

NEREN BOD Meeting Talking Points

November 9, 2022

- The Board appointed Chad Jacobson as the Chief Executive Officer beginning on January 1, 2023. Chad has been with NEREN since early 2015 as the Director of Operations, and most recently as Chief Operating Officer. Chad succeeds Joe Ryan who will retire after more than 14 years at NEREN.
- The Board considered and approved moving forward with a proposal from the Finance Committee to create a separate 501(C)(3) charitable corporation. The objective would be to repurpose funds obtained through rule violations and use them for making charitable donations. The Board is aware that NEREN has an education first philosophy where the first fine notice (and in many cases the second fine notice as well) are merely educational notices without the imposition of any fine. Nevertheless, NEREN, like all MLSs, collects fines from repeated rule violations and this charitable effort would utilize that income in a positive way to help those who are in need.
- The Board received an update from staff on a business opportunity involving two of the largest MLSs in the country. California Regional MLS and Bright MLS in Maryland have formed a separate corporation called REdistribute. They intend to obtain and distribute aggregated MLS data for use towards risk management and valuations and other related purposes needed by lending and other business entities who would benefit from having a good source of industry data. NEREN has an opportunity to purchase shares in the new company. There will need to be a great deal of analysis and review before the Board can decide on this matter. The Board will continue to receive updates.
- The Board was updated on plans for a NEREN company business retreat in March. Three MLS platforms will be demonstrated and evaluated. They are Paragon, Flex, and Perchwell. This effort is part of the Board's due diligence as it considers a proposal from Paragon for a contract extension.
- The Board was advised that a current partner product of Paragon, Homebot, will be replaced by with a new product called Seller's Suite. This is a lead-generation and client-engagement platform powered by a company called Percy. More details will be forthcoming in the monthly NEREN newsletter.
- The Board was also advised that a product called Greenlight will soon be ready for launch. The products are **DealPortal**: a collection of easy to use, presentation-ready tools that serves up answers to the most challenging questions. **MarketPortal**: which calculates, interprets, and provides local insights of higher-level market knowledge. And **AgentPortal**: which visualizes market share data.
- The Board again reminds members that the 2023 budget, as was announced in September, will increase MLS fees by \$9 per month. The need for this fee change was first identified by the NEREN Shareholder boards at their March 2022 meeting where a motion was passed recommending that the NEREN Board of Directors consider raising member fees to strengthen the NEREN balance sheet. The Shareholders made this decision in light of several factors. Key among them being that the MLS industry is rapidly changing and increasingly there is a requirement for MLSs to invest in technology, technology companies, and joint ownership ventures with other MLSs. Yet NEREN's monthly fees have not increased since 2016 and are the lowest in the MLS industry. This results in NEREN not accumulating the financial strength that is needed to compete with the rising owner class MLSs who are increasingly purchasing the technology that powers their own MLS services. In consideration of the above the Board voted to increase the monthly MLS fees beginning in 2023 to ensure NEREN's ability to continue to provide high quality MLS services to our members for the long term.