

1  
2  
3  
4  
5  
6 **UNITED STATES DISTRICT COURT**  
7 **WESTERN DISTRICT OF WASHINGTON**

8 MATT BREIDERT, Individually and on  
9 Behalf of All Others Similarly Situated,

10 Plaintiff,

11 v.

12 ZILLOW GROUP, INC., JEREMY  
13 WACKSMAN, and JEREMY HOFMANN,

14 Defendants,

**Case No: 2:26-cv-2016**

**COMPLAINT**

**JURY TRIAL DEMANDED**

1 Plaintiff Matt Breidert (“Plaintiff”) brings this action under Sections 10(b) and 20(a) of the  
2 Securities Exchange Act of 1934 (the “Exchange Act”), and U.S. Securities and Exchange Com-  
3 mission (“SEC”) Rule 10b-5 promulgated thereunder, against Defendants the Zillow Group, Inc.,  
4 (together “Zillow” or the “Company”), Jeremy Wacksman, and Jeremy Hofmann (collectively  
5 “Defendants”), individually and on behalf of all other similarly situated persons or entities who  
6 purchased or otherwise acquired Class A or Class C Zillow common stock between February 11,  
7 2025 and May 7, 2026, inclusive (the “Class Period”), and were damaged thereby (collectively,  
8 the “Class”).

9 Plaintiff alleges the following based upon personal knowledge as to Plaintiff’s own acts,  
10 and upon information and belief as to all other matters. Plaintiff’s information and belief are based  
11 upon, among other things, the investigation conducted by and through Plaintiff’s attorneys, which  
12 included, among other things, the review and analysis of: (i) transcripts, press releases, news arti-  
13 cles, lawsuits, reports, and other public statements issued by or concerning Zillow; (ii) research  
14 reports issued by financial analysts concerning Zillow; (iii) reports and other documents filed pub-  
15 licly by Zillow with the SEC; and (iv) other available materials relating to Zillow. Plaintiff’s in-  
16 vestigation into the factual allegations contained in this Complaint is continuing, and many of the  
17 relevant facts are known only by Defendants or are exclusively within their custody or control.  
18 Plaintiff believes that substantial additional evidentiary support will exist for the allegations set  
19 forth in this Complaint after a reasonable opportunity for further investigation and discovery.<sup>1</sup>

## 20 INTRODUCTION

21 1. This is a federal securities class action on behalf of a class consisting of all persons  
22 other than Defendants who purchased or otherwise acquired Zillow Class A or Class C common  
23

---

24 <sup>1</sup> Unless otherwise noted, all emphasis is added and internal citation is omitted.

1 stock (and collectively, “Common Stock”) during the Class Period, seeking to recover damages  
2 caused by Defendants’ violations of the federal securities laws and to pursue remedies under  
3 Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule  
4 10b-5 promulgated thereunder, against Zillow and certain of its top officials.

5 2. Zillow is a leading real estate and rental marketplace offering a platform for buying,  
6 selling, renting, and financing homes.

7 3. Zillow, together with a former competitor, Redfin Corporation (“Redfin”), entered  
8 into an unlawful agreement (the “Redfin Agreement”) in order to restrain competition.

9 4. Throughout the Class Period, Defendants made materially false and misleading  
10 statements regarding the Company’s business, which were known to Defendants or recklessly dis-  
11 regarded by them. Specifically, Defendants made false and/or misleading statements and/or failed  
12 to disclose that: (1) Zillow’s agreement with Redfin was not a “partnership,” but rather an acqui-  
13 sition of Redfin’s business; (2) as a result of the Redfin Agreement, Zillow faced a materially  
14 heightened risk of regulatory scrutiny and liability under federal antitrust laws; (3) upon the filing  
15 of an antitrust lawsuit, Zillow continued to downplay its legal exposure; and (4) as a result, De-  
16 fendants’ statements about Zillow’s business, operations, and prospects, were materially false and  
17 misleading and or lacked a reasonable basis at all relevant times.

18 5. Contrary to Defendants’ public statements during the Class Period, the Redfin  
19 Agreement was not a “partnership,” but an anticompetitive acquisition that placed Zillow at mate-  
20 rially heightened regulatory risk.

21 6. The truth began to emerge on September 30, 2025, when the FTC filed a complaint  
22 against Zillow and Redfin alleging violations of federal antitrust laws, causing Zillow’s Common  
23 Stock prices to decline.

