



MCAAR

MONTEREY COUNTY | ASSOCIATION OF REALTORS®

September 28, 2018

James Harrison, President & CEO
Quincy Virgilio, Chair & Board of Directors
MLSListings, Inc.
740 Kifer Road
Sunnyvale, CA 94086

RE: Monterey County Association of REALTORS® / MLSListings, Inc. Service Center Agreement

Dear Jim, Quincy and members of the MLSListings, Inc. Board of Directors:

On behalf of the Monterey County Association of REALTORS® (“MCAAR”) Board of Directors, I would like to first say how disappointed we are in the recent actions taken by MLSListings staff in the matter of the above referenced Service Center Agreement with MLSListings, Inc.

The MCAAR Board of Directors has been doing the work entrusted to them by their members to evaluate all existing business partnerships in order to determine the most prudent, sensible and cost-effective approach to performing the important and daily work of a REALTOR® in Monterey County. As you know, real estate in this nation and more specifically in the state of California is evolving. It is the fiduciary responsibility of our Board to be proactive in our approach to these changes and unfortunately, in so doing, we have come under assault from one of our most important partners, MLSListings, Inc.

On August 3rd, 2018, an amended Service Center Agreement between MLSListings, Inc. and MCAAR was submitted to Mr. Harrison (and the Board) for consideration. We took this approach, in part, because of a meeting that took place with Mr. Harrison and MCAAR CEO, Kevin Stone on June 26th, 2018. Mr. Harrison mentioned possible options for MCAAR and MLSListings, Inc. which included a potential wholesaler arrangement. Mr. Harrison also mentioned that he “has no problem competing” should we eventually move in a direction with another MLS vendor. Mr. Harrison made that same statement at a meeting which took place at the MCAAR office on August 31st, 2018 in which Mr. Stone, Molly McGee (MCAAR Pres-Elect) and Paul Gullion (MCAAR Counsel) were present. We did not receive any correspondence from MLSListings, Inc. relating to the proposed amended Service Center Agreement, no effort to negotiate certain points of the agreement, nor was any indication made that compromise on our proposal was not possible. It wasn’t until September 19, 2018 (46 days after our original proposal was sent) that a response was received in which our proposal was flatly denied along with a notification of termination to the long-standing Service Center arrangement with MCAAR, should the MCAAR Board elect not to sign their original Agreement by September 30th, 2018.

Upon receipt of that notification, we also came to understand that it was the directive of the MLSListings, Inc. Executive Committee that Larry Knapp, Vice-President of Industry Relations for MLSListings, Inc. reach out to Monterey County Brokers to “inform” them of the “actions” of the MCAAR Board relevant to this matter. Unfortunately, we now find ourselves in a position to respond to this outreach by Mr. Knapp.

While the MCAR Board has in fact evaluated the option of considering other MLS vendors for possible partnership, (again, part of the fiduciary responsibility of our Board) we were certainly not in a place to make that determination anytime soon as that level of change would require numerous months of due diligence, planning and outreach and ultimately a vote of our membership. In fact, we were positioned to execute the Agreement before us on September 30th until learning of the actions of MLSListings, Inc.

In Mr. Knapp's email of September 20th to one of our Brokers Larry writes, "While we haven't been told as much, we (MLSListings) believe that MCAR is at least seriously considering a change in MLS Service providers." He made similar representations in phone calls with other Brokers. The sole purpose in our request to modify the agreement was to test an alternative product. For Mr. Knapp to imply that in some way MLSListings, Inc. did not know, struck many of the MCAR Brokers and MCAR Board of Directors as disingenuous, which it was.

In conversations we've had with roughly 30 Monterey County Brokers over the past week, we are encouraged by the outflow of support regarding the efforts of our Board to consider options which may prove beneficial and cost-effective to their companies and agents. Given these recent conversations with Brokers regarding this matter, and in response to the efforts of Mr. Knapp, the Brokers have asked to be presented with the alternative product now rather than after the testing and evaluation period we had envisioned. As such, we have now scheduled two meetings to directly engage our Broker and REALTOR® community on the options potentially available to them.

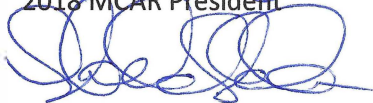
Next week, all MCAR members will have the opportunity to hear from our Board leadership and receive a presentation directly from CRMLS on possible alternatives to their current MLS provider. We will be taking the formalized feedback received from the members to the MCAR Board for further deliberation, prior to formally responding to the ultimatum that is unfortunately before the MCAR board today.

We would hope that MLSListings, Inc. would consider an extension of the deadline imposed to allow for input from our members prior to termination of our Service Center Agreement and fee structure as the MCAR Board will be better positioned to act accordingly by the end of next week (Friday, October 5, 2018). Thank you for your careful attention to this matter.

Regards,



Malone Hodges,
2018 MCAR President



Molly McGee,
2018 MCAR President-Elect



Kevin Stone
MCAR Chief Executive Officer

CC: Paul Gullion, MCAR Counsel
MCAR Board of Directors
MCAR Brokers
Jim Harrison, President & CEO, MLSListings, Inc.
Quincy Virgilio, MLSListings, Inc. Chair
MLSListings, Inc. Board of Directors