



MAR 29 2012

FRANCHISE DISCLOSURE DOCUMENT



FRANCHISOR:

RE/MAX, LLC
d/b/a RE/MAX California and Hawaii Region
A Delaware limited liability company
5075 South Syracuse Street
Denver, Colorado 80237-2712
(303) 770-5531
wsoteroff@remax.com
www.remax.com

The franchise offered is for the operation of a RE/MAX® real estate sales office, which offers a variety of real estate services to the general public. The total investment necessary to begin operation of a RE/MAX® franchise ranges from \$40,000 to \$244,000. This includes the initial franchise fee of \$28,000 for a franchise in a high-density market, \$20,000 for a franchise in a medium-density market, or \$12,500 for a franchise in a low-density market, which initial franchise fee must be paid to RE/MAX, LLC.

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 franchise 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 the Contract Administration Department at 5075 S. Syracuse Street, Denver, Colorado 80237, or by telephone at (303) 770-5531.

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.

The issuance date: March 26, 2012 (see state cover page for state effective date).

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit H** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

- I. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH THE FRANCHISOR BY LITIGATION ONLY IN COLORADO. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH THE FRANCHISOR IN COLORADO THAN IN YOUR HOME STATE.
- II. THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- III. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. WE MAY ESTABLISH OTHER FRANCHISED OR COMPANY-OWNED OUTLETS THAT MAY COMPETE WITH YOUR LOCATION.
- IV. YOU WILL FACE MARKET COMPETITION, AS WELL AS OTHER BUSINESS RISKS, INCLUDING FLUCTUATIONS IN DEMAND FOR HOUSING, CHANGES IN MORTGAGE RATES AND AVAILABILITY OF FINANCING, AND CHANGING ECONOMIC CONDITIONS, BOTH LOCALLY AND NATIONALLY, WHICH MAY INCLUDE PROLONGED RECESSIONS THAT MAY SIGNIFICANTLY IMPACT THE RESIDENTIAL AND COMMERCIAL REAL ESTATE MARKETS.
- V. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We do not use franchise brokers or referral sources to assist us in selling our franchise.

The effective date of this disclosure document in the state described below is:

California: _____.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
1. The Franchisor, and any Parents, Predecessors, and Affiliates.....	1
2. Business Experience	9
3. Litigation.....	14
4. Bankruptcy.....	19
5. Initial Fees.....	19
6. Other Fees	21
7. Estimated Initial Investment	28
8. Restrictions on Sources of Products and Services	31
9. Franchisee's Obligations	36
10. Financing.....	38
11. Franchisor's Assistance, Advertising, Computer Systems, and Training	39
12. Territory	48
13. Trademarks	54
14. Patents, Copyrights and Proprietary Information	56
15. Obligation to Participate in the Actual Operation of the Franchise Business.....	57
16. Restrictions on What the Franchisee May Sell	58
17. Renewal, Termination, Transfer and Dispute Resolution.....	59
18. Public Figures	64
19. Financial Performance Representations.....	64
20. Outlets and Franchisee Information.....	65
21. Financial Statements	80
22. Contracts	80
23. Receipts.....	Last Pages

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/re-max-real-estate>