

FRANCHISE DISCLOSURE DOCUMENT

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INTEGRA REALTY RESOURCES, INC.
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Integra offers this license to operate commercial real estate appraisal and advisory services businesses.

The total investment necessary to begin operation of an Integra franchise is \$235,000 to \$308,000. This assumes that you do not have an existing business and includes \$35,000 that must be paid to Integra and its affiliates. Normally, Integra does not license its Business System to start-up businesses.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Derek Guemmer, General Counsel to Integra at 816.729.6020 or dguemmer@irr.com.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

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Multi-State

Item 3

LITIGATION

Regents Bank & Trust Co., N.A. vs. Integra Realty Resources – Oklahoma, Integra Realty Resources, Inc. et al., Case No. CJ 08 619 This matter was filed on April 17, 2008 in the District Court of Muskogee County, Oklahoma (the “Regents Matter”). The Regents Matter relates to an appraisal conducted by Integra Realty Resources – Oklahoma (the “Local Office”) and asserts breach of contract and intentional and/or reckless misrepresentation, negligence and deceptive practices. The insurance carrier has undertaken the defense of the Regents Matter. We cannot assess the outcome of the Regents Matter at this time.

STG Realty Ventures LLC vs. Integra Realty Resources – San Francisco, Integra Realty Resources, Inc., et al., Demand for Arbitration. STG has demanded AAA arbitration on May 20, 2011 in connection with a rent arbitration for which Integra Realty Resources – San Francisco served as an arbitrator. The demand asserts that a flawed rent analysis was used. The insurance carrier has undertaken the defense of the matter. We cannot assess the outcome of the matter at this time.

Saddleback Realty Advisors, Inc. v. Integra Realty Resources, Inc. Case No. 06CC03774 On March 6, 2006, the Orange County franchisee of Integra filed a Complaint in the Superior Court of the State of California for the County of Orange alleging or seeking: (i) anticipatory breach of written contract; (ii) a declaratory relief; (iii) breach of written contract; (iv) intentional interference with prospective advantage; and (v) unfair business practices. The matter settled on April 11, 2006 and the Complaint dismissed in exchange for the payment of \$50,000 by Integra.

Realty Consultants U.S.A., Inc., et al. v. Integra Realty Resources, Inc., et al. Case No. 06CH11219 Realty Consultants, Gary DeClark, Nancy Meyers and IRR/RCUSA, L.P. (the “Plaintiffs”), filed a Complaint against the Company and its officers and directors containing five substantive counts together with a prayer for mandatory relief which would nullify any actions taken against any of the Plaintiffs by Integra to terminate the two Member Services Agreements granted to the Plaintiffs (the “MSAs”). The Plaintiffs are a franchisee of Integra. On May 4, 2007, the parties entered into a Settlement Agreement whereby mutual releases were provided in exchange for a \$250,000 payment by the Company.

Jon Zivku v. Dino Deluca, et al, Case No. 37-2009-00051778-CU-PN-NC Jon Zivku has filed suit in San Diego Superior Court against the San Diego franchisee of Integra and Integra for fraud and negligent representation in connection with an appraisal rendered by the San Diego Office. This matter was settled in May of 2010 in exchange for a \$45,000 payment by the insurance carrier of Integra and the San Diego Office.

Other than these five actions, no litigation is required to be disclosed in this Disclosure Document.

Item 8

**RESTRICTIONS ON SOURCES
OF PRODUCTS AND SERVICES**

Except for a subscription to our standard data supplier, the use of required report templates, certain required software, stationery and appraisal report covers as well as the mandatory subscription to DataPoint, all of which are described in Item 6, we have no required specifications, designated suppliers or approved suppliers for goods, services or real estate relating to the Licensed Business. Future requirements will be set forth in the operating manual and will relate to the need to deliver standardized appraisals, market studies and data services. These specifications also include standards for report delivery, content and appearance. Currently, we provide certain supplies that you need to operate the Licensed Business such as marketing brochures, report binders, data services and reference materials provided by third parties. In our last fiscal year ended December 31, 2010, we derived \$101,393 of gross revenue from your purchase of supplies (this constituted approximately 2.0% of our gross revenue of \$4,943,988). In our last fiscal year ended December 31, 2010, we also derived gross revenues of \$139,503 from the semi-annual meetings which our Members attended in 2010 (approximately 2.8% of our gross revenues), as well as gross revenues of \$96,000 from the sale of our IRR-Viewpoint trade publication to our Members (approximately 1.9% of our gross revenues). In our last fiscal year ended December 31, 2010, we derived approximately \$272,123 from the sale of the mandatory data subscriptions (this constituted approximately 5.5% of our gross revenues). Finally, in our last fiscal year ended December 31, 2010, we derived approximately \$ 389,150 from the sale of the mandatory data subscriptions (this constituted approximately 7.9% of our gross revenues).

In addition, the Member Services Agreement will require you to have particular office equipment that is compatible and functional. The cost of compatible software and hardware will be paid to third party vendors and approximates \$2,500 per appraiser (this includes the cost of a digital camera and mapping software). In addition, the cost of acquiring and installing the Microsoft Dynamics accounting software is \$9,200. Additional standards will be imposed from time to time, although you will have four months to make any required changes to your office equipment and software. The standards that we set for your office equipment and software will be reasonable. All advertising must be approved by Integra and utilize preapproved Integra formats. Integra requires that each report be prepared using Integra's appraisal templates. Finally, we may offer new products in the future which Members will have the option to purchase. For example, we are seeking work from the FDIC which may require the use of a customized software program.

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