REALOGY CORP
Form S-1
April 01, 2011
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As filed with the Securities and Exchange Commission on April 1, 2011

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM S-1

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

REALOGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**6531**	**20-4381990**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

One Campus Drive

Parsippany, New Jersey 07054

(973) 407-2000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

DOMUS HOLDINGS CORP.

(Exact name of registrant as specified in its charter)

Delaware	**6531**	**20-8050955**
(State or Other Jurisdiction of Incorporation or Organization)	***(Primary Standard Industrial Classification Code Number)***	***(I.R.S. Employer Identification No.)***

One Campus Drive

Parsippany, New Jersey 07054

(973) 407-2000

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

GUARANTORS LISTED ON SCHEDULE A HERETO

Marilyn J. Wasser, Esq.

Realogy Corporation

One Campus Drive

Parsippany, New Jersey 07054

(973) 407-2000

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Stacy J. Kanter, Esq.

Skadden, Arps, Slate, Meagher & Flom LLP

Four Times Square

New York, New York 10036-6522

(212) 735-3000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	¨	Accelerated filer	¨
Non-accelerated filer	x (Do not check if a smaller reporting company)	Smaller reporting company	¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	**Amount to be registered**	**Proposed maximum offering price per share**	**Proposed maximum aggregate offering price**	**Amount of registration fee**
11.00% Series A Convertible Senior Subordinated Notes due 2018	$1,143,706,000(1)	100%(2)	$1,143,706,000(2)(3)	$132,784.27
11.00% Series B Convertible Senior Subordinated Notes due 2018	$291,424,196(1)	100%(2)	$291,424,196(2)(3)	$33,834.35
11.00% Series C Convertible Senior Subordinated Notes due 2018	$675,111,000(1)	100%(2)	$675,111,000(2)(3)	$78,380.39
Class A Common Stock, $0.01 par value	2,025,809,224(4)	(5)	(5)	(5)
Guarantees				(6)
Total Amount of Registration Fee				$244,999.00

(1) Represents the aggregate principal amount of the notes that were issued by Realogy Corporation on January 5, 2011.
(2) Represents a bona fide estimate of the maximum aggregate offering price solely for the purpose of calculating the registration fee under Rule 457(a) under the Securities Act.
(3) Equals the aggregate principal amount of notes being registered.
(4) Represents the maximum number of shares of Class A Common Stock of Domus Holdings Corp. issuable upon conversion of the notes being registered hereby at an initial conversion rate of (A) 975.6098 shares of Class A Common Stock per $1,000 aggregate principal amount of 11.00% Series A Convertible Senior Subordinated Notes due 2018 and 11.00% Series B Convertible Senior Subordinated Notes due 2018, and (B) 926.7841 shares of Class A Common Stock per $1,000 aggregate principal amount of 11.00% Series C Convertible Senior Subordinated Notes due 2018. Pursuant to Rule 416 under the Securities Act, the registrants are also registering such indeterminate number of shares of Class A Common Stock as may be issued from time to time upon conversion of the notes as a result of the anti-dilution provisions thereof.
(5) No separate consideration will be received for the shares of Class A Common Stock of Domus Holdings Corp. issuable upon conversion of the notes; therefore, no additional registration fee is required pursuant to Rule 457(i) under the Securities Act.
(6) The notes are guaranteed by the guarantors named in Schedule A herein. No separate consideration will be paid in respect of the guarantees, and no additional registration fee is required pursuant to Rule 457(n) under the Securities Act.

The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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SCHEDULE A

The address for each of the guarantors listed below is One Campus Drive, Parsippany, New Jersey 07054. The primary standard industrial classification code number for each of the guarantors listed below is 6531. The guarantors, the states of incorporation or organization for each guarantor and the IRS employer identification number for each guarantor is listed below.

Exact name of registrant as specified in its charter	State of incorporation or organization	IRS employer identification no.
Burrow Escrow Services, Inc.	California	33-0876967
Coldwell Banker Real Estate LLC	California	95-3656885
Coldwell Banker Residential Brokerage Company	California	95-3140237
Coldwell Banker Residential Real Estate LLC	California	95-3522685
Coldwell Banker Residential Referral Network	California	33-0196250
Cornerstone Title Company	California	33-0955745
Equity Title Company	California	95-3415676
Guardian Title Company	California	95-2951502
National Coordination Alliance LLC	California	33-0477770
Realogy Operations LLC	California	95-2699378
Referral Network Plus, Inc.	California	26-2299918
Valley of California, Inc.	California	94-1615655
West Coast Escrow Company	California	95-4037858
Colorado Commercial, LLC	Colorado	84-1539312
Guardian Title Agency, LLC	Colorado	84-1300104
NRT Colorado LLC	Colorado	84-1474328
Referral Network, LLC	Colorado	84-1541495
Associated Client Referral LLC	Delaware	26-0376602
Better Homes and Gardens Real Estate Licensee LLC	Delaware	26-1483161
Better Homes and Gardens Real Estate LLC	Delaware	26-1439164
Burgdorff LLC	Delaware	26-0376660
Burgdorff Referral Associates LLC	Delaware	26-0376767
Career Development Center, LLC	Delaware	20-5782611
Cartus Asset Recovery Corporation	Delaware	26-3108651
Cartus Corporation	Delaware	94-1717274
Cartus Partner Corporation	Delaware	26-1545145
CDRE TM LLC	Delaware	20-5122543
Century 21 Real Estate LLC	Delaware	95-3414846
CGRN, Inc.	Delaware	22-3652986
Coldwell Banker LLC	Delaware	33-0320545
Coldwell Banker Real Estate Services LLC	Delaware	26-0376845
Coldwell Banker Residential Brokerage LLC	Delaware	33-0722736
Domus Holdings Corp.	Delaware	20-8050955
Equity Title Messenger Service Holding LLC	Delaware	14-1871488
ERA Franchise Systems LLC	Delaware	22-3419810
First California Escrow Corp	Delaware	20-2923040
Franchise Settlement Services LLC	Delaware	20-0922030
Global Client Solutions LLC	Delaware	26-3051498
Guardian Holding Company	Delaware	20-0597637
Gulf South Settlement Services, LLC	Delaware	20-2668391
Jack Gaughen LLC	Delaware	26-0376973
Keystone Closing Services LLC	Delaware	23-2930568
NRT Arizona Commercial LLC	Delaware	20-3697457
NRT Arizona LLC	Delaware	20-3392792
NRT Arizona Referral LLC	Delaware	20-3697479

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Exact name of registrant as specified in its charter	State of incorporation or organization	IRS employer identification no.
NRT Columbus LLC	Delaware	31-1794070
NRT Commercial LLC	Delaware	52-2173782
NRT Commercial Utah LLC	Delaware	87-0679989
NRT Development Advisors LLC	Delaware	20-0442165
NRT Devonshire LLC	Delaware	26-2333684
NRT Hawaii Referral, LLC	Delaware	20-3574360
NRT LLC	Delaware	33-0769705
NRT Mid-Atlantic LLC	Delaware	26-0393458
NRT Missouri LLC	Delaware	64-0965388
NRT Missouri Referral Network LLC	Delaware	26-0393293
NRT New England LLC	Delaware	04-2154746
NRT New York LLC	Delaware	13-4199334
NRT Northfork LLC	Delaware	26-0840964
NRT Philadelphia LLC	Delaware	27-3478613
NRT Pittsburgh LLC	Delaware	26-0393427
NRT Referral Network LLC	Delaware	80-0506617
NRT Relocation LLC	Delaware	20-0011685
NRT REOExperts LLC	Delaware	26-2707374
NRT Settlement Services of Missouri LLC	Delaware	26-0006000
NRT Settlement Services of Texas LLC	Delaware	52-2299482
NRT Sunshine Inc.	Delaware	51-0455827
NRT Utah LLC	Delaware	87-0679991
ONCOR International LLC	Delaware	20-5470167
Real Estate Referral LLC	Delaware	26-0393629
Real Estate Referrals LLC	Delaware	26-0393668
Real Estate Services LLC	Delaware	22-3770721
Realogy Franchise Group LLC	Delaware	20-4206821
Realogy Global Services LLC	Delaware	22-3528294
Realogy Licensing LLC	Delaware	22-3544606
Realogy Services Group LLC	Delaware	20-1572338
Realogy Services Venture Partner LLC	Delaware	20-2054650
Secured Land Transfers LLC	Delaware	26-0184940
Sotheby s International Realty Affiliates LLC	Delaware	20-1077136
Sotheby s International Realty Licensee LLC	Delaware	20-1077287
Sotheby s International Realty Referral Company, LLC	Delaware	20-4568253
Title Resource Group Affiliates Holdings LLC	Delaware	20-0597595
Title Resource Group Holdings LLC	Delaware	22-3868607
Title Resource Group LLC	Delaware	22-3680144
Title Resource Group Services LLC	Delaware	22-3788990
Title Resources Incorporated	Delaware	76-0594000
TRG Services, Escrow, Inc.	Delaware	26-1512603
World Real Estate Marketing LLC	Delaware	26-3623204
WREM, Inc.	Delaware	27-1798705
Referral Network LLC	Florida	59-2541359
St. Joe Title Services LLC	Florida	59-3508965
The Sunshine Group (Florida) Ltd. Corp.	Florida	13-3329821
Coldwell Banker Commercial Pacific Properties LLC	Hawaii	99-0335507
Coldwell Banker Pacific Properties LLC	Hawaii	99-0323981
NRT Insurance Agency, Inc.	Massachusetts	04-3332208
Referral Associates of New England LLC	Massachusetts	04-3079542
Mid-Atlantic Settlement Services LLC	Maryland	52-1851057

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Exact name of registrant as specified in its charter	State of incorporation or organization	IRS employer identification no.
Sotheby s International Realty, Inc.	Michigan	38-2556952
Burnet Realty LLC	Minnesota	41-1660781
Burnet Title LLC	Minnesota	41-1926464
Burnet Title Holding LLC	Minnesota	41-1840763
Home Referral Network LLC	Minnesota	41-1685091
Market Street Settlement Group LLC	New Hampshire	02-0505642
The Sunshine Group, Ltd.	New York	13-3329821
Coldwell Banker Residential Referral Network, Inc.	Pennsylvania	25-1485174
TRG Settlement Services, LLP	Pennsylvania	25-1810204
J. W. Riker Northern R. I., Inc.	Rhode Island	05-0402949
Lakecrest Title, LLC	Tennessee	38-3682041
Alpha Referral Network LLC	Texas	33-0443969
American Title Company of Houston	Texas	75-2477592
ATCOH Holding Company	Texas	76-0452401
NRT Texas LLC	Texas	75-2412614
Processing Solutions LLC	Texas	76-0006215
TAW Holding Inc.	Texas	76-0593996
Texas American Title Company	Texas	74-1909700
Waydan Title, Inc.	Texas	76-0443701

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Subject to completion, dated April 1, 2011

The information in this prospectus is not complete and may be changed. The selling securityholders may not sell these securities until the Registration Statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and neither we nor the selling securityholders are soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS

Realogy Corporation

$1,143,706,000 11.00% Series A Convertible Senior Subordinated Notes due 2018

$291,424,196 11.00% Series B Convertible Senior Subordinated Notes due 2018

$675,111,000 11.00% Series C Convertible Senior Subordinated Notes due 2018

and

Domus Holdings Corp.

