier programs that they have to steer clients to Zillow Home
 14 Loans, and that the more clients agents steer to Zillow Home Loans, the better their leads will be.
 15 Zillow also has certain minimum quotas that the agents must meet, or they are kicked out of the
 16 program.

17 127. According to CA6, the net effect of the commissions agents must pay to Zillow is to
 18 keep commissions inflated. Typically, a buyer’s agent might be willing to reduce his or her
 19 commission to help out the buyer with closing costs, but Zillow Flex agents have no real room or
 20 flexibility to do so given the payments of up to 40% to Zillow. According to CA6, Zillow also
 21 discourages agents from reducing their commissions; “why didn’t you get more?,” would be Zillow’s
 22 response if CA6 reduced his/her commission. In addition, according to CA6, Flex agents must pay
 23 the referral fee to Zillow if the agent is involved in the future sale of the property at issue, for up to
 24 two years.

25 128. According to CA6, Zillow coaches agents on what to say, including not volunteering
 26 during the first phone call that the Zillow agent is the buyer’s agent (and not the listing agent). Agents
 27 are also taught to tell clients that it is not in their best interest to contact the listing agent directly.

1 129. According to CA6, Zillow Home Loans sends out inaccurate and misleading closing
2 schedules, which it does frequently. For example, to secure the business, ZHL will release a closing
3 schedule that doesn't include all the closing costs. At closing, the buyer has the choice to either pay
4 the costs that were not disclosed, or walk away from the deal. CA6 had a buyer who got upset with
5 CA6 when this occurred, even though the figures came from ZHL. If CA6 complained, Zillow would
6 reduce his/her leads.

7 **7. Confidential Real Estate Agent 7**

8 130. Confidential Real Estate Agent 7 ("CA7") has been a realtor for over 20 years in the
9 Mountain West region of the United States, and is intimately familiar with the Zillow Flex program.
10 According to CA7, after a buyer visits Zillow.com and expresses an interest in a property, a Zillow-
11 affiliated agent will receive the referral and tell potential buyers that they are the listing agent, or that
12 they work for the listing agent, or that it is "against the law" to work directly with the seller.
13 According to CA7, if the agent does not proceed as if they are the listing agent, the agent's conversion
14 rate (converting leads into deal) reduces greatly. The Flex agent will not receive any more leads if
15 he/she does not convert leads into deals.

16 131. According to CA7, he/she has had several instances in which the buyer's agent (the
17 Zillow-affiliated agent) told CA7's client (the seller) that the Zillow agent worked for CA7, because
18 the Zillow agent showed the house to the buyer. In one example, a seller client told CA7 that a buyer
19 was trying to reach CA7 to see the house, but instead was connected to a Zillow agent. CA7
20 confirmed with the Zillow agent that the buyer was redirected on purpose to the Zillow Flex agent.
21 The person who showed them the house (and eventually wrote the offer) falsely said that CA7 was
22 busy and that he/she was one of CA7's associates.

23 132. According to CA7, he/she knows several Zillow Flex agents who have been told, "do
24 not ever discuss the referral with consumers and don't disclose it."

25 133. According to CA7, the commissions paid to Zillow by the Zillow Flex agents are kept
26 hidden from the consumers, and they are not included in the closing documents. Sometimes the title
27 company wires the money directly to Zillow, or pays the broker who then pays Zillow, without the
28

1 consumers ever knowing. According to CA7, they are doing this on purpose, because if they
2 disclosed the commissions paid to Zillow, consumers would say, “why are we paying this much
3 money to this company that doesn’t do anything? Why are we paying all this when we could use it
4 to buy down the rate or pay for repairs?” CA7 knows this because, based on CA7’s experience,
5 when referral fees are included in the closing documents, the customers wanted to know why this
6 company was getting paid, and often wanted to challenge it.

7 134. According to CA7, the large commissions paid to Zillow are hurting home buyers,
8 because the agents have no flexibility to agree to a lower commission. The \$5,000 to \$15,000 that
9 could be shaved off the purchase price can often make the difference between getting the house, or
10 losing it to another buyer. According to CA7, none of these buyers would use these agents if they
11 knew they were paying this referral—they would instead contact the seller agent directly, or use
12 another agent. The large commissions paid to Zillow put the buyers at a distinct disadvantage when
13 trying to buy a house.

14 135. According to CA7, if the consumer had the option of going directly to the seller or
15 listing agent, the consumer would “absolutely” get a better deal and lower costs. And if the buyer’s
16 agent knew the buyer could access the listing agent, it would stop buyer’s agents from charging
17 “outrageous” commissions as they are doing now. According to CA7, Zillow’s dominance of the
18 market and deceptive practices is part of the reason why commissions remain high.

19 136. According to CA7, beginning at least as early as 2019, Zillow representatives were
20 pressuring CA7 to push clients to use Zillow’s products, including Zillow Mortgage. Zillow
21 representatives told CA7 that CA7 needed to push these products, including Zillow Mortgage, and
22 if not, CA7’s leads would dry up. CA7 also knows that other agents were facing similar pressure
23 during that time period.

24 137. According to CA7, Zillow agents now visit Flex Agents in person, so that they can
25 talk about the performance metrics (including the rate at which agents steer clients to ZHL) without
26 putting anything in writing.

1 **8. Confidential Real Estate Agent 8**

2 138. Confidential Real Estate Agent 8 (“CA8”), who is from the southeastern part of the
3 United States, was recently a Flex Agent, but was removed from the program because CA8 refused
4 to refer customers to ZHL based on CA8’s belief that ZHL does not serve the interests of potential
5 buyers. If an agent does not get 10% or more of his/her clients to obtain a pre-approval letter from
6 ZHL, the agent is dropped from the program. But the 10% figure is hard to reach because a
7 substantial number of the clients did not see that the “Get financial information” box was pre-
8 checked.

9 139. According to CA8, ZHL offers loans with higher interest rates compared to others on
10 the market. CA8 has had the experience of seeing potential buyers get offers from ZHL that are
11 nearly one percent higher than what ZHL offered.


12 140. CA8 believed that steering customers to ZHL in exchange for something of value
13 (leads on buyers) was a clear RESPA violation. When CA8 refused to steer clients to ZHL, CA8
14 was told that he/she was not a “team player.”

15 141. CA8 was previously a very successful agent, with about \$15 million in sales last year.
16 But CA8 was dropped from the program simply because CA8 refused to violate the law.

17 142. CA8 provided the following screenshots that show how Zillow monitors and coerces
18 agents into referring clients to ZHL:

1
2  **All your Flex contacts are up to**
3 **date!**
4

5 You are eligible to receive new Flex
6 connections. Keep up the great work!
7

8
9
10  **Your connections are limited**
11 **Get 1 more pre-approval to move**
12 **up to Fair and earn more**
13 **connections.**
14

15
16 143. CA8 also shared screenshots demonstrating that, if asked directly about loan packages
17 that ZHL does not offer, like down payment assistance (DPA), Zillow trains agents to avoid the
18 question and refer them to ZHL anyway, despite the obvious conflict with the client's interests:

- 19 ■ #3. What if they need a DPA product, VA loan or
20 jumbo product?
- 21 ■ Inform them that Zillow Home Loans offers a
22 variety of competitive products for all client
23 needs. Let them know you will connect them
24 with your dedicated loan officer who will
25 walk them through their loan options and
26 pre-approval steps.