**JURISDICTION AND VENUE**

7. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§78j(b) and 78t(a)), and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

8. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

9. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). A substantial portion of the acts in furtherance of the alleged fraud, including the preparation and dissemination of materially false and misleading information and the effects of the fraud, have occurred in this Judicial District. In addition, Zillow's headquarters are located in this District.

10. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

**PARTIES**

11. Plaintiff purchased Zillow Class C common stock at artificially inflated prices during the Class Period, as set forth in the attached certification, and suffered damages as a result of the violations of the securities laws alleged in this Complaint.

12. Defendant Zillow Group, Inc. is a Washington company with its principal place of business at 1301 Second Avenue, Floor 36, Seattle, Washington 98101. Its Common Stock trades on The NASDAQ Global Select Market (the "NASDAQ"), under the ticker symbols "Z" (Class C) and "ZG" (Class A).

1           13. Defendant Jeremy Wacksman (“Wacksman”) served, at all relevant times, as the  
2 Company’s chief executive officer (“CEO”).

3           14. Defendant Jeremy Hofmann (“Hofmann”) served, at all relevant times as the Com-  
4 pany’s chief financial officer (“CFO”).

5           15. Defendants Wacksman and Hofmann are collectively referred to as the “Individual  
6 Defendants.”

7           16. Each of the Individual Defendants:

8           (a) directly participated in the management of the Company;

9           (b) was directly involved in the day-to-day operations of the Company at the highest levels;

10          (c) was privy to confidential proprietary information concerning the Company and its  
11 business and operations;

12          (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminat-  
13 ing the false and misleading statements and information alleged herein;

14          (e) was directly or indirectly involved in the oversight or implementation of the Company’s  
15 internal controls;

16          (f) was aware of or recklessly disregarded the fact that the false and misleading statements  
17 were being issued concerning the Company; and/or

18          (g) approved or ratified these statements in violation of the federal securities laws.

19           17. The Company is liable for the acts of the Individual Defendants and its employees  
20 under the doctrine of respondeat superior and common law principles of agency because all of the  
21 wrongful acts complained of herein were carried out within the scope of their employment.

22           18. The scienter of the Individual Defendants and other employees and agents of the  
23 Company is similarly imputed to the Company under respondeat superior and agency principles.  
24

1           19.     The Company and the Individual Defendants are referred to herein, collectively, as  
2 the “Defendants.”

3                               **SUBSTANTIVE ALLEGATIONS**

4                   **A. Factual Background**

5           20.     Zillow is a leading real estate and rental marketplace offering a platform for buying,  
6 selling, renting, and financing homes. The Company’s network operates under its own brand name  
7 and various other brands it has acquired.

8           21.     As part of its growth strategy, Zillow sought to expand its control over rental listing  
9 distributions and increase the scale of its network by aggregating listings across competing plat-  
10 forms. To that end, on February 6, 2025, Zillow entered into the Redfin Agreement pursuant to  
11 which Zillow became the exclusive provider of multifamily rental listings on Redfin’s platform  
12 and affiliated websites, including Rent.com.

13           22.     Under the terms of the Redfin Agreement, Zillow paid Redfin \$100 million to stop  
14 competing, facilitate the transition of its multifamily rental advertising business to Zillow, and shut  
15 down the remainder of its business. While Defendants characterized the Redfin Agreement as a  
16 “partnership” that would give Zillow exclusive access to Redfin’s advertising platform, in truth,  
17 the agreement required Redfin to transfer its business to Zillow and exit the multifamily rental  
18 advertising market altogether. As a result, Defendants placed Zillow at a materially heightened  
19 risk of regulatory enforcement, without disclosing as much to investors.

20           23.     In truth, the Redfin Agreement required Redfin to work to transfer all its own cus-  
21 tomers to Zillow. Moreover, Redfin was required to turn over “competitively sensitive” customer  
22 information to Zillow, regardless of whether those customers chose to do business with the Com-  
23 pany. Through the Redfin Agreement, Zillow also acquired Redfin’s employees and contractors,  
24

1 whom Redfin was required to fire and then help Zillow in turn hire. Further, as the FTC alleged,  
2 Redfin agreed that it would “not compete with Zillow for the provision of advertising of multi-  
3 family rental properties” – including, for instance, by selling leads to Zillow competitors – “for up  
4 to 9 years,” ensuring that “after exiting the market, [Redfin] will stay out.” For the foregoing rea-  
5 sons, the Redfin Agreement resulted in a materially heightened risk of regulatory enforcement.