Class A Common Stock Issuable upon Conversion of the Notes

Realogy Corporation (Realogy) issued $2,110,241,196 aggregate principal amount of 11.00% Convertible Senior Subordinated Notes due 2018, consisting of (i) $1,143,706,000 aggregate principal amount of 11.00% Series A Convertible Senior Subordinated Notes due 2018 (the Series A Convertible Notes), (ii) $291,424,196 aggregate principal amount of 11.00% Series B Convertible Senior Subordinated Notes due 2018 (the Series B Convertible Notes) and (iii) $675,111,000 aggregate principal amount of 11.00% Series C Convertible Senior Subordinated Notes due 2018 (the Series C Convertible Notes and, together with the Series A Convertible Notes and the Series B Convertible Notes, the notes) on January 5, 2011 in connection with Realogy s private debt exchange offers (the Debt Exchange Offering) as more fully described herein. The Series A Convertible Notes, Series B Convertible Notes and Series C Convertible Notes were issued under the same indenture (the indenture), dated as of January 5, 2011, by and among, Realogy, Domus Holdings Corp., Realogy s indirect parent corporation (Holdings), the note guarantors party thereto (the Note Guarantors) and The Bank of New York Mellon Trust Company, N.A., as trustee (the Trustee), and are treated as a single class for substantially all purposes under the indenture. This prospectus will be used by the selling securityholders named herein to resell their notes and the Class A Common Stock of Holdings, par value $0.01 per share (Class A Common Stock), issuable upon conversion of the notes. We are registering the offer and sale of the notes and the shares of Class A Common Stock issuable upon conversion of the notes to satisfy registration rights we have granted.

The Series A Convertible Notes bear interest at a rate of 11.00% per annum. The Series B Convertible Notes bear interest at a rate of 11.00% per annum. The Series C Convertible Notes bear interest at a rate of 11.00% per annum. Interest is payable semiannually to holders of record at the close of business on April 1 and October 1 immediately preceding the interest payment dates of April 15 and October 15 of each year.

The notes are guaranteed on an unsecured senior subordinated basis by each of Realogy s U.S. direct or indirect restricted subsidiaries that is a guarantor under the 13.375% Senior Subordinated Notes (as defined below). Subject to certain exceptions, any subsidiary that in the future guarantees the 13.375% Senior Subordinated Notes will also guarantee the notes. Holdings also guarantees the notes on an unsecured junior subordinated basis.

The notes are convertible into Class A Common Stock at any time prior to April 15, 2018. Every $1,000 aggregate principal amount of Series A Convertible Notes or Series B Convertible Notes is convertible into 975.6098 shares of Class A Common Stock, which is equivalent to an initial conversion price of approximately $1.025 per share, and every $1,000 aggregate principal amount of Series C Convertible Notes is convertible into 926.7841 shares of Class A Common Stock, which is equivalent to an initial conversion price of approximately $1.079 per share, in each case subject to adjustments under certain conditions as set forth in the indenture.

Upon the occurrence of a Qualified Public Offering (as defined below), and at any time thereafter, Realogy may, at its option, redeem the notes, in whole or in part, at a redemption price, payable in cash, equal to 90% of the principal amount of the notes to be redeemed plus accrued and unpaid interest thereon to, but not including, the redemption date. If Realogy undergoes a Change of Control (as defined below), it must offer to repurchase the notes at 101% of the principal amount, plus accrued and unpaid interest and additional interest, if any, to the repurchase date.

We are not selling any notes or shares of Class A Common Stock pursuant to this prospectus and will not receive any proceeds from sales of the securities registered herein by the selling securityholders. The selling securityholders may sell all or a portion of their notes and the Class A Common Stock issuable upon conversion thereof from time to time in market transactions, in negotiated transactions or otherwise, and at prices and on terms that will be determined by the prevailing market price or at negotiated prices. For more information regarding the sales of the notes and Class A Common Stock issuable upon conversion of the notes by the selling securityholders pursuant to this prospectus, please read Plan of Distribution.

There is no public market for the notes or Class A Common Stock and we do not intend to apply for listing of the notes or the Class A Common Stock on any securities exchanges or for quotation of these securities through any automated quotation systems.

Investing in the notes and the Class A Common Stock issuable upon conversion of the notes involves risks. See Risk Factors beginning on page 19.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2011.

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Except as otherwise indicated or unless the context otherwise requires, the terms we, us, our, our company and the Company refer to Domu Holdings Corp. and its consolidated subsidiaries, including Domus Intermediate Holdings Corp., a Delaware limited liability company (Intermediate) and Realogy Corporation, a Delaware corporation (Realogy). Holdings is not a party to the senior secured credit facility and certain references in this prospectus to our consolidated indebtedness exclude Holdings with respect to indebtedness under the senior secured credit facility. In addition, while Holdings is a guarantor of Realogy s obligations under the Unsecured Notes (as defined below) and the First and a Half Lien Notes (as defined below), Holdings is not subject to the restrictive covenants in the agreements governing such indebtedness. Holdings, the indirect parent of Realogy, does not conduct any operations other than with respect to its indirect ownership of Realogy. Intermediate, the parent of Realogy, does not conduct any operations other than with respect to its ownership of Realogy.

You should rely only on the information contained in this prospectus or to which we have referred you. We have not, and the selling securityholders have not, authorized anyone to provide you with information that is different. This prospectus may only be used where it is legal to sell the securities being offered by this prospectus. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

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TRADEMARKS AND SERVICE MARKS

We own or have rights to use the trademarks, service marks and trade names that we use in conjunction with the operation of our business. Some of the more important trademarks that we own or have rights to use that appear in this prospectus include the CENTURY 21®, COLDWELL BANKER®, ERA®, THE CORCORAN GROUP®, COLDWELL BANKER COMMERCIAL®, SOTHEBY S INTERNATIONAL REALTY® and BETTER HOMES AND GARDENS® marks, which are registered in the United States and/or registered or pending registration in other jurisdictions, as appropriate to the needs of our relevant business. Each trademark, trade name or service mark of any other company appearing in this prospectus is owned by such company.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus includes data, forecasts and information obtained from independent trade associations, industry publications and surveys and other information available to us. Some data is also based on our good faith estimates, which are derived from management s knowledge of the industry and independent sources. As noted in this prospectus, the National Association of Realtors (NAR), the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) were the primary sources for third-party industry data and forecasts. While NAR and Fannie Mae are two indicators of the direction of the residential housing market, we believe that homesale statistics will continue to vary between us and NAR and Fannie Mae because they use survey data in their historical reports and forecasting models whereas we use data based on actual reported results. In addition to the differences in calculation methodologies, there are geographical differences and concentrations in the markets in which we operate versus the national market. For instance, comparability is impaired due to NAR s utilization of seasonally adjusted annualized rates whereas we report actual period over period changes and their use of median price for their forecasts compared to our average price. Historical NAR data is subject to periodic review and revision. NAR has recently issued a press release disclosing that it is engaged in a review of its sampling and methodology processes with respect to existing homesale data to ensure accuracy. NAR expects to conclude this analysis and publish any revisions in the summer of 2011. Any such changes could result in downward revisions of NAR s historical national survey data but would have no impact on Realogy s reported financial results or driver information.

Forecasts regarding rates of home ownership, median sales price, volume of homesales, and other metrics included in this prospectus to describe the housing industry are inherently uncertain or speculative in nature and actual results for any period may materially differ. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but such information may not be accurate or complete. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Statements as to our market position are based on market data currently available to us. While we believe that the industry data presented herein are derived from the most widely recognized sources for reporting U.S. residential housing market statistical data, we do not endorse or suggest reliance on this data alone but provide the data as a benchmark for the industry.

We believe our internal research is reliable, even though such research has not been verified by any independent sources.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including the section entitled Risk Factors and our financial statements and the related notes included elsewhere in this prospectus, before making an investment decision to purchase notes and shares of Class A Common Stock issuable upon conversion of the notes. All amounts in this prospectus are expressed in U.S. dollars and the financial statements have been prepared in accordance with generally accepted accounting principles in the Unites States (GAAP).

Our Company

Realogy is a wholly-owned subsidiary of Domus Intermediate Holding Corp., a Delaware corporation, which is wholly-owned by Holdings. Holdings, a Delaware corporation, does not conduct any operations other than with respect to its indirect ownership of Realogy.

We are one of the preeminent and most integrated providers of real estate and relocation services. We are the world s largest real estate brokerage franchisor, the largest U.S. residential real estate brokerage firm, the largest U.S. provider and a leading global provider of outsourced employee relocation services and a provider of title and settlement services. Through our portfolio of leading brands and the broad range of services we offer, we have established our company as a leader in the residential real estate industry, with operations that are dispersed throughout the U.S. and in various locations worldwide. We derive the vast majority of our revenues from serving the needs of buyers and sellers of existing homes, rather than serving the needs of builders and developers of new homes. Realogy was incorporated on January 27, 2006 in the State of Delaware. Holdings was incorporated on December 14, 2006 in the State of Delaware.

We report our operations in four segments: Real Estate Franchise Services, Company Owned Real Estate Brokerage Services, Relocation Services and Title and Settlement Services.