1 **9. Confidential Real Estate Agent 9**

2 144. Confidential Real Estate Agent 9 (“CA9”) has been in real estate for over 35 years in
3 the New York/New Jersey area. According to CA9, potential buyers are being duped into signing
4 an agreement with a buyer’s agent, before seeing the property, which means that the buyers are
5 locked into using the first agent they signed up with—often thinking that the agent was the listing
6 agent. The buyer’s agent is often an agent who has paid Zillow to promote them as a “premier agent,”
7 with no verification of experience. As a listing agent, CA9 often gets the chance to communicate
8 and deal directly with the buyers. But, according to CA9, Zillow deceives the public and deprives
9 them of an opportunity to connect with the listing agents.

10 145. According to CA9, as a result of the payments buyers’ agents have to pay Zillow, the
11 buyers pay more for the house because the agents’ “hands are tied”; they have less room to maneuver
12 in reducing their commissions to close the deal because of the large percentage they owe to Zillow.

13 **10. Confidential Real Estate Agent 10**

14 146. Confidential Real Estate Agent 10 (“CA10”) is a real estate agent in the Midwest who
15 worked on a Zillow Flex team for nearly two years. According to CA10, nearly all of the customers
16 who requested a tour or an agent on Zillow.com thought the Flex agents were the listing agent, based
17 on the design of the app and website.

18 147. According to CA10, Flex agents are pushed aggressively by Zillow to use ZHL, and—
19 if agents do not steer clients to ZHL—they will receive fewer leads or be cut from the program.
20 CA10 believes this clearly violates RESPA. In addition, ZHL often failed to fully disclose fees.
21 Partly for this reason, and consistent with an agent’s fiduciary duties, CA10 would encourage his/her
22 clients to use another lender.

23 148. According to CA10, Zillow now avoids written or recorded communications as part
24 of its training program. Instead, Zillow flies their people out to Flex team offices to avoid putting
25 anything in writing, which CA10 regards as “shady” and “just not right.”

26 149. According to CA10, the “blue badge” on agents’ profiles was misleading to
27 consumers and did not reflect experience or performance. The “blue badge” just meant the agent was

1 part of the program. According to CA10, the problem was that average customers believe they are
 2 getting a “superstar,” but in reality it could be an agent that has never sold a house before.

3 **11. Confidential Loan Officer 1**

4 150. According to Confidential Loan Officer 1 (“LO1”), a licensed mortgage loan officer
 5 in the Pacific Northwest with more than 30 years of experience in the real estate and mortgage
 6 industry, the loan products and lending practices of Zillow Home Loans (ZHL) are consistently
 7 substandard compared to those offered by traditional lenders and independent mortgage
 8 professionals.

9 151. *Limited Loan Programs and Misrepresentation of Options.* According to LO1,
 10 Zillow Home Loans offers only a narrow range of loan products, which often prevents buyers from
 11 obtaining the most advantageous financing available. For example, Zillow does not participate in or
 12 disclose the existence of Down Payment Assistance (DPA) programs, which are critical for helping
 13 many first-time and moderate-income buyers achieve homeownership. By failing to inform clients
 14 about these options, Zillow effectively steers buyers into higher-cost loans or disqualifies them
 15 altogether from purchasing.

16 152. According to LO1, Zillow also does not offer USDA loans for eligible rural
 17 borrowers, and the VA loan programs it does provide frequently carry higher interest rates and
 18 additional fees than comparable VA products offered through other lenders. In several cases observed
 19 by LO1, borrowers who initially began with Zillow were able to obtain significantly better terms
 20 after transferring their loans to LO1’s company.

21 153. Additionally, according to LO1, Zillow does not provide non-conforming or
 22 specialized loan products, which are often necessary for self-employed borrowers or those with
 23 complex financial profiles. In today’s market, this limitation excludes a large portion of qualified
 24 buyers who would otherwise be able to obtain financing.

25 154. *Lack of Transparency and Inaccurate Disclosures.* According to LO1, and based
 26 on LO1’s professional experience, Zillow loan officers frequently misrepresent or omit important
 27 details regarding the borrower’s true costs at closing. In one documented instance, a Zillow
 28

representative offered a rate that appeared lower than LO1's competing quote; however, the Zillow quote understated the property tax obligations associated with the home purchase. The buyer later discovered the true tax costs were substantially higher, leading to unexpected expenses and potential risk of losing the transaction. According to LO1, the Zillow loan officer involved in that transaction was not licensed in the same state where the property was located and was unfamiliar with that state's tax structure and lending requirements—an issue that LO1 notes is common among Zillow's remote lending staff.

155. **Targeting Only "Easy" Borrowers.** According to LO1, Zillow's business model appears focused on quickly closing loans for highly qualified borrowers while abandoning applicants who present any complexity—such as moderate credit, higher debt-to-income ratios, or non-traditional income sources. According to LO1, and based on LO1's experience and conversations with industry colleagues, Zillow's system emphasizes speed and volume over borrower advocacy, often leaving more challenging clients without proper guidance or access to suitable loan alternatives.

156. **Inexperienced Staff and Incentive-Driven Culture.** According to LO1, Zillow employs inexperienced loan officers, often paying them substantially below industry standards. Their compensation is structured around loan volume, incentivizing them to process as many applications as possible rather than ensuring that each client receives accurate, personalized, and compliant guidance. This approach leads to poor communication, inaccurate disclosures, and inconsistent client service.

157. **Coercive Steering Practices and Agent Mandates.** According to LO1, Zillow is now forcing its Premier Agents to convert into the Flex Program, under which Zillow mandates that at least one out of every five buyer leads must close through Zillow Home Loans (ZHL). Agents who fail to meet this quota or who decline to participate in the Flex program altogether are removed from Zillow's lead distribution system and terminated from the program.

158. According to LO1, this requirement effectively coerces agents to steer their clients toward Zillow's inhouse lending arm, regardless of whether the loan is the most suitable or cost-effective option for the buyer. In LO1's professional opinion, this practice creates a serious conflict

1 of interest, undermines consumer choice, and violates fundamental ethical and fiduciary obligations
 2 owed by real estate professionals to their clients.

3 **12. Confidential Loan Officer 2**

4 159. Confidential Loan Officer 2 (“LO2”) has been working in the mortgage loan industry
 5 for over 10 years in the American Southwest, and works extensively with Zillow-affiliated agents
 6 (including Zillow Flex Agents). According to LO2, Zillow only provides loans to customers with
 7 “Grade A paper” —meaning those who have a top credit score and do not pose any substantive risk.
 8 Zillow does not loan to potential buyers with lower scores, nor does Zillow offer jumbo loans,
 9 assistance to first time home buyers, or loans for fabricated homes, among other things.

10 160. According to LO2, since 2022, Zillow has been requiring agents to steer clients to
 11 Zillow loan officers, and steering customers away from loan officers (like LO2) with proven track
 12 records and a history of success in closing real estate sales. According to LO2, Zillow loan officers
 13 are often less experienced and less knowledgeable than other officers, and less successful in closing
 14 deals, leading to many frustrated buyers who cannot close with a Zillow home loan.

15 161. According to LO2, Zillow’s steering efforts begin when a potential buyer is on
 16 Zillow’s website and signs up for a tour (or selects “Contact Agent”), and the box indicating the
 17 buyer’s interest in “financing” is pre-checked. According to LO2, many times the buyer does not
 18 see the pre-checked box and has no interest in getting financing information from Zillow. Other
 19 times, the buyers may have an interest in “financing,” but not necessarily through Zillow Home
 20 Loans. In either case, however, according to LO2, Flex agents tell these buyers that the agents have
 21 no choice but to refer them to Zillow Home Loans because the buyers did not uncheck the pre-
 22 checked box—a direct acknowledgement that the agents are steering potential buyers to Zillow
 23 Home Loans.