6 24. The Redfin Agreement was material to Zillow’s rentals business. Zillow repre-  
7 sented to investors that the Redfin Agreement expanded its distribution and increased listing in-  
8 ventory as a key part of Zillow’s long-term strategy.

9 25. The structure and effects of the Redfin Agreement created a materially heightened  
10 risk of antitrust scrutiny. That risk began to materialize in September 2025, when the Federal Trade  
11 Commission (“FTC”) filed a complaint against Zillow and Redfin alleging violations of federal  
12 antitrust laws arising from the Agreement and its exclusionary effects.

13 **B. Defendants’ Materially False and Misleading Statements Issued During the Class**  
14 **Period**

15 26. On February 11, 2025, Zillow issued a press release entitled “Zillow and Redfin  
16 partner to make apartment hunting easier and give listings more exposure.” (the “Announcement”).  
17 The Announcement stated that Zillow and Redfin announced “a *partnership* making Zillow the  
18 exclusive provider of multifamily rental listings [. . .] on Redfin and its sites[.]” In reality, rather  
19 than a partnership, Zillow had effectively acquired much of Redfin’s operations in a manner which  
20 placed Zillow at materially heightened risk of antitrust enforcement.

21 27. That same day, Zillow filed with the SEC its Annual Report on Form 10-K for the  
22 year ended December 31, 2024 (the “2024 Annual Report”). Attached to the 2024 Annual Report  
23 were signed certifications pursuant to the Sarbanes-Oxley Act of 2002 (“SOX”) signed by defend-  
24 ants Wacksman and Hofmann attesting to the accuracy of financial reporting, the disclosure of any

1 material changes to the Company's internal controls over financial reporting, and the disclosure of  
2 all fraud.

3 28. The 2024 Annual Report contained the following risk disclosure under the heading  
4 "[w]e are from time to time involved in, and have in the past or may in the future be subject to  
5 claims, suits, government investigations, and other proceedings that may result in adverse out-  
6 comes", stating in pertinent part:

7 We are from time to time involved in, and have in the past or may in the future be subject  
8 to claims, suits, government investigations, enforcement actions and proceedings arising  
9 from our business, including actions with respect to intellectual property, privacy, con-  
10 sumer protection, information security, mortgage brokering, mortgage origination, real es-  
11 tate, real estate brokerage, environmental, data protection, *antitrust*, the Real Estate Settle-  
ment Procedures Act of 1974 (RESPA), fair housing or fair lending, compliance with se-  
curities laws, or law enforcement matters, tax matters, labor and employment, and com-  
mercial claims, as well as actions involving content generated by our customers, share-  
holder derivative actions, purported class action lawsuits, and other matters.

12 \* \* \*

13 Such claims, suits, government investigations, and proceedings are inherently uncertain,  
14 and their results cannot be predicted with certainty. Regardless of the outcome, any such  
15 legal proceedings can have an adverse impact on us because of legal costs, diversion of  
16 management and other personnel, and other factors. In addition, it is possible that a reso-  
17 lution of one or more such proceedings could result in reputational harm, liability, fines,  
penalties, or sanctions, as well as judgments, consent decrees, or orders preventing us from  
offering certain features, functionalities, products, or services, or requiring a change in our  
business practices, products or technologies, which could in the future materially and ad-  
versely affect our business, operating results and financial condition.

18 29. The statement in ¶ 28 was materially false and misleading at the time it was made  
19 because it omitted that Zillow's regulatory risk as it related to antitrust compliance had been ma-  
20 terially raised as a result of the Redfin Agreement.

21 30. The 2024 Annual Report further stated the following:

22 On February 6, 2025, we entered into a partnership ("rentals partnership") with Redfin  
23 Corporation ("Redfin"), making Zillow the exclusive provider of multifamily rental list-  
24 ings (properties with 25 or more units) on Redfin and its sites, including Rent.com and  
ApartmentGuide.com (together, "Redfin Rental Network"). Redfin will facilitate Zillow's



1 entry into advertising agreements with property management companies that currently pro-  
2 vide rental listings on Redfin. Pursuant to this rentals partnership, Zillow will make a  
3 \$100 million upfront payment to Redfin and will pay Redfin for leads generated through  
4 the Redfin Rental Network for an initial period of five years with two optional two-  
year extensions, subject to the terms of the underlying agreements. We have not yet com-  
pleted our evaluation of the impact this rentals partnership will have on our consolidated  
financial statements.