Segment Overview

Real Estate Franchise Services: Through our Real Estate Franchise Services segment, or RFG, we are a franchisor of some of the most recognized brands in the real estate industry. As of December 31, 2010, our franchise system had approximately 14,700 offices (which included approximately 750 of our company owned and operated brokerage offices) and 264,000 independent sales associates operating under our franchise and proprietary brands in the U.S. and 99 other countries and territories around the world (internationally, generally through master franchise agreements). In 2010, based on NAR s historical survey data and our own results, we were involved, either through our franchise operations of our franchisees or our company owned brokerages, in approximately 23% of all existing homesale transaction volume (sides times average sales price) for domestic transactions involving a real estate brokerage firm. As of December 31, 2010, we had approximately 3,600 domestic franchisees, none of which individually represented more than 1% of our franchise royalties (other than our subsidiary, NRT LLC, or NRT, which operates our company owned brokerage business). We believe this reduces our exposure to any one franchisee. On average, our franchisee s tenure with our brands is 18 years as of December 31, 2010. Our franchise revenues in 2010 included $206 million of royalties paid by our company owned brokerage operations, or approximately 37% of total franchise revenues, which eliminates in consolidation. As of December 31, 2010, our real estate franchise brands were:

- **Century 21®** One of the world s largest residential real estate brokerage franchisors, with approximately 8,000 franchise offices and approximately 121,000 independent sales associates located in the U.S. and 71 other countries and territories;

Coldwell Banker® One of the largest residential real estate brokerage franchisors, with approximately 3,300 franchise and company owned offices and approximately 89,700 independent sales associates located in the U.S. and 49 other countries and territories;

ERA® A residential real estate brokerage franchisor, with approximately 2,500 franchise and company owned offices and approximately 30,100 independent sales associates located in the U.S. and 41 other countries and territories;

Sotheby s International Realty® A luxury real estate brokerage brand. In February 2004, we acquired Sotheby s company owned offices and the exclusive license for the rights to the Sotheby s Realty and Sotheby s International Realty® trademarks. Since that time, we have grown the brand from 15 company owned offices to approximately 550 franchise and company owned offices and approximately 11,800 independent sales associates located in the U.S. and 43 other countries and territories;

Better Homes and Gardens® Real Estate We launched the Better Homes and Gardens® Real Estate brand in July 2008 under an exclusive long-term license from Meredith Corporation (Meredith) and have approximately 200 franchise offices and approximately 7,000 independent sales associates located in the U.S.; and

Coldwell Banker Commercial® A commercial real estate brokerage franchisor. Our commercial franchise system has approximately 160 franchise offices and approximately 2,100 independent sales associates worldwide. The number of offices and independent sales associates in our commercial franchise system does not include our residential franchise and company owned brokerage offices and the independent sales associates who work out of those brokerage offices that also conduct commercial real estate brokerage business using the Coldwell Banker Commercial® trademarks.

We derive substantially all of our real estate franchising revenues from royalty fees received under long-term franchise agreements with our franchisees (typically ten years in duration for domestic agreements). The royalty fee is based on a percentage of the franchisees sales commission earned from real estate transactions, which we refer to as gross commission income. Our franchisees pay us royalty fees for the right to operate under one of our trademarks and to utilize the benefits of the systems and tools provided by our real estate franchise operations. These royalty fees enable us to have recurring revenue streams. In exchange, we provide our franchisees with support that is designed to facilitate our franchisees in growing their business, attracting new independent sales associates and increasing their revenue and profitability. We support our franchisees with dedicated branding-related national marketing and servicing programs, technology, training and education. We believe that one of our strengths is the strong relationships that we have with our franchisees, as evidenced by our franchisee retention rate of 95% in 2010. Our retention rate represents the annual gross commission income as of December 31 of the previous year generated by our franchisees that remain in the franchise system on an annual basis, measured against the annual gross commission income of all franchisees as of December 31 of the previous year.

Company Owned Real Estate Brokerage Services: Through our subsidiary, NRT, we own and operate a full-service real estate brokerage business in more than 35 of the largest metropolitan areas of the U.S. Our company owned real estate brokerage business operates principally under our Coldwell Banker® brand as well as under the ERA® and Sotheby s International Realty® franchised brands, and proprietary brands that we own, but do not currently franchise to third parties, such as The Corcoran Group®. In addition, under NRT, we operate a large independent REO residential asset manager, which focuses on bank-owned properties. At December 31, 2010, we had approximately 750 company owned brokerage offices, approximately 5,000 employees and approximately 44,000 independent sales associates working with these company owned offices. Acquisitions have been, and will continue to be, part of our strategy and a contributor to the growth of our company owned brokerage business.

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Our company owned real estate brokerage business derives revenues primarily from gross commission income received serving as the broker at the closing of real estate transactions. For the year ended December 31, 2010, our average homesale broker commission rate was 2.48% which represents the average commission rate earned on either the buy side or the sell side of a homesale transaction. Generally in U.S. homesale transactions, the broker for the home seller instructs the closing agent to pay a portion of the sales commission to the broker for the buyer and keeps the remaining portion of the homesale commission. In addition, as a full-service real estate brokerage company, in compliance with applicable laws and regulations, including the Real Estate Settlement Procedures Act (RESPA), we actively promote the services of our relocation and title and settlement services businesses, as well as the products offered by PHH Home Loans, LLC (PHH Home Loans), our home mortgage venture with PHH Corporation (PHH) that is the exclusive recommended provider of mortgages for our real estate brokerage and relocation service customers. All mortgage loans originated by PHH Home Loans are sold to PHH or other third party investors, and PHH Home Loans does not hold any mortgage loans for investment purposes or perform servicing functions for any loans it originates. Accordingly, our home mortgage venture structure insulates us from mortgage servicing risk. We own 49.9% of PHH Home Loans and PHH owns the remaining 50.1%. The Company is not the primary beneficiary and therefore our financial results only reflect our proportionate share of the venture s results of operations which are recorded using the equity method.

Relocation Services: Through our subsidiary, Cartus Corporation (Cartus), we are a leading global provider of outsourced employee relocation services and the largest provider in the U.S. We offer a broad range of world-class employee relocation services designed to manage all aspects of an employee s move to facilitate a smooth transition in what otherwise may be a difficult process for both the employee and the employer.

Our relocation services business primarily offers its clients employee relocation services such as homesale assistance, home finding and other destination services, expense processing, relocation policy counseling and other consulting services, arranging household moving services, visa and immigration support, intercultural and language training and group move management services. In addition to general residential housing trends, key drivers of our relocation services business are corporate spending and employment trends.

In January 2010, our relocation business acquired Primacy, a relocation and global assignment management services company headquartered in Memphis, Tennessee with international locations in Canada, Europe and Asia. The acquisition enabled Cartus to re-enter the U.S. government relocation business, increase its domestic operations, as well as expand the Company s global relocation capabilities. Effective January 1, 2011, the Primacy business operates under the Cartus name.

In 2010, we assisted in over 148,000 relocations in over 160 countries for approximately 1,500 active clients, including over 60% of the Fortune 50 companies as well as affinity organizations. Cartus has offices in the U.S. as well as internationally in Swindon and Richmond, United Kingdom, Canada, Hong Kong, Singapore, China, Germany, France, Switzerland and The Netherlands.

Clients pay a fee for the services performed and we also receive commissions from third-party service providers, such as real estate brokers and household goods moving service providers. The majority of our clients pay interest on home equity advances and nearly all clients reimburse all other costs associated with our services, including, where required, repayment of home equity advances and reimbursement of losses on the sale of homes purchased. We believe we provide our relocation clients with exceptional service which leads to client retention. As of December 31, 2010, our top 25 relocation clients had an average tenure of 18 years with us. In addition, our relocation services business generates revenue for our other businesses because the clients of our relocation services business often utilize the services of our franchisees and company owned brokerage offices as well as our title and settlement services.

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Title and Settlement Services: In most real estate transactions, a buyer will choose, or will be required, to purchase title insurance that will protect the purchaser and/or the mortgage lender against loss or damage in the event that title is not transferred properly and to insure free and clear ownership of the property to the buyer. Our title and settlement services business, which we refer to as TRG, assists with the closing of a real estate transaction by providing full-service title and settlement (i.e., closing and escrow) services to customers, real estate companies, including our company owned real estate brokerage and relocation services businesses as well as a targeted channel of large financial institution clients including PHH. In addition to our own title settlement services, we also coordinate a nationwide network of attorneys, title agents and notaries to service financial institution clients on a national basis.

Our title and settlement services business earns revenues through fees charged in real estate transactions for rendering title and other settlement and non-settlement related services. We provide many of these services in connection with transactions in which our company owned real estate brokerage and relocation services businesses are participating. During 2010, approximately 39% of the customers of our company owned brokerage offices where we offer title coverage also utilized our title and settlement services. Fees for escrow and closing services are generally separate and distinct from premiums paid for title insurance and other real estate services. We also derive revenues by providing our title and settlement services to various financial institutions in the mortgage lending industry. Such revenues are primarily derived from providing our services to their customers who are refinancing their mortgage loans.

We also serve as an underwriter of title insurance policies in connection with residential and commercial real estate transactions. Our title insurance underwriter is licensed in 25 states and Washington, D.C. Our title underwriting operation generally earns revenues through the collection of premiums on policies that it issues.

The Refinancing Transactions

Debt Exchange Offering

On January 5, 2011, Realogy consummated private debt exchange offers exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act), for its outstanding 10.50% Senior Notes due 2014 (the 10.50% Senior Notes), 11.00%/11.75% Senior Toggle Notes due 2014 (the Senior Toggle Notes and, together with the 10.50% Senior Notes, the Existing Senior Notes) and 12.375% Senior Subordinated Notes due 2015 (the 12.375% Senior Subordinated Notes and, together with the Existing Senior Notes, the Existing Notes) pursuant to which Realogy issued the outstanding 11.50% Senior Notes due 2017 (the 11.50% Senior Notes), the outstanding 12.00% Senior Notes due 2017 (the 12.00% Senior Notes and, together with the 11.50% Senior Notes, the Extended Maturity Senior Notes and, together with the Existing Senior Notes, the Senior Notes), the outstanding 13.375% Senior Subordinated Notes due 2018 (the 13.375% Senior Subordinated Notes and, together with the Extended Maturity Senior Notes, the Extended Maturity Notes) and the notes all as issued in the Debt Exchange Offering in exchange for the Existing Notes. The term Senior Subordinated Notes refers to the 12.375% Senior Subordinated Notes and the 13.375% Senior Subordinated Notes, collectively; and the term Unsecured Notes refers to the Senior Notes, the Senior Subordinated Notes and the notes, collectively.

