

SDAR Is Fighting To Protect Your MLS from Dissolution

October 27, 2016

The ill-considered lawsuit recently filed by Pacific Southwest AOR (PSAR) and the North San Diego County AOR (NSDCAR) to dissolve the Sandicor MLS is not to the benefit of any REALTORS® in San Diego County. SDAR vehemently opposes this action. Dissolving Sandicor is not in the best interest of our members — improving it is.

Unfortunately, all 19,000 MLS subscribers in our area will be greatly impacted by this and other actions of PSAR and NSDCAR. Their actions will harm the MLS and further distract and drain Sandicor's limited resources.

Most unfortunate is the true motivation of the other two associations. NSDCAR and PSAR have already merged in all but name. They are jointly using control over the MLS and this attempt to destroy Sandicor altogether as mere cover for a membership fight. It doesn't matter to them that this is endangering our members' primary business tool. They cannot survive alone, and cannot formally merge or they will lose control of Sandicor. This latest action is an attempt to destroy the MLS rather than work with SDAR towards a resolution.

SDAR has for many years worked to improve Sandicor's services, despite having a minority of board votes, (with 12,889 members SDAR has 4 of 11 votes, PSAR has 2,201 members and 3 votes, and NSDCAR has 4,628 members and 4 votes). It is astounding that the two associations that have had control of Sandicor's board of directors with 7 of 11 votes, have now decided that the board is incapable of functioning as a viable entity. For years as a group, they have had complete control over Sandicor and the ineffective management of platform changes, product launches, and improper maintenance of Sandicor's equipment. It's incredible that two associations that just five months ago forced Sandicor to incur a \$500,000 capital equipment purchase are now ready to walk away from it.

Unfortunately our efforts to improve Sandicor, despite its governance and SDAR's minority representation at the Board level, have been stonewalled. As a result, SDAR was forced to pursue legal remedies. The response has been a desperate grabbing of straws - first an attempted merger to hand your MLS to a company in Los Angeles, and now this effort to dissolve the MLS itself.

We know that Sandicor is a shared and valuable resource to our community of REALTORS®. That is why we have worked long and hard to refocus Sandicor on its core mission of serving REALTOR® members and real estate professionals, while guarding against excesses and mismanagement. In the end, SDAR's stewardship obligations necessitated formal measures, when informal measures, formal controls and numerous proposed solutions were all rejected. Being ignored, we had no choice but to file suit.

So where does this leave us?

We are advised that Sandicor's shareholder agreement and the laws governing that agreement preclude dissolution. It is also important to note that if the other two shareholders make the unfortunate decision to leave, SDAR stands prepared to exercise the buyout provisions of the governing documents and to continue to operate Sandicor for all subscribers. In fact, we previously offered to buy out the other two associations, but were rebuffed.

Whatever happens, we intend to ensure there is no interruption of services.

SDAR's mission is unwavering. We exist to ensure that the nearly 13,000 real estate professionals who rely upon us for service and support, continue to have that service and support without distraction or interruption.

If you have any questions, please do not hesitate to contact SDAR leadership at sdarmls@sdar.com.

The MLS Outlook is designed to share relevant trends and issues that could have an impact on your MLS and your business. We will continue to deliver information that answers the questions we are receiving from you, our members... What's REALLY happening with the MLS in San Diego? What does all this mean for your business? It's time to join the conversation about your MLS.