24 162. According to LO2, the agents are measured and judged based on metrics created by
 25 Zillow that capture how many clients that supposedly expressed an interest in “financing” are pre-
 26 approved for a loan by Zillow Home Loans. Zillow then threatens to remove, and does remove,
 27 Zillow Flex agents who fail to meet Zillow’s 10% quota. But the 10% quota is even harder to meet

1 because a great number of those buyers never had an interest in “financing,” or Zillow Home Loans,
2 in the first place. Nevertheless, according to LO2, even if the agents are otherwise high performers
3 and skilled at their jobs, they are terminated from the program if they do not steer enough clients to
4 Zillow Home Loans.

5 163. According to LO2, Zillow also requires Zillow-affiliated agents to use its Customer
6 Relationship Management (“CRM”) software called Follow-Up Boss. Agents must pay to use this
7 software, which provides a phone number for the agents to use when they communicate with their
8 clients through a Follow-Up Boss app. According to LO2, Zillow uses the Follow-Up Boss app and
9 software to actively monitor the Zillow Flex Agents, to make sure that they are following the scripts
10 and rules that Zillow imposes. The Follow-Up Boss software captures agents’ communications with
11 their clients, including phone calls and text messages. According to LO2, this is a violation of an
12 agent’s fiduciary duty to his/her clients to keep this information confidential. Zillow is not the agent
13 and should not be privy to the clients’ confidential information. The Follow-Up Boss also only offers
14 Zillow Home Loans as an option for a buyer looking for financing.

15 164. According to LO2, part of the effect of Zillow monitoring all communications is that
16 Zillow’s loan officers can identify cases in which the Zillow Flex agents are recommending loan
17 officers who are not with Zillow. In those cases, Zillow loan officers ask Zillow Flex agents why
18 the clients are not being referred to Zillow Home Loans. According to LO2, much like the Zillow
19 Flex agents, the Zillow loan officers are not particularly skilled or experienced, are paid a small
20 salary, and earn only small commissions on each loan they close. As a result, the incentive is for the
21 loan officers (just like the Zillow Flex agents) to churn through as many loans as possible, and only
22 take on clients that will be easy to get approved.

23 165. However, according to LO2, the loan officers often tell the Zillow-affiliated agents to
24 not refer certain clients to them because they can see that the clients are either not interested in Zillow
25 Home Loans or pose too much of a credit risk. Just like with the Zillow Flex agents, Zillow loan
26 officers have to close on a certain percentage of clients that are referred to them, and Zillow loan
27

officers do not want “bad” leads that make it more difficult for the loan officers to make their numbers.

166. According to LO2, agents now fear Zillow, and Zillow is monetizing that fear and violating RESPA in the process. According to LO2, the purpose of RESPA was to create an open and free market. Yet, according to LO2, the net effect of Zillow’s policies is to force Zillow-affiliated agents to steer clients to Zillow Home Loans, regardless of whether this is in the clients’ interests. According to LO2, the success of Zillow’s program is evident in looking at Zillow’s performance compared with the market overall.

167. According to LO2, the effect of Zillow’s policies is to make it more difficult for Zillow Flex agents to agree to a reduction in their commission in order to cover closing costs and seal the deal. Buyers no longer have wiggle room to seek a lower buyer agent commission because the Zillow Flex agents have to pay up to 40% to Zillow.

168. In the end, LO2 paid a great deal of money to Zillow for leads on mortgages for several years, but—starting in 2022—Zillow turned on LO2 by steering clients away from him/her. LO2 had great success with Zillow’s referral program because LO2 was skilled at closing loans and had developed a strong reputation in the industry. But Zillow now steers clients away from LO2 and toward loan officers that are not skilled or knowledgeable, and not able to effectively serve the buyers’ interests.

F. Defendants’ Anti-Competitive Conduct

169. The harmful effects of Zillow’s fraudulent conduct are exacerbated and amplified by its abuse of its dominant position to monopolize as many listings as possible. On April 10, 2025, Zillow announced that it would be implementing the Zillow Listing Access Standards (the “Zillow LAS”). Under this program, agents must list any properties on MLS (which thereby get routed to Zillow) within 24 hours of any effort by the seller’s agent to sell the property. This includes, for example, yard signs, virtual tours, or social media posts.³⁸ If the agents do not list their properties

³⁸ See Zillow Premier Agent, *Zillow’s Listing Access Standards: What Agents Need to Know*, ZILLOW.COM (May 20, 2025), available at <https://www.zillow.com/premier-agent/agents-know-listing-access-standards/> (last visited Aug. 22, 2025). Zillow defines “public marketing” to mean (i) “promoting, marketing, or advertising a listing in any manner”, including without limitation, “flyers, yard signs, social media, public-facing websites or apps, emails, printed mailers, newspapers, open houses, previews, showings, multi-brokerage listing sharing networks, virtual tours, and brokerage

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1 within 24 hours, they are sent warnings of non-compliance. According to Zillow, “each non-
 2 compliant listing will be logged as a single violation and the listing agent will be notified directly on
 3 each violation.” *Id.*

4 170. Critically, *every single post* is a violation, and “an agent’s third non-compliant listing
 5 – and any subsequent non-compliant listings—will be blocked from Zillow and Trulia for the life of
 6 the listing agreement between that listing broker and seller.” *Id.* The practical effect of this conduct
 7 is that sellers and their agents are forced to list through Zillow via the MLS within 24 hours of putting
 8 out any public information about the property for sale. The purpose and effect of this policy is to
 9 ensure that all houses, throughout the country, will be listed on Zillow so that Zillow can maintain
 10 and grow its monopoly and continue to unjustly earn profits through its fraudulent practices.

11 171. Zillow’s efforts to capture the whole market are made more insidious because Zillow
 12 slaps the homes for sale with a “Zestimate” (Zillow’s estimate of the sale price of the home), which
 13 is often inaccurate and is contrary to the seller’s interest. Zillow acknowledges in fine print that “[t]he
 14 amount of data we have for your home and homes in your area directly affects the Zestimate’s
 15 accuracy, including the amount of demand in your area for homes.”³⁹

16 172. Without the deceptive practices, more home buyers would connect directly with
 17 listing agents and avoid the Hidden Zillow Fees. Due to Zillow’s deceptive practices, more buyers
 18 use buyer agents than they otherwise would, which results in higher buyer broker commissions and
 19 correspondingly higher purchase prices. Neither Zillow nor the participating real estate agents
 20 disclose to the buyer that Zillow collects up to 40% of the commissions that the seller pays to the
 21 buyer broker.

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 26 private listing networks to the extent such listing network is publicly marketed and/or accessible to consumers, including
 27 those accessible only to a brokerage’s clients behind a registration wall”; and/or (ii) sending and/or transmitting a Listing,
 regardless of status, to an MLS, unless seller opts out of the display of the Listing everywhere on the internet due to
 privacy concerns, and executes a Seller Waiver (as defined below). *Id.*

28 ³⁹ What is a Zestimate?, ZILLOW.COM, <https://www.zillow.com/z/zestimate/> (last visited Aug. 22, 2025).