Pursuant to the Debt Exchange Offering, approximately $2,110 million aggregate principal amount of Existing Notes were tendered for the notes, which are convertible at the holder s option into Class A Common Stock and approximately $632 million aggregate principal amount were tendered for the Extended Maturity Notes. On January 5, 2011, Realogy issued:

$492 million aggregate principal amount of 11.50% Senior Notes and $1,144 million aggregate principal amount of Series A Convertible Notes in exchange for $1,636 million aggregate principal amount of outstanding 10.50% Senior Notes;

- $130 million aggregate principal amount of 12.00% Senior Notes and $291 million aggregate principal amount of Series B Convertible Notes in exchange for $421 aggregate principal amount of outstanding Senior Toggle Notes; and

- $10 million aggregate principal amount of 13.375% Senior Subordinated Notes and $675 million aggregate principal amount of Series C Convertible Notes in exchange for $685 million aggregate principal amount of outstanding 12.375% Senior Subordinated Notes.

In addition, upon receipt of the requisite consents from the holders of the 10.50% Senior Notes and Senior Toggle Notes, Realogy amended the respective indentures governing the terms of such notes to remove substantially all of the restrictive covenants and certain other provisions previously contained in those indentures.

As a result of the Debt Exchange Offering, Realogy extended the maturity of approximately $2,742 million aggregate principal amount of the Unsecured Notes to 2017 and 2018, leaving approximately $303 million aggregate principal amount of Existing Notes that mature in 2014 and 2015. In addition, pursuant to the terms of the indenture, the notes are redeemable at Realogy s option at a price equal to 90% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption upon a Qualified Public Offering.

Amendment to Senior Secured Credit Facility

Effective February 3, 2011, Realogy entered into the first amendment to the senior secured credit facility (the Senior Secured Credit Facility Amendment) and an incremental assumption agreement, which resulted in the following:

- certain lenders extended the maturity of a significant portion of first lien term loans, revolving commitments and synthetic letter of credit commitments to October 10, 2016, April 10, 2016, and October 10, 2016, respectively, which extensions resulted in approximately $2,424 million aggregate principal amount of extended term loans, approximately $461 million aggregate principal amount of commitments in respect of extended revolving loans and approximately $171 million aggregate principal amount of extended synthetic letter of credit commitments;

- certain lenders simultaneously converted approximately $98 million aggregate principal amount of revolving commitments in respect of extended revolving loans to extended term loans, thereby reducing the commitments under the revolving credit facility to $652 million;

- the net proceeds of the $700 million aggregate principal amount of First and a Half Lien Notes (as defined below), together with cash on hand, were used to prepay $700 million of the outstanding extended term loans, thereby reducing the aggregate principal amount of extended term loans to $1,822 million;

- the interest rate with respect to the extended term loans was increased by 1.25% from the rate applicable to the non-extended term loans;

- the interest rate with respect to the extended revolving loans was increased by 1.0% from the rate applicable to the non-extended revolving loans; and

- the fee with respect to the synthetic letter of credit facility was increased by 1.25% from the fee applicable to the non-extended synthetic letter of credit facility.

The Senior Secured Credit Facility Amendment also provides for the following:

allows for one or more future issuances of additional senior secured notes or unsecured notes or loans to prepay Realogy s first lien term loans, to be secured on either a *pari passu* basis with, or junior to, its first lien obligations under the senior secured credit facility;

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allows for one or more future issuances of additional senior secured or unsecured notes or loans to prepay Realogy s second lien loans, to be secured on a *pari passu* basis with, or junior to, its second lien loans under the senior secured credit facility;

allows for the incurrence of additional incremental term loans that are secured on a junior basis to the second lien loans in an aggregate amount not to exceed $350 million; and

provides that debt financing secured by a lien that is junior in priority to the first lien obligations under the senior secured credit facility (including, but not limited to, the First and a Half Lien Notes) will not, subject to certain exceptions, constitute senior secured debt for purposes of calculating the senior secured leverage ratio under the senior secured credit facility.

The extended term loans do not require any scheduled amortization of principal. The non-extended term loan facility will continue to provide for quarterly amortization payments totaling 1% per annum of the principal amount of the non-extended first lien term loans. Approximately $635 million aggregate principal amount of the term loans under the senior secured credit facility were not extended in connection with the Senior Secured Credit Facility Amendment.

Issuance of First and a Half Lien Notes

On February 3, 2011, Realogy issued $700 million aggregate principal amount of 7.875% Senior Secured Notes due 2019 (the First and a Half Lien Notes) in a private offering exempt from the registration requirements of the Securities Act. The First and a Half Lien Notes are secured by substantially the same collateral as Realogy s existing secured obligations under the senior secured credit facility, but the priority of the collateral liens securing the First and a Half Lien Notes is (i) junior to the collateral liens securing Realogy s first lien obligations under the senior secured credit facility and (ii) senior to the collateral liens securing Realogy s second lien obligations under the senior secured credit facility.

As discussed above, the net proceeds from the offering of the First and a Half Lien Notes, along with cash on hand, were used to prepay $700 million of certain of Realogy s first lien term loans that were extended in connection with the Senior Secured Credit Facility Amendment. See Description of Other Indebtedness for further discussion of the First and a Half Lien Notes and Realogy s other outstanding indebtedness.

As used in this prospectus, the term Refinancing Transactions refers to, collectively, (1) the Debt Exchange Offering, (2) the Senior Secured Credit Facility Amendment, and (3) the issuance of First and a Half Lien Notes.

* * * *

Our headquarters are located at One Campus Drive, Parsippany, New Jersey 07054 and our general telephone number is (973) 407 2000. We maintain an internet website at *http://www.realogy.com.* Our internet website address is provided as an inactive textual reference. Our internet website and the information contained on that site, or connected to that site, are not incorporated by reference into this prospectus.

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OUR OWNERSHIP AND DEBT STRUCTURE

The following diagram sets forth our ownership and debt structure as of December 31, 2010, after giving effect to the Refinancing Transactions. The diagram does not display all of our subsidiaries.

(1) Consists of investment funds affiliated with Apollo (as defined below) and an investment fund of co-investors managed by Apollo that invested an aggregate of $1,978 million of equity in Holdings upon consummation of the Merger.

(2) In connection with the Debt Exchange Offering, Apollo and Paulson & Co. Inc., on behalf of the several investment funds and accounts managed by it (together with such investment funds and accounts, Paulson), received Convertible Notes. On a fully diluted basis, assuming that all notes issued in the Debt Exchange Offering are converted into Class A Common Stock, Apollo and Paulson would own approximately 66.26% and 21.52%, respectively, of the outstanding common stock of Holdings (the

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Common Stock) immediately following such conversion, and the remaining 12.22% of our outstanding Common Stock would be held by our directors, officers and employees (0.2%) and other holders of Convertible Notes.

(3) Certain members of our management also contributed rollover equity of $23 million to finance a portion of the Merger. As of December 31, 2010, management owned 2,610,906 shares of Common Stock, options to purchase 15,253,250 shares of Common Stock and 4,500 shares of restricted stock of Holdings. On January 5, 2011, the Board of Directors of Realogy approved the Realogy Corporation Phantom Value Plan and made initial grants of Incentive Awards of approximately $21.8 million to our CEO, the other named executive officers and the CEO s other three direct reports. These grants are subject to the terms and conditions of the Phantom Value Plan which is intended to provide certain participants, including the Company s named executive officers, with an incentive to remain in the service of the Company, to increase their interest in the success of the Company and to receive compensation based upon the Company s success.

(4) As of December 31, 2010, after giving effect to the Refinancing Transactions, the first priority obligations under the senior secured credit facility would have consisted of a $2,457 million term loan facility, no outstanding borrowings under a $652 million revolving credit facility, and $223 million of letters of credit outstanding under a $257 million synthetic letter of credit facility. On January 5, 2011, Realogy reduced the capacity of its synthetic letter of credit facility to $223 million to remove the excess capacity above the outstanding letters of credit. The available capacity under the revolving credit facility is reduced by outstanding letters of credit drawn thereunder. As of December 31, 2010, after giving effect to the Refinancing Transactions, borrowing availability under the revolving credit facility would have been approximately $473 million (after giving effect to $179 million of outstanding letters of credit). As of March 1, 2011, we had $60 million outstanding under the revolving credit facility.

(5) Realogy has $650 million of second lien term loans under the incremental loan feature of the senior secured credit facility (the Second Lien Loans).

(6) Guarantors include each wholly-owned subsidiary of Realogy other than subsidiaries that are (a) foreign subsidiaries, (b) securitization entities that are subsidiaries of Cartus Corporation, (c) insurance underwriters that are subsidiaries of Title Resource Group LLC and (d) qualified foreign corporation holding companies.

(7) Certain subsidiaries of Cartus Corporation are borrowers under the Securitization Facilities. These special purpose entities were created for financing relocation receivables and advances, relocation properties held for sale and other related assets and issuing notes secured by such receivables and other assets. At December 31, 2010, $331 million of securitization obligations were outstanding under our Securitization Facilities which were collateralized by $393 million of securitization assets that are not available to pay our general obligations.

(8) Other bank indebtedness consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit facility, $5 million is due in April 2011, $50 million is due in June 2011, $50 million is due in November 2011, $50 million is due in January 2013 and $8 million is due in May 2015. In February 2011, Realogy repaid $55 million of outstanding borrowings under these revolving credit facilities that were due in April and June 2011.

Our Equity Sponsor

On December 15, 2006, Realogy entered into an agreement and plan of merger (the Merger) with affiliates of Apollo. The Merger was consummated on April 10, 2007. As a result of the Merger, Realogy became an indirect wholly-owned subsidiary of Holdings and our principal stockholders are investment funds affiliated with, or co-investment vehicles managed by, Apollo Management VI, L.P. or one of its affiliates (together with Apollo Global Management, LLC and its subsidiaries, Apollo). Founded in 1990, Apollo is a leading global alternative asset manager with offices in New York, Los Angeles, London, Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai. As of December 31, 2010, Apollo had assets under management of $67.6 billion in its private equity, capital markets and real estate businesses. Companies owned or controlled by Apollo or its affiliates or in which Apollo or its affiliates have a significant equity investment include, among others, Affinion Group Holdings, Inc., AMC Entertainment, Inc., Berry Plastics Group, Inc., CEVA Group Plc, Metals USA Holdings Corp., Momentive Performance Materials LLC, NCL Corporation Ltd., Noranda Aluminum Holding Corporation, Rexnord Holdings, Inc. and Verso Paper Company.