5 31. The statement in ¶ 30 was materially false and misleading at the time it was made  
6 because it omitted that the “rentals partnership” was, in effect, an acquisition which Defendants  
7 knew or should have known would trigger a federal antitrust investigation and possible subsequent  
8 litigation, materially raising Zillow’s regulatory risk.

9 32. The statements identified in ¶¶ 26, 28, 30 were materially false and/or misleading  
10 and failed to disclose material adverse facts about the Company’s business, operations, and pro-  
11 spects necessary to make the statements made, in light of the circumstances under which they were  
12 made, not false and misleading. Specifically, Defendants made false and/or misleading statements  
13 and/or failed to disclose that: (1) Zillow’s agreement with Redfin was not a “partnership,” but  
14 rather an acquisition of Redfin’s business; (2) as a result of the Redfin Agreement, Zillow faced a  
15 materially heightened risk of regulatory scrutiny and liability under federal antitrust laws; (3) upon  
16 the filing of an antitrust lawsuit, Zillow continued to downplay its legal exposure; and (4) as a  
17 result, Defendants’ statements about Zillow’s business, operations, and prospects, were materially  
18 false and misleading and or lacked a reasonable basis at all relevant times.

19 **THE TRUTH BEGINS TO EMERGE**

20 33. On September 30, 2025, the FTC filed a complaint (the “FTC Complaint”) against  
21 Zillow and Redfin alleging violations of federal antitrust laws arising from, among other things,  
22 the Redfin Agreement.  
23  
24

1           34.     The FTC Complaint stated that “on February 6, 2025, Zillow and Redfin executed  
2 an unlawful agreement to remove competition from [the online rental marketplaces industry], start-  
3 ing with a \$100 million payment to Redfin to exit the [Internet Listing Services] market.”

4           35.     The FTC complaint stated that pursuant to the Redfin Agreement, “Redfin agreed  
5 to stop selling multifamily advertising, to terminate its existing multifamily advertising contracts,  
6 and to transition those customers to Zillow.” Further, “[j]ust after the announcement of the plan,  
7 Redfin promptly terminated hundreds of employees who had supported this business and agreed  
8 to help Zillow hire them.” In addition, “Redfin also turned over its most sensitive [information] to  
9 Zillow as it wound down its advertising sales business.”

10          36.     The FTC Complaint stated that “Redfin’s previously growing multifamily rentals  
11 business has ceased to operate, and, going forward, its websites will serve merely as one of several  
12 ‘syndicators’ hosting a copy of Zillow’s listings.”

13          37.     In sum, the FTC Complaint stated the following:

14                 This agreement is nothing more than an end run around competition that insulates Zillow  
15 from head-to-head competition on the merits with Redfin for customers advertising multi-  
16 family buildings (that is, buildings with 25 or more units). Zillow and Redfin’s unlawful  
agreement eliminates competition in violation of Section 1 of the Sherman Act. Considered  
as an acquisition, it is unlawful under Section 7 of the Clayton Act.

17          38.     During market hours on September 30, 2025, CNBC published an article entitled  
18 “FTC sues Zillow and Redfin, alleging antitrust violation in online rental listings.” (the “CNBC  
19 Article”). The CNBC Article stated that Zillow shares had fallen “sharply” after the FTC’s an-  
20 nouncement.

21          39.     The CNBC Article quoted Daniel Guarnera, director of the FTC’s bureau of com-  
22 petition, as stating that “[p]aying off a competitor to stop competing against you is a violation of  
23  
24

1 federal antitrust laws[.] Zillow paid millions of dollars to eliminate Redfin as an independent com-  
2 petitor[.]”

3 40. On this news, Zillow’s Class C common stock fell \$3.49 per share, or 4.33%, to  
4 close at \$77.05 on September 30, 2025. The following day, it fell a further \$3.57 per share, or  
5 4.63%, to close at \$73.48 on October 1, 2025.

