

DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE
JONATHAN C. STEWART, DIRECTOR
160 EAST 300 SOUTH, 2ND FLOOR
P.O. BOX 146711
SALT LAKE CITY, UTAH 84114-6711
TELEPHONE: (801) 530-6747
FAX: (801) 530-6749

BEFORE THE UTAH REAL ESTATE COMMISSION

In the matter of:

HOMIE, INC.

STIPULATION & ORDER

Case Nos: RE-16-80390
RE-16-80926

The Division of Real Estate of the Department of Commerce of the State of Utah (the "Division"), by and through its Chief Investigator, Kadee Wright, and Homie, Inc. ("Respondent"), hereby stipulate and agree as follows:

STIPULATION

1. Respondent Homie, Inc. is a corporate entity, incorporated in May 2015 in the state of Delaware and registered in September 2015 in the state of Utah as a foreign corporation. Homie maintains its principal office at 12936 Frontrunner Blvd., #150 in Draper, Utah.
2. Respondent admits the jurisdiction of the Utah Real Estate Commission (the "Commission") over Respondent and over the subject matter of this action.
3. Respondent admits the following statements of fact are true and correct.
 - a. Prior to June 12, 2017, Respondent did not utilize or employ licensed sales agents and was not registered with the Division as a real estate brokerage or affiliated

with a principal broker.

- b. In or around 2015, Respondent began offering a variety of services to individuals seeking to sell or buy real estate located in the state of Utah
- c. The services provided by Respondent, its agents, and in-house and outside attorneys included, among other things:
 - i. Marketing Utah real properties on real estate websites and other forums;
 - ii. Mailing professional yard signs to sellers of Utah properties which indicated that the properties were "for sale by owner" and which included the Homie.com logo and website address;
 - iii. Contracting with third party providers to obtain home value estimates of Utah properties and providing prospective buyers and owners of Utah properties with the home value estimates;
 - iv. Assisting prospective buyers and property owners of Utah properties in determining the offer price and/or listing price for the properties by providing the home value estimates;
 - v. Providing owners of Utah properties with forms to complete property disclosures in real estate sales transactions;
 - vi. Showing Utah properties to prospective buyers in at least two instances;
 - vii. Providing call screening of prospective buyers;
 - viii. Assisting prospective buyers and owners of Utah properties with the preparation and negotiation of real estate purchase contracts; and
 - ix. Providing prospective buyers and owners of Utah properties advice and direction relating to real estate transactions.
- d. Respondent advertised its services over multiple formats, including but not

limited to, internet websites, podcasts, television, billboard signs, and direct mail promotions

- e. Respondent further utilized internet websites, including www.homie.com and www.facebook.com/tryhomie, to advertise its services and to engage in business with its clients.
- f. Between late 2015 and June 2017, Respondent provided these services to Utah residents in exchange for a fee.
- g. Beginning on or around November 1, 2015, and continuing until at least March 1, 2016, Respondent advertised three newly constructed residential properties located in Herriman, Utah on Homie.com. Each advertisement included the property address, a list price, a photograph, and property description.
- h. Respondent did not have written authorization from the homebuilder to list the properties on its website, and continued to advertise the properties on its website after they were sold to third parties.

4. Mitigating Circumstances:

- a. Respondent believed that its activities were exempt from licensure, pursuant to Utah Code Ann § 61-2f-202 (2)(b) and *Seal v. Powell*, 345 P.2d 432 (Utah 1959), and upon being contacted by the Division, cooperated fully with the Division's investigation.
- b. Respondent voluntarily agreed to register with the Division as a real estate brokerage, to affiliate with a principal broker, and to require Homie, Inc. employees and contractors to comply with the licensing requirements of Utah Code Ann. § 61-2f-201.
- c. Respondent was proactive in seeking a resolution of this matter with the Division

dating back to March of 2016.

5. The Division concludes that the above acts and practices collectively constitute violation(s) of Utah Code Ann. § 61-2f *et seq.* Specifically, the Division concludes that Respondent has violated:

Utah Code Ann. § 61-2f-206(1) which provides that an entity may not engage in an activity described in Section 61-2f-201 unless it is registered with the Division.

6. Respondent specifically waives the right to an adjudicative proceeding under Utah Code Ann. § 61-2f-103(1) (2017) and the rules promulgated thereunder. Respondent and the Division hereby express their intent that this matter be resolved expeditiously through stipulation as contemplated in Utah Code Ann. § 63G-4-102(4) (2017)
7. As full settlement of all issues relating to Respondent engaging in the acts set forth above in paragraph 3 while not being registered as a real estate brokerage which arose prior to Respondent obtaining licensure on June 12, 2017, Respondent and the Division agree as follows:
 - a. Respondent shall pay a civil penalty of \$25,000.00 to the Division within 180 calendar days from the date that the Commission and the Director sign the final order in this matter.
 - b. If Respondent fails to comply in full with the terms of this stipulated order by the deadline stated, Respondent's brokerage registration shall immediately and without further notice be suspended pursuant to Utah Code Ann. § 61-2f-404(1)(b) until such time as Respondent complies in full with the terms of this order. Furthermore, the Division may begin a collection process to collect any remaining balance owed pursuant to Utah Code Ann. § 61-2f-404(1)(b).
8. The Division and Respondent recognize and agree that this stipulation shall

not be binding until the Commission and the Director review it and jointly approve it in a public meeting conducted pursuant to Utah Code Ann. § 52-4 *et seq.*