G. Zillow’s Choice of Law Clause

173. According to Zillow’s “Terms of Use,” Washington State law applies to any disputes between Zillow and its users.⁴⁰

V. CLASS ACTION ALLEGATIONS

174. Plaintiffs bring this action on behalf of themselves, and as a class action under Federal Rule of Civil Procedure 23, on behalf of the members of the following Class based on violations of RICO, RESPA, the Washington Consumer Protection Act, and the law of unjust enrichment:

All persons and entities in the United States who, from October 1, 2018, to the present, purchased a home listed on Zillow.com, and were represented by a Zillow agent.

175. Plaintiffs also bring this action on behalf of the following Subclass (the “Steering Subclass”) based on violations of RESPA Section 8(a), 12, U.S.C. § 2607(a):

All persons and entities in the United States who, from October 1, 2018, to the present, (i) purchased a home listed on Zillow.com, and were represented by a Zillow agent; and (ii) used Zillow Home Loans to finance the purchase.

176. Excluded from the Class and Steering Subclass are Defendants, their officers, directors and employees; any entity in which Defendants have a controlling interest; and any affiliate, legal representative, heir or assign of any Defendant. Also excluded from the Class are any judicial officers presiding over this action and the members of their immediate family and judicial staff, jurors, and Plaintiffs’ counsel and employees of their law firms.

177. The Class and Steering Subclass are readily ascertainable because records of the relevant property transactions should exist and are easily obtainable.

178. The Class and Steering Subclass members are so numerous that individual joinder of all its members is impracticable. Due to the nature of the trade and commerce involved, Plaintiffs believe that the Class and Steering Subclass have at least tens of thousands of members, the exact number and their identities being known to Defendants.

⁴⁰ See *Zillow Terms of Use*, ZILLOW.COM (May 20, 2025), <https://www.zillow.com/z/corp/terms/> (last visited Sept. 18, 2025).

179. Plaintiffs will fairly and adequately protect the interests of the members of the Class and Steering Subclass. Plaintiffs' interests are aligned with, and not antagonistic to, those of the other members of the Class and Steering Subclass.

180. Common questions of law and fact exist as to all members of the Class and Steering Subclass and predominate over questions affecting only individual Class and Steering Subclass members. These common legal and factual questions, each of which also may be certified under Rule 23(c)(4), include but are not limited to the following:

- a. Whether Defendants engaged in the alleged conduct;
- b. Whether Defendants' conduct violates RICO and RESPA, as alleged herein;
- c. Whether Defendants engaged in a pattern or practice of racketeering, as alleged herein;
- d. Whether the conduct of Defendants caused injury to the business or property of Plaintiffs and the other members of the Class and Steering Subclass;
- e. Whether the effect of Defendants' conduct was to inflate both total commissions and buyer broker commissions that increased the buyer's purchase price;
- f. Whether Plaintiffs and the other members of the Class and Steering Subclass are entitled to, among other things, injunctive relief, and, if so, the nature and extent of such injunctive relief;
- g. Whether Defendants' conduct is unlawful; and
- h. The appropriate class-wide measures of damages.

181. Plaintiffs' claims are typical of the claims of the members of the Class and Steering Subclass because their claims arise from the same course of conduct by Defendants, and the relief sought within the Class and Steering Subclass is common to each member. There are no defenses available to Defendants that are unique to Plaintiffs or to any particular Class and Steering Subclass members.

182. Plaintiffs will fairly and adequately represent and protect the interests of the Class and Steering Subclass, have no interest incompatible with the interests of the Class and Steering Subclass, and have retained counsel competent and experienced in class action, consumer protection, and false advertising litigation.

183. A class action is the superior method for the efficient adjudication of this litigation because individual litigation of Class and Steering Subclass members' claims would be impracticable and individual litigation would be unduly burdensome to the courts. Because of the size of the individual Class and Steering Subclass members' claims, no Class or Steering Subclass member could afford to seek legal redress for the wrongs identified in this Complaint. Without the class action vehicle, the Class and Steering Subclass would have no reasonable remedy and would continue to suffer losses, as Defendants continue to engage in the unlawful, unfair, fraudulent, and/or deceptive conduct that is the subject of this Complaint, and Defendants would be permitted to retain the proceeds of their violations of law. Further, individual litigation has the potential to result in inconsistent or contradictory judgments. A class action in this case presents fewer management problems and provides the benefits of single adjudication, economies of scale, and comprehensive supervision by a single court.

184. Additionally, the Class and Steering Subclass may be certified under Rule 23(b)(1) and/or (b)(2) because:

- a. The prosecution of separate actions by individual Class and Steering Subclass members would create a risk of inconsistent or varying adjudications with respect to individual Class and Steering Subclass members that would establish incompatible standards of conduct for Defendants;
- b. The prosecution of separate actions by individual Class and Steering Subclass members would create a risk of adjudications with respect to them which would, as a practical matter, be dispositive of the interests of other Class and Steering Subclass members not parties to the adjudication, or substantially impair or impede their ability to protect their interests; and/or

c. Defendants have acted or refused to act on grounds generally applicable to the Class and Steering Subclass, thereby making appropriate final and injunctive relief with respect to the Class and Steering Subclass members as a whole.

VI. TOLLING OF THE STATUTES OF LIMITATIONS

185. As of the date of this Complaint, Zillow still does not disclose on its website whether Zillow-affiliated real estate agents are Zillow “Flex” agents. More importantly, Defendants and its affiliated agents at no point disclose the existence of the Hidden Zillow Fees to buyers or sellers during the property transaction. There was no reasonable way for the public, including Plaintiffs, to know that Zillow Flex agents were involved in their transactions, and certainly no reasonable way for the public and Plaintiffs to know about the payment of the Hidden Zillow fees. Indeed, Defendants concealed these facts from buyers and sellers.

186. Plaintiffs and Zillow.com users further had no way of knowing about Zillow deceptive conduct generally, including the deceptive design of Zillow’s website. As a result, Plaintiffs and other members of the public did not discover and reasonably could not have discovered Zillow’s fraudulent conduct and receipt of hidden fees. Any applicable statutes of limitations or repose are accordingly tolled.

187. In addition, Defendants do not disclose to potential buyers that Zillow Flex agents are required to steer buyers to ZHL. (Indeed, Defendants conceal the very identity of Zillow Flex agents). There was no reasonable way for the public, including Plaintiffs, to know that Zillow required Flex agents to steer buyers to ZHL, which offers a substandard product. There was also no way for the public, and Plaintiffs, to know that Zillow agents were being trained by Zillow personnel, in person, without putting it in writing, on the requirements to meet certain steering benchmarks. As a result, Plaintiffs and other members of the public did not discover and reasonably could not have discovered Zillow’s RESPA violations. And applicable statutes of limitations or response are accordingly tolled.

VII. CLAIMS FOR RELIEF

COUNT I VIOLATIONS OF THE RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT 18 U.S.C. § 1962(c)-(d) (On behalf of the Nationwide Class, against All Defendants)

188. Plaintiffs incorporate and reallege the foregoing factual allegations by reference.

189. All Plaintiffs bring this claim for themselves and on behalf of the Nationwide Class against Defendants.

190. Pursuant to 18 U.S.C. § 1962(c): “It shall be unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise’s affairs through a pattern of racketeering activity or collection of unlawful debt.”

191. Plaintiffs are entitled to a civil remedy for any violation of 18 U.S.C. § 1962 for “[a]ny person injured in his business or property by reason of a violation of section 1962 of this chapter.” 18 U.S.C. § 1964(c).

192. Each Defendant is liable under 18 U.S.C. § 1962(c) because it conducted or participated in the conduct of the affairs of an “association-in-fact enterprise” through a pattern of racketeering activity. Each Defendant is also liable under 18 U.S.C. § 1962(d) because it conspired to violation 18 U.S.C. § 1962(c).

