

FRANCHISE DISCLOSURE DOCUMENT



REALTY ONE GROUP AFFILIATES, INC. A Nevada Corporation 23811 Aliso Creek Road, Suite 168 Laguna Niguel, California 92677 1-855-529-0101 E-mail: info@RealtyOneGroup.com URL: www.RealtyOneGroup.com

As a Realty ONE Group franchisee you will operate a Real Estate outlet providing real estaterelated programs and products.

The total investment necessary to begin operation of a Realty ONE Group unit franchise is \$43,250 to \$224,500. This includes \$15,000 to \$24,500 which must be paid to the franchisor and its affiliates.

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 government 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 Mr. Vinnie Tracey at Realty ONE Group Affiliates, Inc., 23811 Aliso Creek Road, Suite 168, Laguna Niguel, California 92677; telephone 1-855-529-0101.

The terms of your contract will govern your franchise relationship. Don't 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, such as 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, DC 20580. You can also visit the FTC's homepage 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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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about
	outlet sales, costs, profits or losses. You
	should also try to obtain this information from
	others, like current and former franchisees.
	You can find their names and contact
	information in Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to
	the franchisor or at the franchisor's direction.
	Item 7 lists the initial investment to open.
	Item 8 describes the suppliers you must use.
Does the franchisor have the	Exhibit B includes financial statements.
financial ability to provide	Review these statements carefully.
support to my business?	
Is the franchise system stable,	Item 20 summarizes the recent history of the
growing, or shrinking?	number of company-owned and franchised
	outlets.
Will my business be the only	Item 12 and the "territory" provisions in the
Realty ONE Group business in my	franchise agreement describe whether the
area?	franchisor and other franchisees can
	compete with you.
Does the franchisor have a	Items 3 and 4 tell you whether the franchisor
troubled legal history?	or its management have been involved in
	material litigation or bankruptcy proceedings.
What's it like to be a Realty ONE	Exhibits C and D list current and former
Group franchisee?	franchisees. You can contact them to ask
	about their experiences.
What else should I know?	These questions are only a few things you
	should look for. Review all 23 Items and all
	Exhibits in this disclosure document to better
	understand this franchise opportunity. See
	the table of contents.



What You Need To Know About Franchising Generally

<u>Continuing responsibility to pay fees.</u> You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

<u>Supplier restrictions.</u> You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

<u>Competition from franchisor</u>. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

<u>Renewal</u>. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

<u>When your franchise ends.</u> The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit F.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda. This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: https://franchisepanda.com/franchises/realty-one-group