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SUMMARY HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table presents our summary historical consolidated financial data and operating statistics. The consolidated statement of operations data for the years ended December 31, 2010, 2009 and 2008 and the consolidated balance sheet data as of December 31, 2010 and 2009 have been derived from our audited consolidated financial statements included in this prospectus. The consolidated balance sheet data as of December 31, 2008 has been derived from our consolidated and combined financial statements not included in this prospectus. Holdings, the indirect parent of Realogy, does not conduct any operations other than with respect to its indirect ownership of Realogy. Intermediate, the parent of Realogy, does not conduct any operations other than with respect to its ownership of Realogy. Any expenses related to stock compensation issued by Holdings to the employees or directors of Realogy or franchise taxes incurred by Holdings are recorded in Realogy s financial statements. As a result, there are no material differences between Holdings and Realogy s financial statements for the years ended December 31, 2010, 2009 and 2008 and no material differences between Intermediate s and Realogy s financial statements for the years ended December 31, 2010, 2009 and 2008.

The summary historical consolidated financial data should be read in conjunction with the sections of this prospectus entitled Capitalization, and Selected Historical Consolidated and Combined Financial Statements.

	As of or For the Year Ended December 31,		
	2010	2009	2008
Statement of Operations Data:			
Net revenue	$ 4,090	$ 3,932	$ 4,725
Total expenses	4,084	4,266	6,988
Income (loss) before income taxes, equity in earnings and noncontrolling interests	6	(334)	(2,263)
Income tax expense (benefit)	133	(50)	(380)
Equity in (earnings) losses of unconsolidated entities	(30)	(24)	28
Net loss	(97)	(260)	(1,911)
Less: Net income attributable to noncontrolling interests	(2)	(2)	(1)
Net loss attributable to Realogy and Holdings	$ (99)	$ (262)	$ (1,912)
Other Data:			
Interest expense, net (1)	604	583	624
Cash flows provided by (used in):			
Operating activities	(118)	341	109
Investing activities	(70)	(47)	(23)
Financing activities	124	(479)	199
EBITDA (2)	835	465	(1,449)
EBITDA before restructuring and other items (2)	534	427	411
Adjusted EBITDA Senior secured credit facility covenant compliance (3)	633	619	657
Balance Sheet Data:			
Cash and cash equivalents	$ 192	$ 255	$ 437
Securitization assets (4)	393	364	845
Total assets	8,029	8,041	8,912
Securitization obligations	331	305	703
Long-term debt, including short-term portion	6,892	6,706	6,760
Equity (deficit) (5)	(1,072)	(981)	(740)

(1) After giving effect to the Refinancing Transactions, we estimate that our annual cash interest will increase by approximately $55 million assuming current LIBOR rates and outstanding indebtedness.

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(2) EBITDA is defined by us as net income (loss) before depreciation and amortization, interest (income) expense, net (other than relocation services interest for securitization assets and securitization obligations) and income taxes. EBITDA before restructuring and other items is defined by us as EBITDA adjusted for merger costs, restructuring costs, former parent legacy cost (benefit) items, net, impairment of intangible assets, goodwill and investments in unconsolidated entities, non-cash charges for PHH Home Loans impairment and gain on extinguishment of debt. We present EBITDA and EBITDA before restructuring and other items because we believe EBITDA and EBITDA before restructuring and other items are useful supplemental measures in evaluating the performance of our operating businesses and provide greater transparency into our results of operations. The EBITDA and EBITDA before restructuring and other items measures are used by our management, including our chief operating decision maker, to perform such evaluation. EBITDA and EBITDA before restructuring and other items should not be considered in isolation or as a substitute for net income or other statement of operations data prepared in accordance with GAAP.

We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We believe EBITDA before restructuring and other items also facilitates company-to-company operating performance comparisons by backing out those items in EBITDA as well as certain historical cost (benefit) items which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their results.

EBITDA and EBITDA before restructuring and other items have limitations as analytical tools, and you should not consider EBITDA and EBITDA before restructuring and other items either in isolation or as substitutes for analyzing our results as reported under GAAP. The limitations include the following:

- these measures do not reflect changes in, or cash requirement for, our working capital needs;
- these measures do not reflect our interest expense (except for interest related to our securitization obligations), or the cash requirements necessary to service interest or principal payments on our debt;
- these measures do not reflect our income tax expense or the cash requirements to pay our taxes;
- these measures do not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often require replacement in the future, and these EBITDA measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate these EBITDA measures differently so they may not be comparable.

EBITDA and EBITDA before restructuring and other items are not necessarily comparable to other similarly titled financial measures of other companies due to the potential inconsistencies in the method of calculation

(3) Adjusted EBITDA Senior Secured Credit Facility Covenant Compliance corresponds to the definition of EBITDA, calculated on a pro forma basis, used in the senior secured credit facility to calculate the senior secured leverage ratio. Adjusted EBITDA is calculated by adjusting EBITDA by the items described below. Adjusted EBITDA is presented to demonstrate Realogy s compliance with the senior secured leverage ratio covenant in the senior secured credit facility. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for net income or other statement of operations data prepared in accordance with GAAP.

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In addition to the limitations described above with respect to EBITDA and EBITDA before restructuring and other items, Adjusted EBITDA includes pro forma cost savings, the pro forma effect of business optimization initiatives and the pro forma full year effect of acquisitions and new franchisees. These adjustments may not reflect the actual cost savings or pro forma effect recognized in future periods. We present Adjusted EBITDA for the trailing twelve month period.

A reconciliation of net loss attributable to Realogy to EBITDA, EBITDA before restructuring and other items and Adjusted EBITDA for the years ended December 31, 2010, 2009 and 2008 as calculated in accordance with the senior secured credit facility and presented in certificates delivered to the lenders under the senior secured credit facility is set forth in the following table:

	For the Year Ended December 31,		
	2010	**2009**	**2008**
Net loss attributable to Realogy	$ (99)	$ (262)	$ (1,912)
Income tax expense (benefit)	133	(50)	(380)
Income (loss) before income taxes	34	(312)	(2,292)
Interest expense (income), net	604	583	624
Depreciation and amortization	197	194	219
EBITDA	**835**	**465**	**(1,449)**
Merger costs, restructuring costs and former parent legacy costs (benefit), net	(301) (a)	37	40
Impairment of intangible assets, goodwill and investments in unconsolidated entities			1,789 (b)
Non-cash charges for PHH Home Loans impairment			31
Gain on extinguishment of debt		(75)	
EBITDA before restructuring and other items	**534**	**427**	**411**
Pro forma cost savings	20(c)	33(d)	65(e)
Pro forma effect of business optimization initiatives	49(f)	38(g)	61(h)
Non-cash charges	(4) (i)	34(j)	60(k)
Non-recurring fair value adjustments for purchase accounting (l)	4	5	6
Pro forma effect of acquisitions and new franchisees (m)	13	5	14
Apollo management fees (n)	15	15	14
Proceeds from WEX contingent asset (o)		55	12
Incremental securitization interest costs (p)	2	3	6
Expenses incurred in debt modification activities (q)		4	5
Better Homes and Gardens Real Estate start up costs			3
Adjusted EBITDA Senior secured credit facility covenant compliance	**$ 633**	**$ 619**	**$ 657**
Total senior secured net debt (r)	$ 2,905	$ 2,886	$ 3,250
Senior secured leverage ratio (s)	4.59x	4.66x	4.95x

(a) Consists of $21 million of restructuring costs and $1 million of merger costs offset by a benefit of $323 million of former parent legacy items.

(b) Represents the non-cash adjustment for the impairment of goodwill, intangible assets and investments in unconsolidated entities.

(c) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during 2010. From this restructuring, we expect to reduce our operating costs by approximately $34 million on a twelve-month run-rate basis and estimate that $14 million of such savings

were realized from the time they were put in place. The adjustment shown represents the impact the savings would have had on the period from January 1, 2010 through the time they were put in place, had those actions been effected on January 1, 2010.

(d) Represents actual costs incurred that were not expected to recur in subsequent periods due to restructuring activities initiated during 2009. From this restructuring, we expected to reduce our operating costs by approximately $103 million on a twelve-month run-rate basis and estimated that $70 million of such savings were realized from the time they were put in place. The adjustment shown represents the impact the savings would have had on the period from January 1, 2009 through the time they were put in place, had those actions been effected on January 1, 2009.

(e) Represents actual costs incurred that were not expected to recur in subsequent periods due to restructuring activities initiated during 2008. From this restructuring, we expected to reduce our operating costs by approximately $96 million on a twelve month run-rate basis and estimated that $31 million of such savings were realized from the time they were put in place. The adjustment shown represents the impact the savings would have had on the period from January 1, 2008 through the time they were put in place, had those actions been effected on January 1, 2008.

(f) Represents the twelve-month pro forma effect of business optimization initiatives that have been completed to reduce costs, including $12 million related to our Relocation Services new business start-ups, integration costs and acquisition related non-cash adjustments, $6 million related to vendor renegotiations, $23 million for employee retention accruals and $8 million of other initiatives. The employee retention accruals reflect the employee retention plans that have been implemented in lieu of our customary bonus plan, due to the ongoing and prolonged downturn in the housing market in order to ensure the retention of executive officers and other key personnel, principally within our corporate services unit and the corporate offices of our four business units.

(g) Represents the twelve-month pro forma effect of business optimization initiatives that have been completed to reduce costs, including $3 million for initiatives to improve the Company Owned Real Estate Brokerage profit margin, $2 million for initiatives to improve Relocation Services and Title and Settlement Services fees, $19 million for employee retention accruals, and $14 million related to other initiatives. The employee retention accruals reflect the employee retention plans that have been implemented in lieu of our customary bonus plan, due to the ongoing and prolonged downturn in the housing market in order to ensure the retention of executive officers and other key personnel, principally within our corporate services unit and the corporate offices of our four business units.

(h) Represents the twelve month pro forma effect of business optimization initiatives that have been completed to reduce costs, including $4 million related to the exit of the government at-risk homesale business, $4 million related to the elimination of the 401(k) employer match, $7 million related to the renegotiation of NRT contracts, $6 million for employee retention accruals, $22 million for initiatives to improve the Company Owned Real Estate Brokerage profit margin and Relocation Services fees and $18 million related to other initiatives. The employee retention accruals reflect the employee retention plans that have been implemented in lieu of our customary bonus plan, due to the ongoing and prolonged downturn in the housing market in order to ensure the retention of executive officers and other key personnel, principally within our corporate services unit and the corporate offices of our four business units.

(i) Represents the elimination of non-cash expenses, including $6 million of stock-based compensation expense, less $8 million for the change in the allowance for doubtful accounts and notes reserves from January 1, 2010 through December 31, 2010 and $2 million of other non-cash items.