6 41. Further, on this news, Zillow’s Class A common stock fell \$3.51 per share, or 4.5%,  
7 to close at \$74.44 per share on September 30, 2025. The following day, it fell a further \$3.26 per  
8 share, or 4.37%, to close at \$71.18.

9 42. Nevertheless, after the FTC action was filed, Zillow continued to deny the allega-  
10 tions that it had violated federal antitrust laws, thus materially understating its regulatory risk. The  
11 CNBC Article quoted a Zillow spokesperson as stating the following:

12 Our listing syndication with Redfin benefits both renters and property managers and has  
13 expanded renters’ access to multifamily listings across multiple platforms[.] It is pro-com-  
14 petitive and pro-consumer by connecting property managers to more high-intent renters so  
15 they can fill their vacancies and more renters can get home. We remain confident in this  
16 partnership and the enhanced value it has delivered and will continue to deliver to consum-  
17 ers.

18 43. By continuing to portray the Redfin Agreement as lawful, Defendants concealed  
19 the full extent of the legal risks facing the Company and the potential impact those risks would  
20 have on its business.

21 44. Then, on February 10, 2026, after market hours the Company held its Q4 2025  
22 earnings call (the “Q4 Call”). Defendant Hofmann disclosed the following on the Q4 Call:

23 Last, we have ongoing elevated legal expenses. Of note, we estimate year-over-year in-  
24 creases in legal expenses will result in approximately 200 basis points headwind to  
EBITDA margins in Q1.

45. Further, Defendant Hofmann disclosed on the Q4 Call that Q4 EBITDA “expenses  
of \$505 million were slightly above our outlook due to higher-than-expected legal expenses.”

1           46.     On this news, Zillow Class C stock fell \$9.32 per share, or 17.12%, to close at  
2 \$45.10 on February 11, 2026. The next day, it fell a further \$1.40 per share, or 3.1%, to close at  
3 \$43.70 per share on February 12, 2026.

4           47.     Further, Zillow Class A stock fell \$9.05 per share, or 16.5%, to close at \$45.66 on  
5 February 11, 2026. The following day, it fell a further \$1.84, or 4.02%, to close at \$43.82 on  
6 February 12, 2026.

7           48.     Then, during market hours on May 7, 2026, Reuters published an article entitled  
8 “Zillow, Redfin fail to end FTC lawsuit claiming they suppressed rental competition.” The article  
9 stated that a “federal judge rejected [Zillow and Redfin’s] request to end a [FTC] lawsuit accusing  
10 them of illegally agreeing to suppress competition for online apartment rental listings.”

11           49.     On this news, Zillow’s Class C common stock fell \$0.85 per share, or 1.9%, to close  
12 at \$43.68 on May 7, 2026. The following day, Zillow’s Class C common stock fell a further \$2.25  
13 per share, or 5.15%, to close at \$41.43 on May 8, 2026.

14           50.     Further, on this news, Zillow’s Class A stock fell \$0.79 per share, or 1.76%, to close  
15 at \$44.04 on May 7, 2026. The following day, it fell a further \$2.10 per share, or 4.76%, to close  
16 at \$41.94 on May 8, 2026. The following trading day, May 11, 2026, Zillow Class A common  
17 stock fell a further \$1.29, or 3.07%, to close at \$40.65 per share.

18           51.     As a result of Defendants’ wrongful acts and omissions, and the precipitous decline  
19 in the market value of Zillow’s Common Stock, Plaintiff and other Class members have suffered  
20 significant losses and damages.

21                   **PLAINTIFF’S CLASS ACTION ALLEGATIONS:**

22           52.     Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Pro-  
23 cedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise  
24

1 acquired the publicly traded Common Stock of the Company during the Class Period (the “Class”);  
2 and were damaged upon the revelation of the alleged corrective disclosures. Excluded from the  
3 Class are Defendants herein, the officers and directors of the Company, at all relevant times, mem-  
4 bers of their immediate families and their legal representatives, heirs, successors or assigns and  
5 any entity in which Defendants have or had a controlling interest.

6 53. The members of the Class are so numerous that joinder of all members is impracti-  
7 cable. Throughout the Class Period, the Company’s Common Stock was actively traded on the  
8 NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can  
9 be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or  
10 thousands of members in the proposed Class. Record owners and other members of the Class may  
11 be identified from records maintained by the Company or its transfer agent and may be notified of  
12 the pendency of this action by mail, using the form of notice similar to that customarily used in  
13 securities class actions.

