



The Trusted Voice of San Diego Real Estate

MLS Update for SDAR Members

The Greater San Diego Association of REALTORS® is voting YES on a motion to approve a purchase by Sandicor of \$500,000 worth of equipment as a protective measure to prevent the Directors who passed the motion, at Sandicor's request, from causing further financial harm to the company. It is the Greater San Diego Association of REALTORS® opinion that this "do or die" motion is ill conceived by Sandicor's Directors who voted in favor of the motion. A NO vote would place in motion a costly business option for the company that no one would have ever proposed short of using it as a poison pill option to ensure a YES vote from its shareholders. Otherwise, the motion would have come as two separate motions.

The Greater San Diego Association of REALTORS® also objects to the lack of transparency provided to the shareholders, including its largest in this process. At the time of making this defensive YES vote, Sandicor has yet to provide GSDAR with (1) a Technical Analysis Report, (2) a Technology Replacement Plan or (3) copies of competitive bids obtained to replace the HP EVA 8000 SAN and maintenance agreement. Shareholders were notified by Sandicor at the February 2016 Shareholder meeting that Sandicor received notice from HP in mid-December 2015 that HP would no longer provide software (patches, updates, etc.) and support for this old piece of equipment. Sandicor did not procure or provide any technical analysis. Instead, and considering the nature of the action and proposed expense, GSDAR retained an IT consultant, OSI to provide the missing technical assessment. Later, on March 22, 2016, Sandicor disclosed for the first time that it is simultaneously purchasing a SC4020 server as part of the expense for its co-location. Sandicor provided no analysis or justification for this purchase, but based on the limited information GSDAR's consultant estimates that this expense is near or in excess of a \$100,000 expense.

This current "crisis" is self-created, and lends itself to the conclusion that Sandicor does not understand its network infrastructure and/or has not maintained it in a manner that would avoid this "crisis" atmosphere. GSDAR is further concerned that Sandicor's co-location equipment is not current and would fail somewhere between 50 percent, by Sandicor's admission, and 100 percent by GSDAR consultants' estimation in case a Disaster Recovery is necessary. GSDAR believes there are better options available to Sandicor, at a lesser expense, than hosting its own MLS. GSDAR believes these options should be presented transparently and openly to the Board in the near future.

One thing we vehemently disagree on is a rushed, ill-informed decision to spend half a million dollars with no due diligence on what may well be an erroneous solution, or, as the only alternative presented by Sandicor, committing to an absurdly long and expensive service agreement.

