

**FRANCHISE DISCLOSURE DOCUMENT
FOR USE IN CALIFORNIA****REALTY EXPERTS AFFILIATES INC.**

41051 Mission Boulevard

Fremont, CA 94539

(510) 226-2456

info@realtyexpertsaffiliates.com

RECEIVED

2017 JUL 17 PM 3 17

DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO

The Franchise is for the operation of select high quality real estate brokerage businesses, from a specified location under the banner of REALTY EXPERTS® We have developed a business system used to conduct the Franchised Business The System includes, among other things, the Service Marks and certain marketing and sales programs and techniques, materials, artwork, graphics, layouts, slogans, names, titles, text and other confidential intellectual property that we make available to you

The initial Franchise Fee for a REALTY EXPERTS® Franchise Office is \$7,500 for the first office and \$5,000 for each additional office The estimated initial investment necessary to convert your existing real estate office to a REALTY EXPERTS® Franchise Office, ranges from \$81,600 to \$153,200, and the estimated initial investment necessary for a new start-up REALTY EXPERTS® Franchise Office, ranges from approximately \$131,250 to \$300,000, both estimates include the initial franchise fee See Items 5 and 7 for additional details

Our monthly Franchise Fees consist, of a Continuing Royalty Fee, which is equal to 3% of your monthly gross revenues, and additionally, an Advertising/Technology Fee, which is equal to 1% of your monthly gross revenues We do not charge an additional Relocation Fee for an outgoing referral or an incoming referral that is processed through REALTY EXPERTS® Relocation Services **There are no per office flat fees, and there are no per salesperson flat fees**

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, us or an affiliate in connection with the proposed franchise sale **Note, however, that no governmental agency has verified the information contained in this Disclosure Document**

The terms of your contract will govern your franchise relationship Do not rely on the Disclosure Document alone to understand your contract Read your entire 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, NW, 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

See the following page for a description of special risk factors relating to this Franchise

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 "F" 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

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

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

- 1 **THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE MEDIATED AND LITIGATED IN ALAMEDA COUNTY, CALIFORNIA OUT OF STATE MEDIATION, AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN ALAMEDA COUNTY, CALIFORNIA THAN IN YOUR HOME STATE**
- 2 **THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA GOVERNS THE LICENSE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE YOU MAY WANT TO COMPARE THESE LAWS**
- 3 **THE FRANCHISE SYSTEM ONLY HAS OPERATING HISTORY FROM 2009**
- 4 **REAL ESTATE LICENSES ARE REQUIRED REAL ESTATE LICENSING LAWS ARE NOT THE SAME IN EACH STATE YOU MUST COMPLY WITH THESE LAWS**
- 5 **FAILURE TO MEET QUOTA REQUIREMENTS COULD RESULT IN TERMINATION OF YOUR FRANCHISE AGREEMENT**
- 6 **A SPOUSE THAT IS NOT PARTY TO THE FRANCHISE AGREEMENT WILL BE REQUIRED TO GIVE A PERSONAL GUARANTY A SPOUSE WILL BE JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE WHETHER OR NOT THE SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS THIS PLACES THE PERSONAL ASSETS OF THE OWNERS AND THE OWNER'S SPOUSE AT RISK**
- 7 **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE**

We may use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

Date of Issuance

RE-FDD FRANCHISE
01/2017 CALIFORNIA

REALTY EXPERTS AFFILIATES INC.
FRANCHISE DISCLOSURE DOCUMENT



<u>ITEMS</u>	<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	2
ITEM 3	LITIGATION	2
ITEM 4	BANKRUPTCY	2
ITEM 5	INITIAL FEES	3
ITEM 6	OTHER FEES	3
ITEM 7	FRANCHISEE'S ESTIMATED INITIAL INVESTMENT	4
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	5
ITEM 9	FRANCHISEE'S OBLIGATIONS	5
ITEM 10	FINANCING	6
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING/TECHNOLOGY, COMPUTER SYSTEMS, TRAINING AND RELOCATION	7
ITEM 12	TERRITORY	9
ITEM 13	TRADEMARKS	10
ITEM 14	PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	12
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	12
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL	12
ITEM 17	RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	13
ITEM 18	PUBLIC FIGURES	15
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	15
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	15
ITEM 21	FINANCIAL STATEMENTS	16
ITEM 22	CONTRACTS	16
ITEM 23	RECEIPTS	16-18

RE-FDD FRANCHISE

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