14 54. Plaintiff’s claims are typical of the claims of the members of the Class as all mem-  
15 bers of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal  
16 law that is complained of herein.

17 55. Plaintiff will fairly and adequately protect the interests of the members of the Class  
18 and has retained counsel competent and experienced in class and securities litigation. Plaintiff has  
19 no interests antagonistic to or in conflict with those of the Class.

20 56. Common questions of law and fact exist as to all members of the Class and pre-  
21 dominate over any questions solely affecting individual members of the Class. Among the ques-  
22 tions of law and fact common to the Class are:

- 1 • whether the federal securities laws were violated by Defendants' acts as alleged
- 2 herein;
- 3 • whether statements made by Defendants to the investing public during the Class
- 4 Period misrepresented material facts about the financial condition, business, oper-
- 5 ations, and management of the Company;
- 6 • whether Defendants' public statements to the investing public during the Class Pe-
- 7 riod omitted material facts necessary to make the statements made, in light of the
- 8 circumstances under which they were made, not misleading;
- 9 • whether the Individual Defendants caused the Company to issue false and mislead-
- 10 ing SEC filings and public statements during the Class Period;
- 11 • whether Defendants acted knowingly or recklessly in issuing false and misleading
- 12 SEC filings and public statements during the Class Period;
- 13 • whether the prices of the Company's Common Stock during the Class Period were
- 14 artificially inflated because of the Defendants' conduct complained of herein; and
- 15 • whether the members of the Class have sustained damages and, if so, what is the
- 16 proper measure of damages.

17 57. A class action is superior to all other available methods for the fair and efficient  
18 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
19 damages suffered by individual Class members may be relatively small, the expense and burden  
20 of individual litigation make it impossible for members of the Class to individually redress the  
21 wrongs done to them. There will be no difficulty in the management of this action as a class action.

22 58. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-  
23 on-the-market doctrine in that:

- Defendants made public misrepresentations or failed to disclose material facts during the Class Period;
- the omissions and misrepresentations were material;
- the Company's Common Stock is traded in efficient markets;
- the Company's Common Stock was liquid and traded with moderate to heavy volume during the Class Period;
- the Company traded on the NASDAQ, and was covered by multiple analysts;
- the misrepresentations and omissions alleged would tend to induce a reasonable investor to misjudge the value of the Company's Common Stock; and
- Plaintiff and members of the Class purchased and/or sold the Company's Common Stock between the time the Defendants failed to disclose or misrepresented material facts and the time the true facts were disclosed, without knowledge of the omitted or misrepresented facts.

59. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

60. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information, as detailed above.

**COUNT I**  
**Violation of Section 10(b) of The Exchange Act and Rule 10b-5**  
**Against All Defendants**

61. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

1           62. This Count is asserted against the Company and the Individual Defendants and is  
2 based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated  
3 thereunder by the SEC.

4           63. During the Class Period, the Company and the Individual Defendants, individually  
5 and in concert, directly or indirectly, disseminated or approved the false statements specified  
6 above, which they knew or deliberately disregarded were misleading in that they contained mis-  
7 representations and failed to disclose material facts necessary in order to make the statements  
8 made, in light of the circumstances under which they were made, not misleading.

9           64. The Company and the Individual Defendants violated §10(b) of the 1934 Act and  
10 Rule 10b-5 in that they:

- 11           • employed devices, schemes and artifices to defraud;
- 12           • made untrue statements of material facts or omitted to state material facts necessary  
13           in order to make the statements made, in light of the circumstances under which  
14           they were made, not misleading; or
- 15           • engaged in acts, practices and a course of business that operated as a fraud or deceit  
16           upon plaintiff and others similarly situated in connection with their purchases of  
17           the Company's Common Stock during the Class Period.

18           65. The Company and the Individual Defendants acted with scienter in that they knew  
19 that the public documents and statements issued or disseminated in the name of the Company were  
20 materially false and misleading; knew that such statements or documents would be issued or dis-  
21 seminated to the investing public; and knowingly and substantially participated, or acquiesced in  
22 the issuance or dissemination of such statements or documents as primary violations of the secu-  
23 rities laws. These defendants by virtue of their receipt of information reflecting the true facts of  
24



1 the Company, their control over, and/or receipt and/or modification of the Company's allegedly  
2 materially misleading statements, and/or their associations with the Company which made them  
3 privy to confidential proprietary information concerning the Company, participated in the fraudu-  
4 lent scheme alleged herein.