193. As a direct and proximate result of its fraudulent scheme and common course of conduct described throughout this Complaint, Defendants were able to extract hundreds of millions if not billions of dollars from Plaintiffs and Class Members.

1. The Zillow Fraudulent Business Enterprise

194. At all relevant times, each Defendant has been a “person” under 18 U.S.C. § 1961(3) because it is capable of holding, and does hold, a “legal or beneficial interest in property.”

195. Each Defendant conducted and participated in the conduct of an association-in-fact enterprise as defined in 18 U.S.C. § 1961(4) (hereinafter the “Zillow Fraudulent Business Enterprise.”). Members of the Zillow Fraudulent Business Enterprise are Zillow, Inc., Zillow Group,

1 Inc., Zillow Homes, Inc., Zillow Listing Services, Inc., Zillow Home Loans, LLC, Works Industries,
2 LLC, GK Properties, the Frano Team, and other individuals and entities, including unknown third
3 parties, involved in fraudulently inducing home buyers into using Zillow Flex agents and illegally
4 steering buyers into using Zillow Home Loans.

5 196. The Zillow Fraudulent Business Enterprise was and continues to be characterized by
6 a common purpose, maintaining relationships among the members of the Zillow Fraudulent Business
7 Enterprise, and sufficient longevity to accomplish the common purpose thereof.
8 Each Defendant and each member of the Zillow Fraudulent Business Enterprise conducted and
9 participated in the conduct of the Zillow Fraudulent Business Enterprise through a pattern of
10 racketeering activity.

11 197. The Zillow Fraudulent Business Enterprise was formed for the common purpose of
12 fraudulently inducing prospective home buyers into using Zillow Flex agents, and illegally steering
13 buyers into using Zillow Home Loans.

14 198. At all relevant times, the Zillow Fraudulent Business Enterprise: (a) had an existence
15 separate and distinct from Zillow; (b) was separate and distinct from the pattern of racketeering in
16 which Zillow engaged; and (c) was an ongoing organization consisting of legal entities.

17 199. While Zillow participated in and is a member of the Zillow Fraudulent Business
18 Enterprise, it has a separate existence that is distinct from the Zillow Fraudulent Business Enterprise,
19 including distinct legal status, different offices and role, bank accounts, officers, directors,
20 employees, individual personhood, reporting requirements, and financial statements.

21 200. The Zillow Fraudulent Business Enterprise is characterized by ongoing relationships
22 among its members. Most notably, Zillow's personnel and executives worked with Zillow Flex
23 agents, including the Zillow Flex agents who work for the Real Estate Defendants, to fraudulently
24 induce prospective home buyers into using Zillow Flex agents, and illegally steering buyers into
25 using Zillow Home Loans.

26 201. Within the Zillow Fraudulent Business Enterprise, there was a common
27 communication network through which Zillow and members of the Zillow Fraudulent Business
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Enterprise shared information on a regular basis. The Zillow Fraudulent Business Enterprise used this communication network for the purpose of furthering its common purpose and conducting its pattern of racketeering activities.

202. Zillow and each member of the Zillow Fraudulent Business Enterprise conducted and participated in the conduct of the Zillow Fraudulent Business Enterprise by engaging in a pattern of racketeering activity to further the common purpose of the Zillow Fraudulent Business Enterprise. Zillow exercised control over, directed, and participated in the operation and management of the Zillow Fraudulent Business Enterprise by directing its affairs and using members of the Zillow Fraudulent Business Enterprise as instrumentalities to carry out the fraudulent scheme of the Zillow Fraudulent Business Enterprise and further its common goals.

203. In particular, members of the Zillow Fraudulent Business Enterprise worked to fraudulently induce prospective home buyers into using Zillow Flex Agents by (a) falsely advertising agents as “Top Agent on Zillow,” even when a substantial number of the agents are experienced, have no or little sales, and lack familiarity with the neighborhood of the homes; (b) falsely suggest or expressly misled potential buyers into thinking that the buyers are contacting the listing agent when they select “Contact Agent” or “Request a Tour” buttons on Zillow’s website; (c) failing to disclose to potential buyers that Zillow Flex agents must pay up to 40% of their commissions to Zillow; and (d) illegally steering buyers into using Zillow Home Loans, without disclosing that ZHL offers a substandard product, and without disclosing that the Zillow Flex agents are receiving something of value in exchange for steering. For this Enterprise, Zillow trained, monitored, and closely supervised the conduct of the Real Estate Defendants.

204. Zillow and each of the Real Estate Defendants knew of, supported, and participated in the Zillow Fraudulent Business Enterprise by coordinating their own conduct to further the common purpose of the Zillow Fraudulent Business Enterprise. Moreover, Zillow and each of the Real Estate Defendants knew that potential buyers were being defrauded, yet they stayed silent to further the common purpose of the Zillow Fraudulent Business Enterprise.

205. Each member of the Zillow Fraudulent Business Enterprise shared in the bounty

1 generated by the enterprise—*i.e.*, by sharing the benefit derived from commission payments by home
2 buyers.

3 206. The Zillow Fraudulent Business Enterprise engaged in, and its activities affected,
4 interstate and foreign commerce, because it involved commercial activities across state boundaries,
5 such as the marketing, advertisement, and purchase of the Zillow home listings, and the receipt of
6 monies from the commissions of the sales of homes listed on Zillow.

7 **2. The Predicate Acts**

8 207. The Zillow Fraudulent Business Enterprise's common purpose of illegally profiting
9 from the commissions paid by buyers for homes listed on Zillow's website was facilitated by a
10 pattern of mail and wire fraud. The Zillow Fraudulent Business Enterprise's scheme constitutes
11 racketeering activity within the meaning of 18 U.S.C. §§ 1961(1), 1961(5) & 1962(c), by using mail
12 and wire facilities, in violation of 18 U.S.C. §§ 1341 (mail fraud) & 1343 (wire fraud).

13 208. Specifically, each Defendant has committed, conspired to commit, and/or aided and
14 abetted in the commission of, at least two predicate acts of racketeering activity (*i.e.*, violations of
15 18 U.S.C. §§ 1341 & 1343). The multiple acts of racketeering activity were related to each other,
16 posed a threat of continued racketeering activity, and therefore constitute a "pattern of racketeering
17 activity." The racketeering activity was made possible by each Defendant's regular and knowing use
18 of the facilities, services, distribution channels, and employees of the Zillow Fraudulent Business
19 Enterprise. Each Defendant knowingly and intentionally participated in the scheme to defraud by
20 using mail, telephone, and the internet to transmit mailings and wires in interstate or foreign
21 commerce.

22 209. Zillow and the Real Estate Defendants devised and knowingly carried out a material
23 scheme and/or artifice to defraud Plaintiffs and the Nationwide Class or to obtain money from
24 Plaintiffs and the Nationwide Class using materially false or fraudulent pretenses, representations,
25 promises, or omissions of material facts.

26 210. Defendants' predicate acts of racketeering, 18 U.S.C. § 1961(1), include but are not
27 limited to:

a. **Mail Fraud:** Each Defendant violated 18 U.S.C. § 1341 by sending and receiving, and by causing to be sent and/or received, materials via U.S. Mail or commercial interstate carriers for the purpose of executing the unlawful scheme to defraud by marketing, communicating, servicing, and serving as the buyers' agents by means of false pretenses, misrepresentations, promises, and omissions.

b. **Wire Fraud:** Each Defendant violated 18 U.S.C. § 1343 by transmitting and/or receiving, and by causing to be transmitted and/or received, materials by wire to execute the unlawful scheme to defraud by marketing, communicating, servicing, and serving as the buyers' agents by means of false pretenses, misrepresentations, promises, and omissions.