(j) Represents the elimination of non-cash expenses, including a $14 million write-down of a cost method investment acquired in 2006, $12 million for the change in the allowance for doubtful accounts and the reserves for development advance notes and promissory notes from January 1, 2009 through December 31, 2009, $7 million of stock-based compensation expense, and $1 million related to the unrealized net losses on foreign currency transactions and foreign currency forward contracts.

(k) Represents the elimination of non-cash expenses including $22 million for the change in the allowance for doubtful accounts and $17 million related to the reserve for development advance notes and promissory notes from January 1, 2008 through December 31, 2008, $7 million of stock based compensation expense, $14 million related to net losses on foreign currency transactions and foreign currency forward contracts.

(l) Reflects the adjustment for the negative impact of fair value adjustments for purchase accounting at the operating business segments primarily related to deferred rent for the twelve months ended December 31, 2010, December 31, 2009 and December 31, 2008.

(m) Represents the estimated impact of acquisitions and new franchisees as if they had been acquired or signed on January 1, 2010, January 1, 2009 and January 1, 2008. We have made a number of assumptions in calculating such estimate for the year ended December 31, 2010 and there can be no assurance that we would have generated the projected levels of EBITDA had we owned the acquired entities or entered into the franchise contracts as of January 1, 2010.

(n) Represents elimination of annual management fees payable to Apollo for the years ended December 31, 2010, 2009 and 2008.

(o) Wright Express Corporation (WEX) was divested by Cendant in February 2005 through an initial public offering (IPO). As a result of such IPO, the tax basis of WEX s tangible and intangible assets increased to their fair market value which may reduce federal income tax that WEX might otherwise be obligated to pay in future periods. Under Article III of the Tax Receivable Agreement dated February 22, 2005 among WEX, Cendant and Cartus (the TRA), WEX was required to pay Cendant 85% of any tax savings related to the increase in fair value utilized for a period of time that we expect will be beyond the maturity of the notes. Cendant is required to pay 62.5% of these tax-savings payments received from WEX to Realogy. On June 26, 2009, Realogy entered into a Tax Receivable Prepayment Agreement with WEX, pursuant to which WEX simultaneously paid Realogy the sum of $51 million, less expenses of approximately $2 million, as prepayment in full of its remaining contingent obligations to Realogy under Article III of the TRA.

(p) Reflects incremental borrowing costs incurred as a result of the securitization facilities refinancing for the years ended December 31, 2010, 2009 and 2008.

(q) Represents the expenses incurred in connection with our unsuccessful debt modification activities in the third quarter of 2009 and 2008.

(r) Represents total borrowings under the senior secured credit facility which are secured by a first priority lien on our assets plus capital lease obligations less readily available cash. The total borrowings under the senior secured credit facility as of December 31, 2010 includes the revolving credit facility of $3,059 million plus $12 million of capital lease obligations less $166 million of readily available cash as of December 31, 2010. The total borrowings under the senior secured credit facility as of December 31, 2009 includes the revolving credit facility of $3,091 million plus $14 million of capital lease obligations less $219 million of readily available cash as of December 31, 2009. The total borrowings under the senior secured credit facility as of December 31, 2008 includes the revolving credit facility of $3,638 million plus $14 million of capital lease obligations less $402 million of readily available cash as of December 31, 2008.

(s) After giving effect to the Refinancing Transactions, our senior secured leverage ratio would have been 3.51 to 1.0 at December 31, 2010.

(4) Represents the portion of relocation receivables and advances, relocation properties held for sale and other related assets that collateralize our securitization obligations.

(5) For the successor period, Equity (deficit) is comprised of the capital contribution of $2,001 million from affiliates of Apollo and co-investors offset by the net loss for the period.

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The following table represents key business drivers for the periods set forth below:

	As of or For the Year Ended December 31,		
	2010	2009	2008
Operating Statistics:			
Real Estate Franchise Services (1)			
Closed homesale sides (2)	922,341	983,516	995,622
Average homesale price (3)	$ 198,076	$ 190,406	$ 214,271
Average homesale broker commission rate (4)	2.54%	2.55%	2.52%
Net effective royalty rate (5)	5.00%	5.10%	5.12%
Royalty per side (6)	$ 262	$ 257	$ 287
Company Owned Real Estate Brokerage Services (7)			
Closed homesale sides (2)	255,287	273,817	275,090
Average homesale price (3)	$ 435,500	$ 390,688	$ 479,301
Average homesale broker commission rate (4)	2.48%	2.51%	2.48%
Gross commission income per side (8)	$ 11,571	$ 10,519	$ 12,612
Relocation Services			
Initiations (9)	148,304	114,684	136,089
Referrals (10)	69,605	64,995	71,743
Title and Settlement Services			
Purchase title and closing units (11)	94,290	104,689	110,462
Refinance title and closing units (12)	62,225	69,927	35,893
Average price per closing unit (13)	$ 1,386	$ 1,317	$ 1,500

(1) These amounts include only those relating to third-party franchisees and do not include amounts relating to the Company Owned Real Estate Brokerage Services segment.
(2) A closed homesale side represents either the buy side or the sell side of a homesale transaction.
(3) Represents the average selling price of closed homesale transactions.
(4) Represents the average commission rate earned on either the buy side or sell side of a homesale transaction.
(5) Represents the average percentage of our franchisees commission revenue (excluding NRT) paid to the Real Estate Franchise Services segment as a royalty. The net effective royalty rate does not include the effect of non-standard incentives granted to some franchisees.
(6) Represents net domestic royalties earned from our franchisees (excluding NRT) divided by the total number of our franchisees closed homesale sides.
(7) Our real estate brokerage business has a significant concentration of offices and transactions in geographic regions where home prices are at the higher end of the U.S. real estate market, particularly the east and west coasts. The real estate franchise business has franchised offices that are more widely dispersed across the United States than our real estate brokerage operations. Accordingly, operating results and homesale statistics may differ between our brokerage and franchise businesses based upon geographic presence and the corresponding homesale activity in each geographic region.
(8) Represents gross commission income divided by closed homesale sides.
(9) Represents the total number of transferees served by the relocation services business. The amounts presented for the year ended December 31, 2010 include 26,087 initiations as a result of the acquisition of Primacy in January 2010.
(10) Represents the number of referrals from which we earned revenue from real estate brokers. The amounts presented for the year ended December 31, 2010 include 4,997 referrals as a result of the acquisition of Primacy in January 2010.
(11) Represents the number of title and closing units processed as a result of home purchases.
(12) Represents the number of title and closing units processed as a result of homeowners refinancing their home loans.
(13) Represents the average fee we earn on purchase title and refinancing title units.

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THE OFFERING

The summary below describes the principal terms of the notes and the Class A Common Stock issuable upon conversion of the notes and is not intended to be complete. It does not contain all the information that is important to you. For a more detailed description of the terms and conditions of these securities, please refer to the sections entitled Description of the Notes and Description of the Common Stock.

Issuer of the Notes	Realogy Corporation, a Delaware corporation.
Issuer of the Class A Common Stock	Domus Holdings Corp., a Delaware corporation and the indirect parent of Realogy.
Securities Offered by the Selling Stockholders	$1,143,706,000 principal amount of 11.00% Series A Convertible Senior Subordinated Notes due 2018, $291,424,196 principal amount of 11.00% Series B Convertible Senior Subordinated Notes due 2018 and $675,111,000 principal amount of 11.00% Series C Convertible Senior Subordinated Notes due 2018, which were issued under the same indenture and are treated as a single class for substantially all purposes under the indenture, and Class A Common Stock issuable upon conversion of the notes.
Maturity	April 15, 2018, if not earlier repurchased, redeemed or converted. Realogy will be obligated to pay the outstanding aggregate principal amount in cash on the maturity date of the notes.
Interest	Cash interest on the Convertible Notes accrues at a rate of 11.00% per annum.
	Realogy will pay interest on overdue principal, if any, from time to time on demand at a rate that is 2% per annum in excess of 11.00% to the extent lawful, and will pay interest on overdue installments of interest, if any, from time to time on demand at a rate that is 2% per annum in excess of 11.00% to the extent lawful.
Interest Payment Dates	Interest on the notes is payable semi-annually in arrears on April 15 and October 15.
Guarantees	The notes are guaranteed on an unsecured senior subordinated basis by each of Realogy s U.S. direct or indirect restricted subsidiaries that is a guarantor under the 13.375% Senior Subordinated Notes. Subject to certain exceptions, any subsidiary that in the future guarantees the 13.375% Senior Subordinated Notes will also guarantee the notes. In addition, Holdings also guarantees the notes on an unsecured junior subordinated basis. Except in certain circumstances, each guarantee will be released upon the release of the guarantor from its guarantee under the 13.375% Senior Subordinated Notes. If Realogy fails to make payments on the notes, the guarantors, including Holdings, must make them instead. Each entity, other than Holdings, that guarantees Realogy s obligations under the notes and the indenture is referred to in this prospectus as a Note Guarantor.
	As of and for the year ended December 31, 2010, Realogy s subsidiaries that are not Note Guarantors represented 7.2% of its total

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assets (2.4% of its total assets excluding assets of its non-guarantor securitization entities), 4.6% of its total liabilities, including trade payables (1.0% of its total liabilities, including trade payables but excluding liabilities of its non-guarantor securitization entities), 5.1% of its net revenue (5.1% of its net revenue but excluding net revenue of its non-guarantor securitization entities), 600% of its income before income taxes, equity in earnings and noncontrolling interests (850% of its income before income taxes, equity in earnings and noncontrolling interests but excluding income before income taxes, equity in earnings and noncontrolling interests of its non-guarantor securitization entities) and 7.9% of its EBITDA (7.7% of its EBITDA excluding EBITDA of its non-guarantor securitization entities), in each case after intercompany eliminations.

Ranking

The notes and the guarantees thereof are Realogy s and the Note Guarantors unsecured senior subordinated obligations and:

- are subordinated in right of payment to all of Realogy s and the Note Guarantors existing and future senior debt, including the senior secured credit facility, the First and a Half Lien Notes, the Senior Notes, and the related guarantees;

- are equal in right of payment with all of Realogy s and the Note Guarantors existing and future senior subordinated debt, including the Senior Subordinated Notes; and

- rank senior in right of payment to all of Realogy s and the Note Guarantors existing and future debt that is by its terms subordinated to the notes.

The guarantee by Holdings is Holdings unsecured senior subordinated obligation, is equal in right of payment to all existing and future subordinated indebtedness of Holdings and is junior in right of payment to all existing and future senior indebtedness of Holdings.

