

FRANCHISE DISCLOSURE DOCUMENT

The Agency Real Estate Franchising, LLC

a Delaware limited liability company

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®

The franchise offered is to establish and operate real estate brokerage offices under the name *The Agency*®, as part of a network of real estate brokerage businesses that cater to high-end real estate buyers and sellers worldwide. The franchise will be operated from a real estate office under the management of an existing real estate broker's license. The franchisee will promote *The Agency's* image and brand standards to advance network development and clientele satisfaction through proprietary electronic platforms, innovative advertising and public relations.

The total investment necessary to begin operation of an Office ranges from \$108,000 to \$581,800 (depending upon, among other things, the size of the office, to what extent the office needs to be built out, the number of agents, and the amount to be set aside for reserves). This includes \$35,000 that must be paid to the franchisor or affiliate; however, if the franchisee is converting a real estate office from a different brand, we may discount or waive this payment. The total investment necessary to begin operation of a Limited Purpose Office ranges from \$21,375 to \$255,800 (depending upon the type of Limited Purpose Office). This includes \$2,000 that must be paid to the franchisor or affiliate. If you want development rights, you must pay us a development fee equal to \$35,000 (the initial franchise fee for the first Office) plus 40% of each subsequent initial franchise fee for each additional Office you agree to develop.

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 any affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don't rely on this 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.

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 Billy Rose at 331 Foothill Road, Suite 100, Beverly Hills, California 90210 and (424) 230-3702.

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.

Issuance Date: September 17, 2019

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 D 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:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION, AND LITIGATION IN LOS ANGELES, CALIFORNIA. OUT-OF-STATE MEDIATION, ARBITRATION, AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE, AND LITIGATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT DELAWARE LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document 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.

California	Pending
Hawaii	Pending
Illinois	Pending
Maryland	Pending
Michigan	September 20, 2019
Minnesota	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Wisconsin	September 20, 2019

In all other states without franchise registration laws, the effective date of this Franchise Disclosure Document is the issuance date of September 17, 2019.

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