211. Each Defendant's use of the mails and wires includes, but is not limited to, the following acts of the Zillow Fraudulent Business Enterprise in furtherance of their scheme to defraud:

- a. Marketing homes online at Zillow.com;
- b. Communicating with potential buyers through email, text, phone calls, and other means;
- c. Engaging in communications between Zillow and each of the Real Estate Agents about how to fraudulently induce potential buyers into using Zillow Flex agents;
- d. Sending and receiving documents related to the purchase of the homes advertised on Zillow.com;
- e. Sending and receiving documents related to the financing of the homes advertised on Zillow.com;
- f. Sending and receiving funds generated by commissions paid by Plaintiffs; and
- g. emails, communications and correspondence related to all of the foregoing.

212. The mail and wire transmissions described herein were made in furtherance of Defendants' scheme and common course of conduct to (a) fraudulently induce prospective home buyers into using Zillow Flex agents, and (b) illegally steer buyers into using Zillow Home Loans.

213. Many of the precise dates of the fraudulent uses of the U.S. Mail and interstate wire

1 facilities are hidden from Plaintiffs and Class Members, and cannot be alleged without access to
2 Defendants' books and records, and the books and records of members in the Zillow Fraudulent
3 Business Enterprise, to fraudulently induce prospective home buyers into using Zillow Flex agents,
4 and illegally steering buyers into using Zillow Home Loans. However, Plaintiffs have described the
5 types of predicate acts of mail and/or wire fraud that occurred.

6 214. Defendants have not undertaken the practices described herein in isolation, but as part
7 of a common scheme and conspiracy. In violation of 18 U.S.C. § 1962(d), each Defendant conspired
8 to violate 18 U.S.C. § 1962(c), as described herein. Various other persons, firms, and corporations,
9 including third-party entities and individuals not named as defendants in this complaint, have
10 participated as co-conspirators with each Defendant in these offenses and have performed acts in
11 furtherance of the conspiracy to fraudulently induce prospective home buyers into using Zillow Flex
12 agents, and illegally steering buyers into using Zillow Home Loans.

13 215. Each Defendant aided and abetted others in violating the above laws, thereby
14 rendering it indictable as a principal in the 18 U.S.C. §§ 1341 & 1343 offenses.

15 216. To achieve its common goals, Defendants actively and intentionally concealed from
16 the general public the unlawfulness of the Zillow Fraudulent Business Enterprise.

17 217. Zillow, the Real Estate Defendants, and each member of the conspiracy, with
18 knowledge and intent, have agreed to the overall objectives of the conspiracy and participated in the
19 common course of conduct to commit acts of fraud to fraudulently induce prospective home buyers
20 into using Zillow Flex agents, and illegally steering buyers into using Zillow Home Loans.

21 218. Indeed, for the conspiracy to succeed Zillow, the Real Estate Defendants, and their
22 co-conspirators had to agree to implement and use similar devices and fraudulent tactics including,
23 but not limited to, complete secrecy about fraudulently inducing prospective home buyers into using
24 Zillow Flex agents, and illegally steering buyers into using Zillow Home Loans.

25 219. Each Defendant knew and intended that Plaintiffs and Class Members would rely on
26 the material misrepresentations and omissions made by them regarding the Zillow Fraudulent
27 Business Enterprise. Defendants knew and intended that consumers would incur damages as a result.

1 220. Plaintiffs and millions of other consumers relied upon Defendants'
2 misrepresentations, omissions, and concealment.

3 221. As described herein, Defendants engaged in a pattern of related and continuous
4 predicate acts. These predicate acts constituted various unlawful activities, each conducted with the
5 common purpose of obtaining commission payments from Plaintiffs and Class Members based on
6 their misrepresentations, omissions, and concealment. The predicate acts also had the same or similar
7 results, participants, victims, and methods of commission. The predicate acts were related and not
8 isolated events.

9 222. All of the predicate acts of racketeering activity described herein are part of the nexus
10 of the affairs and functions of the Zillow Fraudulent Business Enterprise. The racketeering acts
11 committed by the Zillow Fraudulent Business Enterprise employed a similar method, were related,
12 with a similar purpose, and they involved similar participants, with a similar impact on Plaintiffs and
13 Class Members.

14 223. The pattern of racketeering activity is currently ongoing and open-ended, and
15 threatens to continue indefinitely unless this Court enjoins the racketeering activity.

16 224. The predicate acts all generated significant revenue and profits for each Defendant at
17 the expense of Plaintiffs and Class Members. The predicate acts were committed or caused to be
18 committed by Defendants through its participation in the Zillow Fraudulent Business Enterprise and
19 furtherance of its fraudulent schemes.

20 225. By reason of and as a result of the conduct of Defendants, and in particular its pattern
21 of racketeering activity, Plaintiffs and Class Members have been injured in multiple ways, including
22 but not limited to:

23 a. Plaintiffs have been wrongfully deprived of their property in that deliberate
24 misrepresentations, omissions, and concealment artificially inflated the
25 commissions that Plaintiffs paid in connection with the purchase of their homes.

26 b. Plaintiffs have been wrongfully deprived of their property in that they were
27 steered to use Zillow Home loans, and received inferior loan packages that were
28

more costly than they would have received if they used another lender.

226. Defendants' violations of 18 U.S.C. § 1962(c) & (d) have directly and proximately caused injuries and damages to Plaintiffs and Class Members, and Plaintiffs and Class Members are entitled to bring this action for three times their actual damages, as well as injunctive/equitable relief, costs, and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c).

COUNT II

VIOLATION OF THE REAL ESTATE SETTLEMENT PROCEDURES ACT, 12 U.S.C. 2607(a) (On behalf of a Nationwide Class, against the Zillow Defendants, and on behalf of a Nationwide Steering Subclass)

227. Plaintiffs Liao and Silva repeat and incorporate by reference each paragraph above and in any other count of this Complaint.

228. RESPA Section 8(a), 12, U.S.C. § 2607(a), provides that "no person shall give and no person shall accept any fee, kickback, or thing of value pursuant to any agreement or understanding, oral or otherwise, that business incident to or part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person."

229. A "thing of value" is "broadly defined" under RESPA's implementing regulation by the CFPB under "Regulation X," and includes, among other things, "the opportunity to participate in a money-making program." 12 C.F.R. § 1024.14(d).

230. The real estate agents who receive referrals from Zillow treasure and rely on these referrals, and these agents consider Zillow referrals as a thing of value. As a result, Zillow referrals are a thing of value under RESPA.

231. Regulation X defines a "referral" to include "any oral or written action directed to a person which has the effect of affirmatively influencing the selection of any person of a provider of a settlement service." 12 C.F.R. § 1024.14(f)(1). And "an agreement or understanding for the referral of business incident to or part of a settlement service need not be written or verbalized but may be established by a pattern, practice or course of conduct." 12 C.F.R. § 1024.14(e).

232. In addition “when a thing of value is received repeatedly and is connected in any way with the volume or value of business referred, the thing of value is evidence that it is made pursuant to an agreement or understanding for the referral of business.” 12 C.F.R. § 1024.14(e).