In addition, the guarantees of the notes are structurally subordinated to all of the existing and future liabilities and obligations (including trade payables, but excluding intercompany liabilities) of each of Realogy s subsidiaries that is not a Note Guarantor.

As of December 31, 2010, after giving effect to the Refinancing Transactions:

- Realogy and the Note Guarantors would have had approximately $3,807 million of senior secured indebtedness, including approximately $2,457 million under the senior secured credit facility (without giving effect to $179 million of outstanding letters of credit under the senior secured credit facility, $34 million of available capacity under the synthetic letter of credit facility and $473 million of undrawn availability under the revolving credit facility) and $700 million under the First and a Half Lien Notes, all of which would have been effectively senior to the notes, to the extent of the value of the assets securing such debt;

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Realogy and the Note Guarantors would have had approximately $4,700 million of senior indebtedness, including our senior secured indebtedness, other bank indebtedness and the Senior Notes, all of which would have been senior to the notes;

Realogy and the Note Guarantors would have had approximately $2,307 million of senior subordinated indebtedness, including the notes; and

our non-Note Guarantor subsidiaries had approximately $423 million of total liabilities (approximately $331 million of which consisted of obligations under our securitization facilities), all of which are structurally senior to the notes. In addition, our securitization subsidiaries were permitted to incur approximately $231 million of additional secured relocation obligations under our securitization facilities, subject to maintaining sufficient relocation assets for collateralization, all of which are structurally senior to the notes.

Optional Conversion

The notes are convertible at any time at the option of the holders thereof, in whole or in part, into shares of Class A Common Stock, at the conversion rates described below.

Conversion Rates

975.6098 shares of Class A Common Stock per $1,000 aggregate principal amount of Series A Convertible Notes and Series B Convertible Notes, which is equivalent to an initial conversion price of approximately $1.025 per share and 926.7841 shares of Class A Common Stock per $1,000 aggregate principal amount of Series C Convertible Notes, which is equivalent to an initial conversion price of approximately $1.079 per share. The conversion rates are subject to adjustment as provided in Anti-Dilution Provisions below.

Optional Redemption

Upon a Qualified Public Offering and thereafter, the notes will be redeemable at the option of Realogy at a price equal to 90% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption. Holders will be provided with notice of an upcoming Qualified Public Offering and will have a period of time to convert prior to a Qualified Public Offering as described in Description of the Notes.

A Qualified Public Offering means an underwritten public offering of Class A Common Stock by Holdings or any selling stockholders pursuant to an effective registration statement filed by Holdings with the Securities and Exchange Commission (other than (a) a registration relating solely to an employee benefit plan or employee stock plan, a dividend reinvestment plan, or a merger or a consolidation, (b) a registration incidental to an issuance of securities under Rule 144A, (c) a registration on Form S-4 or any successor form, or (d) a registration on Form S-8 or any successor form) under the Securities Act, pursuant to which the aggregate offering price of the Class A Common Stock (by Holdings and/or other selling stockholders) sold

	in such offering (together with the aggregate offering prices from any prior such offerings) is at least $200 million and the listing of Class A Common Stock on the NASDAQ Global Select Market, NASDAQ Global Market, or the New York Stock Exchange or any successor exchange to the foregoing.
Mandatory Offer to Purchase	Upon a Change of Control, each holder of the notes shall have the right to require Realogy to repurchase its notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase.
Anti-Dilution Provisions	Customary anti-dilution protections are provided for mergers, reorganizations, consolidations, stock splits, extraordinary stock dividends, combinations, recapitalizations, reclassifications, distribution of assets (including cash) and similar events.
Covenants	The indenture does not contain any restrictive covenants.
Common Stock Dividends	The notes do not participate in any Common Stock dividends or distributions of Holdings.
Use of Proceeds	We will not receive any proceeds from the sale of the notes or the Class A Common Stock by the selling securityholders.
Risk Factors	See Risk Factors for a discussion of factors you should carefully consider before deciding to invest in the notes.

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RISK FACTORS

You should carefully consider each of the following risk factors and all of the other information set forth in this prospectus before making any investment decision. The risk factors generally have been separated into three groups: (1) risks related to the notes, the Class A Common Stock and our indebtedness; (2) risks related to our business; and (3) risks related to Realogy s separation from Cendant. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company and the notes and Class A Common Stock. Additional risks and uncertainties not presently known to us may also adversely affect our business. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. You should carefully consider the following risk factors and all other information contained in this prospectus before making any investment decision.

Risks Related to the Notes, the Class A Common Stock and our Indebtedness

Our significant indebtedness could prevent us from meeting our obligations under our debt instruments and could adversely affect our ability to fund our operations, react to changes in the economy or our industry, or incur additional borrowings under our existing facilities.

We are significantly encumbered by our debt obligations. As of December 31, 2010, after giving effect to the Refinancing Transactions, our total debt, excluding the securitization obligations, would have been $7,007 million (without giving effect to $179 million of outstanding letters of credit under the senior secured credit facility and $473 million of undrawn availability under the revolving credit facility). In addition, as of December 31, 2010, our current liabilities included $331 million of securitization obligations which were collateralized by $393 million of securitization assets that are not available to pay our general obligations.

Our indebtedness was principally incurred to finance Realogy s acquisition by Apollo in April 2007 and reflected our then current earnings and our expectations that the housing downturn would recover in the near term. While our total debt has increased since the date of Realogy s acquisition in order to fund negative cash flows, the industry and economy have experienced significant declines that have negatively impacted our operating results. Revenues for the year ended December 31, 2010 compared to the year ended December 31, 2007, on a pro forma combined basis, have decreased by approximately 32%. As a result, we have been, and continue to be, challenged by our heavily leveraged capital structure. There can be no assurance that we will be able to reduce the level of our leverage or debt in the future.

Our substantial degree of leverage could have important consequences, including the following:

- it causes a substantial portion of our cash flows from operations to be dedicated to the payment of interest and required amortization on our indebtedness and not be available for other purposes, including our operations, capital expenditures and future business opportunities or principal repayment;
- it could cause us to be unable to maintain compliance with the senior secured leverage ratio under the senior secured credit facility;
- it could cause us to be unable to meet our debt service requirements under the senior secured credit facility or the indentures governing the Unsecured Notes and the First and a Half Lien Notes or meet our other financial obligations;
- it may limit our ability to incur additional borrowings under our existing facilities or securitizations, to obtain additional debt or equity financing for working capital, capital expenditures, business development, debt service requirements, acquisitions or general corporate or other purposes, or to refinance our indebtedness;
- it exposes us to the risk of increased interest rates because a portion of our borrowings, including borrowings under the senior secured credit facility, are at variable rates of interest;

- it may limit our ability to adjust to changing market conditions and place us at a competitive disadvantage compared to our competitors that have less debt;
- it may cause a further downgrade of our debt and long-term corporate ratings;
- it may cause us to be more vulnerable to periods of negative or slow growth in the general economy or in our business, or may cause us to be unable to carry out capital spending that is important to our growth; and
- it may limit our ability to attract and retain key personnel.

We may not be able to generate sufficient cash to service all of our indebtedness and be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments or to refinance our debt obligations depends on our financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We have needed to incur additional debt in order to fund negative cash flow. We cannot assure you that we will maintain a level of cash flows from operating activities and from drawings on our revolving credit facilities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We cannot assure you that we would be able to take any of these actions, that these actions would be successful and permit us to meet our scheduled debt service obligations or that these actions would be permitted under the terms of our existing or future debt agreements. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. The senior secured credit facility and the indentures governing the 12.375% Senior Subordinated Notes, the Extended Maturity Notes and the First and a Half Lien Notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or realize the related proceeds from them and these proceeds may not be adequate to meet any debt service obligations then due.

If we cannot make scheduled payments on our debt, we will be in default and, as a result:

- our debt holders could declare all outstanding principal and interest to be due and payable; and
- the lenders under the senior secured credit facility could terminate their commitments to lend us money and foreclose against the assets securing their borrowings.

An event of default under the senior secured credit facility would adversely affect our operations and our ability to satisfy obligations under our indebtedness.

The senior secured credit facility contains restrictive covenants, including a requirement that we maintain a specified senior secured leverage ratio, which is defined as the ratio of our total senior secured debt (net of unrestricted cash and permitted investments) to trailing 12-month Adjusted EBITDA. Specifically measured at the last day of each quarter, our senior secured leverage ratio may not exceed 4.75 to 1.0 for the fiscal quarter ending March 31, 2011 and for each fiscal quarter thereafter. Total senior secured debt, for purposes of this ratio, does not include the First and a Half Lien Notes, Second Lien Loans, other bank indebtedness not secured by a first lien on our assets (including indebtedness supported by letters of credit issued under the senior secured credit facility), securitization obligations or the Unsecured Notes. For the fiscal year ended December 31, 2010, we were in compliance with the senior secured leverage ratio covenant with a ratio of 4.59 to 1.0. After giving effect to the Refinancing Transactions, our senior secured leverage ratio would have been 3.51 to 1.0 at December 31, 2010. Based upon the consummation of the Refinancing Transactions and our financial forecast for 2011, we expect to remain in compliance with the senior secured leverage ratio covenant for at least the next

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12 months. If a housing recovery is delayed further or is weak, we will be subject to additional pressure in maintaining compliance with our senior secured leverage ratio. In future periods, if we are unable to renew or refinance bank indebtedness secured by letters of credit issued under the senior secured credit facility (which are not included in the calculation of the senior secured leverage ratio) and the letters of credit are drawn upon, the reimbursement obligations related to those letters of credit issued under the senior secured credit facility will be included in the calculation of the senior secured leverage ratio. A failure to maintain compliance with the senior secured leverage ratio, or a breach of any of the other restrictive covenants, would result in a default under the senior secured credit facility.

We have the right to cure an event of default of the senior secured leverage ratio in three of any four consecutive quarters through the issuance of additional Holdings equity for cash, which would be infused as capital into Realogy to increase Adjusted EBITDA for purposes of calculating the senior secured leverage ratio for the applicable twelve-month period and reduce net senior secured indebtedness upon actual receipt of such capital. If we are unable to maintain compliance with the senior secured leverage ratio and we fail to remedy or avoid a default through an equity cure permitted thereunder, there would be an event of default under the senior secured credit facility. Other events of default include, without limitation, nonpayment, material misrepresentations, insolvency, bankruptcy, certain material judgments, change of control, and cross-events of default on material indebtedness as well as failure to obtain an unqualified audit opinion by 90 days after the end of any fiscal year. Upon the occurrence of any event of default under the senior secured credit facility, the lenders:

- will not be required to lend any additional amounts to us;
- could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable;
- could require us to apply all of our available cash to repay these borrowings; or
- could prevent us from making payments on the Unsecured Notes or the First and a Half Lien Notes,

any of which could result in an event of default under the First and a Half Lien Notes, the Unsecured Notes or our Apple Ridge Funding LLC securitization program.