9. Respondent acknowledges that, as part of their review, the Commission and Director may ask the Division investigative staff questions about this stipulation and the investigative staff may answer such questions and provide factual information in public and on the record.
10. Respondent has the right to be present when the stipulation is presented for consideration and to address the Commission and the Director about this stipulation or the facts underlying it. If Respondent desires to be present to address the Commission and Director, Respondent may contact Amber Nielsen at the Division by calling (801) 530-6750 for information about the date, time, and place of the meeting at which this stipulation will be presented for consideration to the Commission and the Director.
11. If either the Commission or the Director does not approve any part of the stipulated agreement proposed herein, this entire stipulation shall be null and void except as to Paragraph 12 and a hearing shall be scheduled for this matter.
12. Should this stipulation be nullified and the matter proceed to hearing, Respondent waives any claim Respondent may have with regard to the Commission and Director by virtue of their
 - a. having reviewed this stipulation;
 - b. having heard any statement made by investigative staff or any statement made by Respondent; and
 - c. having decided the stipulation shall be null and void.


This waiver shall survive any nullification of this stipulation.

13. Respondent acknowledges that upon approval by the Commission and the Director, this stipulation shall be made a part of the attached final order, and shall be the final compromise and settlement of this matter, and is not subject to reconsideration, renegotiation, modification, appeal, or rehearing.
14. Respondent affirms that Respondent enters into this stipulation voluntarily.
15. Respondent affirms that the only promises, agreements, or understandings the Respondent has obtained from the Division or from any member, officer, agent, or representative of the Division regarding this stipulation are contained herein.
16. Respondent is represented by David J. Jordan of Stoel Rives, LLP and is satisfied with the representation it has received in this matter.
17. This document and all other documents incorporated herein by reference constitute the entire agreement between the parties herein. This stipulated agreement supersedes and cancels any and all prior negotiations, representations, understandings, or agreements between the parties. There are no verbal agreements that modify, interpret, construe, or affect this agreement.
18. The Division has not and does not intend to refer conduct referenced in paragraph 3 to any law enforcement agency for criminal investigation and/or prosecution. Respondent acknowledges, however, that this stipulation does not foreclose the possibility that Respondent may be prosecuted criminally or investigated by other government agencies on the basis of the facts herein admitted. The Division has no authority to bind or restrict another agency.
19. Respondent acknowledges that this Stipulation and Order, once adopted, will be classified as a public document and will be accessible to the public. Respondent acknowledges that the Division will publish information in the Division's quarterly

newsletter and may inform other state and federal agencies of any action taken on the Respondent's license and the terms of this Stipulation and Order.


RESPONDENT

Dated: 10-6, 2017.



Johnny Hanna, President
Hornie, Inc.
12936 S. Frontrunner Blvd.
Draper, UT 84020

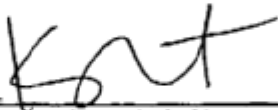
Approved:



David J. Jordan
Attorney for Respondent

DIVISION OF REAL ESTATE

Dated: 10/10, 2017.



Kadee Wright, Chief Investigator
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84114

ORDER

The Commission and the Director approve and adopt the foregoing stipulation of the parties. Based upon the foregoing stipulation and for good cause appearing, the Commission and the Director order that, in lieu of the filing of a complaint and the holding of a hearing:


1. Respondent shall pay a civil penalty of \$25,000.00 to the Division within 180 calendar days from the date that the Commission and the Director sign the final order in this matter.
2. If Respondent fails to comply in full with the terms of this stipulated order by the deadline stated, Respondent's brokerage registration shall immediately and without further notice be suspended pursuant to Utah Code Ann. § 61-2f-404(1)(b) until such time as Respondent complies in full with the terms of this order. Furthermore, the Division may begin a collection process to collect any remaining balance owed pursuant to Utah Code Ann. § 61-2f-404(1)(b).

This order shall be effective on the signature date below.

Dated this _____ day of _____, 2017.

UTAH REAL ESTATE COMMISSION

LORI CHAPMAN, CHAIR




CALVIN R. MUSSELMAN, VICE CHAIR



RUSSELL K. BOOTH


LERRON E. LITTLE


WILLIAM O. PERRY, IV

The undersigned concurs with the foregoing order this 10th day of October,

2017:


JONATHAN C. STEWART, DIRECTOR
DIVISION OF REAL ESTATE