233. Pursuant to 12 U.S.C. § 2602(3), “the term ‘Settlement services’ includes any service in connection with a real estate settlement including, but not limited to, the following: . . . the origination of a federally related mortgage loan.”

234. Pursuant to 12 C.F.R. § 1024.2(b), “Settlement Service means any service provided in connection with a prospective or actual settlement, including, but not limited to, any one or more of the following: (1) Origination of a federally related mortgage loan (including, but not limited to, the taking of loan applications, loan processing, and the underwriting and funding of such loans) . . . [or] (3) Provision of any services related to the origination, processing or funding of a federally related mortgage loan.”⁴¹ Zillow is accordingly a person under Section 8 of RESPA pursuant to 12 U.S.C. §§ 2602(5), 2607.

235. Under these definitions, the mortgage lending services provided by Zillow Home Loans for federally related loans were “settlement services” under RESPA.

236. ZHL is a “creditor” pursuant to 15 U.S.C. § 1602(g), and as incorporated by reference into RESPA at 12 U.S.C. § 2602(1)(B)(iv). ZHL makes or invests in residential real estate loans totaling more than one billion million dollars per year. *See* 12 U.S.C. § 2602(1)(B)(iv).

237. The vast majority of mortgages originated by ZHL during the relevant time period were “federally related mortgage loans” as that term is defined by 12 U.S.C. § 2602(1) and 12 C.F.R. 1024.2(b).⁴²

238. The real estate brokers and agents who received referrals from Zillow made the following referral to Zillow: they affirmatively influenced the Zillow-referred clients to use Zillow Home Loans for financing their home purchase in adherence with Zillow’s referral rules and quotas.

⁴¹ *See also* 12 U.S.C. § 2602(3) (“the term ‘Settlement services’ includes any service provided in connection with a real estate settlement, including, but not limited to, the following: [] services rendered by a real estate agent or broker.”).

⁴² *See, e.g.,* Zillow Group, Inc. 2024 10-K, at 23 (available at chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://d18rn0p25nwr6d.cloudfront.net/CIK-0001617640/7204bf7d-e80a-4f24-8e69-5a1264c2df17.pdf).

239. Zillow therefore gave a “thing of value” to real estate brokers and agents—the ability to continue receiving referrals and obtaining priority for future referrals—under an agreement or understanding that the real estate brokers and agents would refer real estate settlement business involving federally related mortgage loans to Zillow Home Loans, in violation of RESPA Section 8(a), 12, U.S.C. § 2607(a).

COUNT III

VIOLATION OF THE REAL ESTATE SETTLEMENT PROCEDURES ACT, 12 U.S.C. § 2607(b) (On Behalf of a Nationwide Class, against the Zillow Defendants)

240. Plaintiffs Taylor, Liao, Taylor, Cady, and Brucaliere repeat and incorporates by reference each paragraph above and in any other count of this Complaint.

241. The Real Estate Settlement Procedures Act (“RESPA”) (codified at 12 U.S.C. § 2601, *et seq.*) was enacted in 1974 to provide consumers with greater and timelier disclosure of the nature and costs of the real estate settlement process and to protect them from abusive practices.

242. RESPA’s premise was that complete disclosure of information would preclude illegal kickbacks, fee splits, unearned fees, and compensated referrals, and thereby empower the consumer to get the same or better services at a lower cost.

243. Section 7 of RESPA (12 U.S.C. § 2607) provides: “No person shall give and no person shall accept any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service in connection with a transaction involving a federally related mortgage loan other than for services actually performed.” 12 U.S.C. § 2607(b).

244. RESPA confers on the Secretary of the U.S. Department of Housing and Urban Development (“HUD”) authority to prescribe rules and regulations to achieve the purposes of RESPA. The regulation adopted by HUD to fulfill its mandate is known as Regulation X, 24 C.F.R. § 3500, *et seq.*

245. RESPA achieves its goals in a twofold manner: by imposing disclosure requirements in connection with settlement services, and by prohibiting certain practices in connection with settlements.

1 246. The term “settlement services” includes any service provided in connection with a
2 real estate settlement, including, but not limited to, providing brokerage services.

3 247. HUD has determined in its regulations that kickbacks, fee splits, and referral fees in
4 connection with residential real estate sales are anticompetitive, result in harm to consumers, and
5 thus illegal.

6 248. 24 C.F.R. § 3500.14 further explains the prohibitions in 12 U.S.C. § 2607 as follows:

7 (b) No referral fees. No person shall give and no person shall accept any
8 fee, kickback or other thing of value pursuant to any agreement or
9 understanding, oral or otherwise, that business incident to or part of a
10 settlement service involving a federally related mortgage loan shall be
11 referred to any person. Any referral of a settlement service is not a
compensable service, except as set forth in Sec. 3500.14(g)(1). A
business entity (whether or not in an affiliate relationship) may not pay
any other business entity or the employees of any other business entity
for the referral of settlement service business.

12 (c) No split of charges except for actual services performed. No person
13 shall give and no person shall accept any portion, split, or percentage
14 of any charge made or received for the rendering of a settlement
15 service in connection with a transaction involving a federally related
16 mortgage loan other than for services actually performed. A charge by
17 a person for which no or nominal services are performed or for which
duplicative fees are charged is an unearned fee and violates this
section. The source of the payment does not determine whether or not
a service is compensable. Nor may the prohibitions of this part be
avoided by creating an arrangement wherein the purchaser of services
splits the fee.

18 (d) Thing of value. This term is broadly defined in section 3(2) of RESPA
19 (12 U.S.C. 2602(2)). It includes, without limitation, monies, things,
20 discounts, salaries, commissions, fees, duplicate payments of a charge,
21 stock, dividends, distributions of partnership profits, franchise
22 royalties, credits representing monies that may be paid at a future date,
23 the opportunity to participate in a money-making program, retained or
24 increased earnings, increased equity in a parent or subsidiary entity,
25 special bank deposits or accounts, special or unusual banking terms,
26 services of all types at special or free rates, sales or rentals at special
27 prices or rates, lease or rental payments based in whole or in part on
28 the amount of business referred, trips and payment of another person’s
expenses, or reduction in credit against an existing obligation. The
term “payment” is used throughout Secs. 3500.14 and 3500.15 as
synonymous with the giving or receiving any “thing of value” and
does not require transfer of money.

1 249. The Plaintiffs' settlements of residential real estate purchases and sales were financed
2 in whole or in part by federally related mortgage loans. Specifically, Plaintiff Taylor used a lender
3 which is regulated by an agency of the Federal Government.

4 250. The Zillow Defendants ("Defendants," for purposes of this Count) are real estate
5 settlement services providers that provided real estate settlement services involving federally related
6 mortgage loans within the meaning of 12 U.S.C. § 2602(2) and § 2607(a) for the settlements at issue.

7 251. In the alternative to the preceding allegation, Defendants are subject to RESPA
8 because, by originating loans, it "provides business incident to or part of" a real estate settlement
9 service and received settlement fees in connection therewith, within the meaning of 24 C.F.R.
10 §§ 3500.2 and 3500.14, *et seq.*

11 252. In the alternative to the preceding allegation, each Defendant is also a person who
12 received a split of commissions (other than for services performed) that were paid for the rendering
13 of a settlement service in transactions involving federally related mortgage loans, within the meaning
14 of 12 U.S.C. § 2607(a) and (b).

