

**Sperry Van Ness.** **Sperry Van Ness**  
Commercial Real Estate Advisors**FRANCHISE DISCLOSURE DOCUMENT****SPERRY VAN NESS INTERNATIONAL CORPORATION**

a Delaware Subchapter S-Corporation

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Dept of Business Oversight

We offer a franchise to operate a Sperry Van Ness® office that offers commercial real estate brokerage services to the public

The total investment necessary to begin operation of a new Sperry Van Ness Franchised Business is between \$12,627 and \$108,650. This amount includes an Initial Franchise Fee of \$10,000 for the Individual Program, \$20,000 for the Team Program, or \$25,000 for the Established Program that must be paid to the Franchisor or its affiliates.

The total investment necessary to begin operation of a conversion Sperry Van Ness Franchised Business is between \$10,627 and \$70,480. This includes an Initial Franchise Fee that must be paid to SVNIC of \$10,000 for the Individual Program, \$20,000 for the Team Program, or \$25,000 for the Established Program that must be paid to the Franchisor or its affiliates. A conversion Sperry Van Ness Franchised Business is an existing commercial real estate services business that converts to the Sperry Van Ness Marks and System.

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 Jen Skilliter, at Sperry Van Ness International Corporation, One Center Plaza, Suite 270, Boston, Massachusetts 02108, and at (888) 311-0605.

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, 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.

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

**THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS MARCH 17, 2014, AS AMENDED APRIL 15, 2014.**

### STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Documents be registered or filed with the state or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

STATE	EFFECTIVE DATE
California	<u>April 7, 2014, as Amended</u>
Hawaii	<u>April 4, 2014, as Amended April 15, 2014</u>
Illinois	<u>April 2, 2014, as Amended</u>
Indiana	
Maryland	
Minnesota	
New York	
North Dakota	
Rhode Island	<u>April 1, 2014, as Amended April 15, 2014</u>
South Dakota	<u>April 4, 2014, as Amended April 15, 2014</u>
Virginia	<u>April 10, 2014, as Amended April 15, 2014</u>
Washington	
Wisconsin	<u>April 31, 2014, as Amended April 15, 2014</u>

In all other states the effective date of this Disclosure Document is the Issuance Date of March 17, 2014, as Amended April 15, 2014

franchise program. If we enter into any new area services representative agreements they will be with experienced Sperry Van Ness franchisees that know and can share their understanding of our System.

### The Sperry Van Ness Regional Developer Business

We previously offered Regional Developer Agreements in the United States to certain Sperry Van Ness franchisees. As of the date of this Disclosure Document we have one Regional Developer, JDA Investments, LLC ("JDA") or ("Regional Developer")

JDA has an agreement that gives the Regional Developer a right to solicit and procure prospective franchisees in the state of Florida to open and operate Sperry Van Ness offices within their specified geographic area and to train and assist franchisees on the proper use of the Sperry Van Ness System and various tools and resources. JDA also operates a Sperry Van Ness business in Florida under a separate Franchise Agreement as its "Model Business." If you buy a Franchise in Florida the services provided by the Regional Developer satisfy our applicable service obligations to you and you must accept them under your Franchise Agreement in satisfaction of our obligations.

JDA also is our Regional Developer for Commercial Real Estate Services franchisees anywhere in the United States participating in our Auction Services Program (except for the ~~states of California and counties of Cook, Lake, McHenry, Dupage, Will, Kane, Kendall and Kankakee Counties, in the State of Illinois~~). If you are an Auction Services Program participant, JDA will provide Auction Services Program training and support services to you through JDA's affiliate, SVN Auction Services LLC, and you must accept these services in satisfaction of any obligations we may have to you under your Franchise Agreement.

The Regional Developer will receive from us a portion of Royalties and the Initial Franchise Fee you pay to us under the Franchise Agreement if you are a Florida franchisee or a participant in the Auction Services Program. JDA also helps us to find new franchisees in Florida, as well as new franchisees in other states that are eligible for the Auction Services Program. JDA receives a fee with each of these Franchise awards. JDA and SVN Auction Services LLC are independent businesses and are not our affiliates or Related Parties. Like our franchisees, they are independent contractors.

### Special Industry Regulation

All states have laws and regulations governing the operation of real estate brokerage offices and the services you will provide in your Sperry Van Ness Franchise Business, and you must comply with the provisions in your state. You should consult with the appropriate state licensing authorities to determine which requirements apply to you before entering into a Franchise Agreement. A person (whether an individual or a Business Entity) must be licensed by the state as a real estate broker before that person provides real estate brokerage services. Therefore, you must be licensed as a real estate broker before you sign the Franchise Agreement. If there are multiple owners of the Sperry Van Ness Franchise Business, then at least one of the owners must be licensed as a real estate broker. You, your Broker in Charge, and your Authorized Salespersons must comply with all Applicable Laws and conform to the Code of Ethics of the National Association of Realtors and Sperry Van Ness International Corporation's Core Covenants.

The specific services that require or that may be performed under a real estate broker license vary from state to state. In some states, you may be required to obtain additional licenses to broker mortgage loans or to provide ancillary services. If so, you must be licensed by that state as a mortgage

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