5         66. During the Class Period, Defendants acted with scienter in that they knew or oth-  
6 erwise were deliberately reckless in not knowing that the public statements disseminated on behalf  
7 of Zillow were materially false and misleading at the time they were made, as a result of the fact  
8 that Zillow had engaged in anti-competitive conduct with regards to the Redfin Agreement, which  
9 they knew or should have known would attract attention from the FTC, thus materially raising  
10 Zillow's regulatory risk. Specifically, Defendants knew that shortly after the announcement of the  
11 Redfin Agreement, Redfin terminated hundreds of employees who worked in the multifamily ad-  
12 vertising unit, thus enabling Zillow to hire those same employees. Redfin also turned over sensitive  
13 information to Zillow that would, if discovered by the FTC, help support a case that Zillow broke  
14 the relevant anti-trust laws. To date, Zillow has not provided a compelling competing inference to  
15 the allegation that it misled the investing market about anti-trust compliance, considering that its  
16 efforts to have the FTC's Complaint dismissed failed.

17         67. Individual Defendants, who are the senior officers and/or directors of the Company,  
18 had actual knowledge of the material omissions and/or the falsity of the material statements set  
19 forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alter-  
20 native, acted with reckless disregard for the truth when they failed to ascertain and disclose the  
21 true facts in the statements made by them or other personnel of the Company to members of the  
22 investing public, including Plaintiff and the Class.



1           73. During the Class Period, the Individual Defendants participated in the operation  
2 and management of the Company, and conducted and participated, directly and indirectly, in the  
3 conduct of the Company's business affairs. Because of their senior positions, they knew the ad-  
4 verse non-public information regarding the Company's business practices.

5           74. As officers and/or directors of a publicly owned company, the Individual Defend-  
6 ants had a duty to disseminate accurate and truthful information with respect to the Company's  
7 financial condition and results of operations, and to correct promptly any public statements issued  
8 by the Company which had become materially false or misleading.

9           75. Because of their positions of control and authority as senior officers, the Individual  
10 Defendants were able to, and did, control the contents of the various reports, press releases and  
11 public filings which the Company disseminated in the marketplace during the Class Period.  
12 Throughout the Class Period, the Individual Defendants exercised their power and authority to  
13 cause the Company to engage in the wrongful acts complained of herein. The Individual Defend-  
14 ants therefore, were "controlling persons" of the Company within the meaning of Section 20(a) of  
15 the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artifi-  
16 cially inflated the market price of the Company's Common Stock.

17           76. Each of the Individual Defendants, therefore, acted as a controlling person of the  
18 Company. By reason of their senior management positions and/or being directors of the Company,  
19 each of the Individual Defendants had the power to direct the actions of, and exercised the same  
20 to cause, the Company to engage in the unlawful acts and conduct complained of herein. Each of  
21 the Individual Defendants exercised control over the general operations of the Company and pos-  
22 sessed the power to control the specific activities which comprise the primary violations about  
23 which Plaintiff and the other members of the Class complain.

1           77. By reason of the above conduct, the Individual Defendants are liable pursuant to  
2 Section 20(a) of the Exchange Act for the violations committed by the Company.

3                                   **PRAYER FOR RELIEF**

4           WHEREFORE Plaintiff demands judgment against Defendants as follows:

5           A. Determining that the instant action may be maintained as a class action un-  
6 der Rule 23 of the Federal Rules of Civil Procedure, and certifying Plaintiff as the  
7 Class representative;

8           B. Requiring Defendants to pay damages sustained by Plaintiff and the Class  
9 by reason of the acts and transactions alleged herein;

10          C. Awarding Plaintiff and the other members of the Class prejudgment and  
11 post-judgment interest, as well as their reasonable attorneys' fees, expert fees and  
12 other costs; and

13          D. Awarding such other and further relief as this Court may deem just and  
14 proper.

15                                   **DEMAND FOR TRIAL BY JURY**

16 Plaintiff hereby demands a trial by jury.  
17  
18  
19  
20  
21  
22  
23  
24