

How will new rules affect home buying?

Commissions on sales could decline — or not. ‘We are in for a little bit of a wild ride,’ one agent says.

By Andrew Khouri

For decades, if you wanted a real estate agent to help you buy or sell a home, the model was static.

At the close of escrow, the seller typically used their proceeds to pay a 5% to 6% commission, with half going toward their agent’s brokerage and half going to the buyer agent’s brokerage.

Now, industry rules that critics contend held commissions at those levels are about to change.

Proponents hope the changes, set to take effect Saturday, will make it easier for consumers to negotiate and put downward pressure on commissions and even home prices. But there’s also concern buyers could be saddled with additional upfront costs at a time when housing is wildly unaffordable for the masses.

Much is uncertain. “I think we are in for a little bit of a wild ride,” said Tori Horowitz, a Compass real estate agent who specializes in the Hollywood Hills.

Indeed, what is changing is complicated and the results unknown.

Agents have spent countless hours talking with their brokerages about the ins and outs of changes that stem from a legal settlement between the National Assn. of Realtors and home sellers.

Under the old system, listing agents had to publish an offer of compensation to the buyer’s broker when listing homes on NAR-affiliated multiple listing services, or the MLS.

Although listing agents were allowed to offer zero dollars in the compensation field and the Realtors have said commissions were always negotiable, several antitrust lawsuits alleged the requirement to post an offer reduced competition and kept commission rates artificially high.

In large part this was because buyer’s agents “steered” their clients to homes that offered higher commission rates, according to the lawsuits.

Andra Ghent, a professor of finance at the University of Utah, recalls that when selling homes in the past, the contracts her agents handed her to sign were already filled out with a 6% commission. [See **Commissions**, A7]



BARBIE HALASKA, right, a necropsy specialist with the Marine Mammal Center, and Chris Deimler put California sea lion carcasses in a pickup for transport to a disposal site Aug. 5 in Morro Bay, Calif.

Neurotoxin is poisoning large numbers of sea lions

An acute domoic acid outbreak is wreaking havoc among the marine mammals this summer along the California coast



MARINE Mammal Center veterinarian Greg Frankfurter checks a sea lion showing signs of domoic acid poisoning in Sausalito, Calif.

Photographs by JUSTIN SULLIVAN Getty Images

By SUSANNE RUST

MORRO BAY, Calif. — By the time the rescue squad got to her, a small crowd had formed around the agitated California sea lion. As the team crept toward her — carrying large wooden shields and a giant net — the animal’s head weaved, craned and rocked back and forth in frenzied rhythms.

Lucille — as she was later named by the Marine Mammal Center’s Morro Bay field office — had barely registered her captors’ approach as the team of five animal rescue volunteers pounced on her. A small struggle ensued as the creature’s body went rigid with seizures, but the team managed eventually to push her into an XXL portable dog crate.

“It’s really hard when they’re not acting like sea lions,” said Jake Roth, a 22-year-old volunteer who helped with [See **Outbreak**, A10]

Two ex-deputies charged with extortion

‘Mercenary group’ accused of raiding Irvine man’s home for millions

By BRITTNY MEJIA, KERI BLAKINGER AND MATTHEW ORMSETH

Federal prosecutors unveiled charges Monday against four former law enforcement and military officers accused of using threats to extort an Irvine man for nearly \$37 million, plus his

lucrative business.

The men, whom officials dubbed a “mercenary group,” allegedly entered the victim’s home in 2019 under the guise of a legitimate law enforcement operation. They detained the victim, his wife and their two sons for hours, according to the U.S. attorney’s office in Los Angeles.

Their target — identified only as Victim 1 — was allegedly slammed against a wall, choked and threatened with being deported.

Prosecutors said Victim 1 signed documents relinquishing his multimillion-dollar interest in a business, Jiangsu Sinorgchem Technology Co., a China-based rubber chemical manufac-

turer.

The raid was allegedly financed by a wealthy Chinese national — an unindicted co-conspirator — with whom the victim shared the business. The two had an ongoing dispute regarding their ownership interests, prosecutors said.

The indictment, filed [See **Scheme**, A10]

They were reluctant concertgoers without a ticket

An Inglewood house music festival was heard as far as South Bay, and heat may have been a factor.

By KAREN GARCIA

Living in Westchester, Chris Bankoff said, he’s used to two types of noise: the occasional house party by Loyola Marymount University students, and the engine roar of planes taking off from LAX.

What he didn’t expect to

hear Aug. 2 was the low-frequency thumping of music coming from HARD Summer, a house- and techno-music festival held at Hollywood Park in Inglewood, about five miles from Bankoff’s home.

When he first heard the beats that Friday, he thought it was a party nearby and brushed it off. But the next afternoon, Bankoff said, the sound resumed and was even louder than the day before.

“I could hear the change in rhythm,” he said. “It was just like someone parked out in front of the house playing loud music in their car.”

In North Redondo Beach, about nine miles from the entertainment venue, Sondra Segall thought she was hearing construction work. The noise didn’t bother her, but she wondered how she was able to hear it.

Residents in Manhattan Beach, El Segundo and Hermosa Beach also took to the Nextdoor app and Reddit in droves to ask or complain about the noise. The El Segundo Police Department received more than 100 calls on Aug. 2 and 200 on Aug. 3; the number dropped to 50 calls on Aug. 4, possibly in re-

[See **Music**, A5]



THE HARD Summer house- and techno-music festival was held outdoors in Inglewood on Aug. 2-4.

IVAN MENESES

Region’s child-care industry is in a tailspin

Preschools in L.A. County are losing pupils to transitional kindergarten. Other factors also are at play.

By JENNY GOLD AND KATE SEQUEIRA

DIG Childhood Center in Mar Vista once had no problem filling all 36 of its slots with eager young learners, who romped barefoot in a play yard filled with vegetables, monarch butterflies and a small stream. Before the pandemic, there was even a wait list.

But after a student exodus in 2020, the once-popular preschool has yet to recover. Enrollment is down to 22 students, with no signs of a rebound. This year, director Nina Moench said, she’s losing seven students to transitional kindergarten — the state’s rapidly expanding new grade for 4-year-old public school children. Other families are moving out of state, pushed out by the rising cost of living in Los Angeles County.

“Every school I talk to is struggling,” she said. “I’m just hoping everything will swing back the other way.”

More than four years after the start of the pandemic, the child-care industry in Los Angeles County is reeling from a dramatically shifting landscape and new options for parents, early childhood experts said. Students are leaving preschool for transitional kindergarten classrooms; an influx of state-funded vouchers can be used for a variety of care options; the population is declining. More flexible employment arrangements and teacher shortages also are contributing to the disruption.

But in a frustrating situation for new parents, the number of child-care slots for infants and toddlers still falls woefully short of the need.

A new report from UC Berkeley provides data showing the number of unfilled slots for 3- and 4-year-old children at L.A. County preschools has continued to [See **Child care**, A7]

School begins for LAUSD

For teachers and students, there were smiles, first-day jitters — and an earthquake. CALIFORNIA, B1

Gomes on rise in front office

The Dodgers general manager is taking a more hands-on approach in building the team. SPORTS, B10

New outlet for Universal Music

A bigger licensing pact with Meta will include WhatsApp and benefit artists, the companies say. BUSINESS, A6

Weather
Mostly sunny.
L.A. Basin: 86/65. B6

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