



Dear HomeServices Agents, Employees and Franchisees,

I am pleased to inform you that we have successfully reached a nationwide settlement in the class-action litigation, a move to help safeguard our agents, employees, companies and our franchisees. While the settlement remains subject to court approval, the releases provided for in the settlement extend to all of our companies, agents and franchisees.

This marks a pivotal moment for the entire HomeServices of America team. As many of you are aware, we have vigorously defended the business model and practices of our companies, agents and franchisees - advocating for their right to operate their businesses in line with established and ethical industry standards. The Sitzer/Burnett verdict and resulting copycat cases, however, have cast a shadow of speculation and uncertainty across our sector in recent times.

While we had strong confidence in the robustness of our appeal and can confidently state that at no time did HomeServices ever engage in any of the conduct alleged in these cases, we were also acutely aware of the lengthy and unpredictable nature of the appellate process. During this period, our agents and franchisees would have faced ongoing uncertainty.

Our decision to settle was made after thorough deliberation, prioritizing the immediate and future welfare of our agents, employees, companies, franchisees, and the business models upon which they rely. This settlement brings stability and relief, enabling us to refocus on our core mission. It allows us to redirect our energies to what we excel in: providing exceptional value to home buyers and sellers in a dynamic real estate market. It is important to note that the different settlement amounts reached by the various defendants are not a reflection of any culpability or liability but were solely based on a financial ability to pay analysis.

Change is inevitable, and there are still storm clouds circling our industry. However, we remain committed to operating ethically, upholding the integrity of our industry, and, as always, delivering value. We have always strived to empower agents to help them build meaningful careers that have a positive impact on the consumers and communities they serve. This principle has stood the test of time, and it continues as we move beyond this settlement.

I want to express my deepest gratitude for your steadfast support through these challenging times. Your resilience, dedication, and trust in HomeServices of America have been crucial in steering us through this period. Looking ahead, we will maintain our agility, adaptability, and capacity to thrive, as is our tradition.

Your company leaders have been provided with the necessary information you may need to appropriately understand and communicate the details of this settlement. Thank you for your ongoing commitment to excellence and for being an indispensable part of the HomeServices of America team.

GINO BLEFARI
CEO, HOMESERVICES OF AMERICA