15 253. The Hidden Zillow Fees were paid to Zillow by seller brokers as settlement service
16 providers using settlement proceeds within the meaning of 12 U.S.C. §§ 2602(2) and 2607(a) and 24
17 C.F.R. §§ 3500.2 and 3500.14, *et seq.*

18 254. The seller brokers paid the Hidden Zillow Fees from settlement proceeds in
19 connection with real estate settlements involving federally related mortgage loans.

20 255. The Zillow-affiliated agents who received real estate commissions from the subject
21 settlements acquiesced in splitting those commissions with the Defendants by paying the Hidden
22 Zillow Fees in connection with real estate settlements involving federally related mortgage loans.

23 256. Defendants accepted the Hidden Zillow Fees either as a settlement services provider,
24 a purported provider of services incident to or part of a real estate settlement service, or a person
25 within the meaning of 12 U.S.C. § 2607, *et seq.*

257. Payment and receipt of the Hidden Zillow Fees violated 12 U.S.C. § 2607(b) in that it represents a split of commissions paid without rendering any settlement services in connection with a federally related mortgage loan.

258. Defendants collect the unearned Hidden Zillow Fees from settlement proceeds *only* when a listed property sells.

259. The Hidden Zillow Fees are paid from settlement proceeds after all real estate settlement services have been rendered. The Hidden Zillow Fees serve no legitimate purpose, and are an illegal fee for which Defendants perform no services.

260. Each Defendant is jointly and severally liable to the Plaintiffs pursuant to 12 U.S.C. § 2607(d)(2) in an amount equal to three times the Hidden Zillow Fees.

COUNT IV

VIOLATIONS OF THE WASHINGTON CONSUMER PROTECTION ACT (Wash. Rev. Code Ann. § 19.86.010, *et seq.*) (On Behalf of a Nationwide Class, against the Zillow Defendants)

261. Plaintiffs Taylor, Zheng, Liao, King, Knudson, Thurston, Silva, Koger, Cady, and Brucaliere (for purposes of all Washington Class Counts) incorporates by reference all paragraphs as though fully set forth herein.

262. Plaintiffs bring this Count on behalf of the nationwide Class based on violations of Washington's Consumer Protection Act (the "Washington CPA").

263. The Zillow Defendants ("Defendants," for purposes of this Count), Plaintiffs, and each member of the nationwide Class are "person[s]" under Wash. Rev. Code Ann. § 19.86.010(1) ("Washington CPA").

264. At all relevant times, Defendants were and are engaged in "trade" or "commerce" under Wash. Rev. Code Ann. § 19.86.010(2).

265. The Washington CPA broadly prohibits "[u]nfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce." Wash. Rev. Code Ann. § 19.96.010. Defendants' conduct was unfair because it (1) offends public policy as it has been established by statutes, the common law, or otherwise; (2) is immoral, unethical, oppressive, or

unscrupulous; or (3) causes substantial injury to consumers. In short, Defendants' conduct has been deceptive because they have the capacity or tendency to deceive.

266. In the course of Defendants' business, Defendants crafted their website to deceive buyers into believing that they were contacting the *seller's* agent, when in fact potential buyers were being routed to a Zillow-affiliated agent. When the agent was a Zillow Flex agent, the Flex agent failed to disclose (and was prohibited from disclosing) the Hidden Zillow Fees to the buyer or seller. The net effect of Defendants' conduct was to drive up the commission paid by sellers, to the detriment of the sellers.

267. Defendants knew or should have known that their conduct violated the Washington CPA.

268. Defendants owed Plaintiffs and the Class a duty to disclose the truth about the deceptive website and the Hidden Zillow Fees because Defendants:

- a. Possessed exclusive knowledge of the deceptive website and the Hidden Zillow Fees; and
- b. Intentionally concealed the foregoing from Plaintiffs and the Class.

269. Defendants' conduct proximately caused injuries to Plaintiffs and the other Class members.

270. Plaintiffs and the other Class members were injured and suffered ascertainable loss, injury in fact, and/or actual damage as a proximate result of Defendants' conduct in that Plaintiffs and the other Class members paid inflated commissions related to the sales of their homes. These injuries are the direct and natural consequence of Defendants' misrepresentations, fraud, deceptive practices, and omissions.

271. Defendants' conduct also aided and abetted the buyer agent's fiduciary duties to Plaintiffs in that the agent did not disclose the material fact of the Hidden Zillow Fees that their respective agents had to pay to Zillow.

272. Defendants' violations present a continuing risk to Plaintiffs as well as to the general public. Defendants' unlawful acts and practices complained of herein impact the public interest, in that home sellers are paying inflated commissions as a result of Defendants' conduct.

273. Defendants are liable to Plaintiffs and the Class members for damages in amounts to be proven at trial, including attorneys' fees, costs, and treble damages up to \$25,000, as well as any other remedies the Court may deem appropriate under Wash. Rev. Code. Ann. § 19.86.090.

COUNT V

UNJUST ENRICHMENT (On Behalf of a Nationwide Class, against the Zillow Defendants)

274. Plaintiffs Taylor, Zheng, Liao, King, Knudson, Thurston, Silva, Koger, Cady, and Brucaliere repeat and incorporate by reference each paragraph above and in any other count of this Complaint.

275. As a result of the wrongful and deceptive conduct of Defendants as alleged herein, Defendants knowingly and voluntarily accepted and retained wrongful benefits in the form of Hidden Zillow Fees and referral fee payments by Premium Agents (the "Premium Fees").

276. In so doing, Defendants acted with conscious disregard for the rights of Plaintiffs and members of the Class.

277. As a result, each Defendant has been unjustly enriched at the expense of, and to the detriment of, Plaintiffs and members of the Class.

278. The unjust enrichment of Defendants is traceable to, and resulted directly and proximately from, the conduct alleged herein.

279. Defendants either knew or should have known that the Hidden Zillow Fees and the Premium Fees were obtained by deception and were unearned. As such, it would be inequitable for Defendants to retain the benefit of the Hidden Zillow Fees and Premium Fees under these circumstances.

280. The financial benefits derived by Defendants from collecting Hidden Zillow Fees and Premium Fees rightfully belong to Plaintiffs and Class members.

281. Defendants' acceptance and retention of the Hidden Zillow Fees and Premium Fees under the circumstances alleged herein make it inequitable for Defendants to retain the benefits without payment of the value to Plaintiffs and Class members.

282. Plaintiffs and Class members are entitled to recover from Defendants all amounts wrongfully collected and improperly retained by Defendants, plus interest thereon.

REQUEST FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of all Class members, respectfully requests that the Court enter judgment in his favor and against Defendants, as follows:

A. Determine that this action may be maintained as a class action pursuant to Rule 23(a), (b)(2), and (b)(3) of the Federal Rules of Civil Procedure; direct that reasonable notice of this action, as provided by Rule 23(c)(2), be provided to the Class; and declare Plaintiffs as the representatives of the Class;

B. Enter joint and several judgments against the Defendants and in favor of Plaintiffs and the Class;

C. Award the Class and Steering Subclass damages in an amount to be determined at trial;

D. Order disgorgement in the amount by which Defendants' ill-gotten gains exceed the treble damages awarded in this case;

E. Permanently enjoin Defendants' ongoing anticompetitive and deceptive conduct;

F. Award Plaintiffs and the Class their costs of suit, including reasonable attorneys' fees as provided by law; and

G. Award such further and additional relief as the case may require and the Court may deem just and proper under the circumstances.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial for all claims so triable.

1 DATED: November 19, 2025

Respectfully submitted,

2 **HAGENS BERMAN SOBOL SHAPIRO LLP**

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20 **Pro hac vice application forthcoming*