If we were unable to repay the amounts outstanding under the senior secured credit facility, the lenders under the senior secured credit facility could proceed against the collateral granted to them to secure the indebtedness thereunder. We have pledged a significant portion of our assets as collateral under the senior secured credit facility. If the lenders under the senior secured credit facility accelerate the repayment of borrowings, we may not have sufficient assets to repay the senior secured credit facility and our other indebtedness or borrow sufficient funds to refinance such indebtedness. Notwithstanding the completion of the Refinancing Transactions, our total indebtedness was not and will not be significantly reduced unless and until the notes issued in the Debt Exchange Offering are converted into equity. In the future, we may need to seek new financing, or explore the possibility of amending the terms of the senior secured credit facility, and we may not be able to do so on commercially reasonable terms, or terms that are acceptable to us, if at all.

If an event of default is continuing under the senior secured credit facility, the First and a Half Lien Notes or our other material indebtedness, such event could cause a termination of our ability to obtain future advances under, and/or amortization of, our Apple Ridge Funding LLC securitization program.

The notes and the related guarantees are effectively subordinated to all of our secured debt and the secured debt of the Note Guarantors and if a default occurs, we and the Note Guarantors may not have sufficient funds to fulfill our obligations under the notes and the related guarantees.

The notes and the related guarantees are general unsecured obligations but Realogy s obligations under the senior secured credit facility and the First and a Half Lien Notes and each Note Guarantor s obligations under its guarantee of the senior secured credit facility and the First and a Half Lien Notes are secured by a security

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interest in substantially all of our assets and the assets of the Note Guarantors. The notes are effectively subordinated to all of our and the Note Guarantors secured indebtedness to the extent of the value of the assets securing that indebtedness. As of December 31, 2010, after giving effect to the Refinancing Transactions, Realogy and the Note Guarantors would have had approximately $3,807 million of senior secured indebtedness, including approximately $2,457 million under the senior secured credit facility (without giving effect to $179 million of outstanding letters of credit under the senior secured credit facility, $34 million of available capacity under the synthetic letter of credit facility and $473 million of undrawn availability under the revolving credit facility) and $700 million under the First and a Half Lien Notes, all of which would have been effectively senior to the notes. In addition, subject to some limitations, the indenture and the indentures governing the Extended Maturity Notes permit Realogy, subject to certain limitations, to incur additional secured indebtedness and the notes and the related guarantees are effectively junior to any additional secured indebtedness we may incur.

In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure our secured indebtedness will be available to pay obligations on the notes only after all secured indebtedness and, in the case of the 12.375% Senior Subordinated Notes and the 13.375% Senior Subordinated Notes, all senior indebtedness, together with accrued interest, has been repaid in full from those assets. Because the senior secured credit facility and the First and a Half Lien Notes are secured obligations, if we fail to comply with the terms of the senior secured credit facility or the First and a Half Lien Notes and those creditors or noteholders accelerated the payment of all the funds borrowed thereunder and we were unable to repay such indebtedness, they could foreclose on substantially all of our assets and the assets of our Note Guarantors which serve as collateral. In this event, our secured creditors and holders of the First and a Half Lien Notes would be entitled to be repaid in full from the proceeds of the liquidation of those assets before those assets would be available for distribution to other creditors, including holders of the notes. Holders of the notes will participate in our remaining assets ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors. We advise you that there may not be sufficient assets remaining to pay amounts due on any or all the notes and the related guarantees then outstanding. The guarantees of the notes have a similar ranking with respect to secured and unsecured indebtedness of the Note Guarantors as the notes do with respect to our secured and unsecured indebtedness, as well as with respect to any unsecured obligations expressly subordinated in right of payment to the guarantees.

The notes are structurally subordinated to all indebtedness of our existing or future subsidiaries that do not become Note Guarantors.

You do have any claim as a creditor against any of our existing subsidiaries that are not Note Guarantors or against any of our future subsidiaries that do not become Note Guarantors. Indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries are structurally senior to your claims against those subsidiaries. As of December 31, 2010, our non-Note Guarantor subsidiaries had approximately $423 million of total liabilities (approximately $331 million of which would have consisted of secured indebtedness under the securitization facilities), all of which would have been structurally senior to the notes. In addition, subject to maintaining sufficient relocation assets for collateralization, our securitization subsidiaries were permitted to incur approximately $231 million of additional secured indebtedness under the Securitization Facilities, all of which would be structurally senior to the notes.

The notes are not guaranteed by any of our foreign subsidiaries, our securitization subsidiaries, our insurance subsidiaries or our qualified foreign corporation holding companies. These non-Note Guarantor subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due under the notes, or to make any funds available therefor, whether by dividends, loans, distributions or other payments.

In the event of a bankruptcy, liquidation, reorganization or other winding up of any of our non-Note Guarantor subsidiaries, these non-Note Guarantor subsidiaries will pay the holders of their debt, holders of preferred equity interests and their trade creditors before they will be able to distribute any of their assets to us (except to the extent we have a claim as a creditor of such non-Note Guarantor subsidiary). Any right that we or the Note Guarantors have to receive any assets of any of the non-Note Guarantor subsidiaries upon the bankruptcy, liquidation, reorganization or other winding up of those subsidiaries, and the consequent rights of holders of notes to realize proceeds from the sale of any of those subsidiaries assets, are effectively subordinated to the claims of those subsidiaries creditors, including trade creditors and holders of preferred equity interests of those subsidiaries.

As of and for the year ended December 31, 2010, our subsidiaries that are not Note Guarantors represented 7.2% of our total assets (2.4% of our total assets excluding assets of our non-guarantor securitization entities), 4.6% of our total liabilities, including trade payables (1.0% of our total liabilities, including trade payables but excluding liabilities of our non-guarantor securitization entities), 5.1% of our net revenue (5.1% of our net revenue but excluding net revenue of our non-guarantor securitization entities), 600% of our income before income taxes, equity in earnings and noncontrolling interests (850% of our income before income taxes, equity in earnings and noncontrolling interests but excluding income before income taxes, equity in earnings and noncontrolling interests of our non-guarantor securitization entities) and 7.9% of our EBITDA (7.7% of our EBITDA excluding EBITDA of our non-guarantor securitization entities), in each case after intercompany eliminations.

In addition, the indentures governing the Existing Notes, the Extended Maturity Notes and the First and a Half Lien Notes do, subject to certain limitations, permit these subsidiaries to incur additional indebtedness and do not contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries. The indenture does not limit these subsidiaries from incurring additional indebtedness or other liabilities.

Your right to receive payments on the notes is junior to all of our and the Note Guarantors senior indebtedness, including our and the Note Guarantors obligations under the senior secured credit facility, the First and a Half Lien Notes, the Senior Notes and other existing and future senior debt.

The notes are general unsecured obligations that are junior in right of payment to all of our existing and future senior indebtedness, including the senior secured credit facility, the First and a Half Lien Notes and the Senior Notes. The guarantees of the notes are general unsecured obligations of the Note Guarantors that are junior in right of payment to all of the Note Guarantors existing and future senior indebtedness, including their guarantee of the senior secured credit facility, the First and a Half Lien Notes and the Senior Notes. We and the Note Guarantors may not pay principal, premium, if any, interest or other amounts on account of the notes or the related guarantees in the event of a payment default or certain other defaults in respect of certain of our senior indebtedness, including debt under the senior secured credit facility, the First and a Half Lien Notes and the Senior Notes, unless such senior indebtedness has been paid in full or the default has been cured or waived. In addition, in the event of certain other defaults with respect to our senior indebtedness, we or the Note Guarantors may not be permitted to pay any amount on account of the notes or the related guarantees for a designated period of time. In addition, the notes are *pari passu* in right of payment with all of our existing and future senior subordinated indebtedness, including the Senior Subordinated Notes.

Because of the subordination provisions in the Senior Subordinated Notes and the notes and the related guarantees, in the event of a bankruptcy, liquidation or dissolution of us or any Note Guarantor, our or the applicable Note Guarantor s assets will not be available to pay obligations under our Senior Subordinated Notes or the notes or the related guarantees until we or the applicable Note Guarantor s have made all payments on our or their senior indebtedness, respectively. We cannot assure you that sufficient assets will remain after all these payments have been made to make any payments on our senior subordinated indebtedness, including payments of principal or interest when due.

As of December 31, 2010 and after giving effect to the Refinancing Transactions, we and the Note Guarantors would have had approximately $4,700 million of senior indebtedness (without giving effect to $179 million of outstanding letters of credit under the senior secured credit facility, $34 million of available capacity

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under the synthetic letter of credit facility and $473 million of undrawn availability under the revolving credit facility), including the senior secured credit facility, the First and a Half Lien Notes, the Senior Notes and other bank indebtedness, all of which are senior to the notes.

Restrictive covenants under our indentures and the senior secured credit facility may limit the manner in which we operate.

The senior secured credit facility and the indentures governing the Extended Maturity Notes, the 12.375% Senior Subordinated Notes and the First and a Half Lien Notes contain, and any future indebtedness we incur may contain, various covenants and conditions that limit Realogy s ability to, among other things:

- incur or guarantee additional debt;
- incur debt that is junior to senior indebtedness and senior to the Senior Subordinated Notes;
- pay dividends or make distributions to Realogy s stockholders;
- repurchase or redeem capital stock or subordinated indebtedness;
- make loans, investments or acquisitions;
- incur restrictions on the ability of certain of our subsidiaries to pay dividends or to make other payments to Realogy;
- enter into transactions with affiliates;
- create liens;
- merge or consolidate with other companies or transfer all or substantially all of our assets;
- transfer or sell assets, including capital stock of subsidiaries; and
- prepay, redeem or repurchase the Unsecured Notes and the First and a Half Lien Notes and debt that is junior in right of payment to the Unsecured Notes and the First and a Half Lien Notes.

As a result of these covenants, we are limited in the manner in which we conduct our business and we may be unable to engage in favorable business activities or finance future operations or capital needs.

Variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

At December 31, 2010 and after giving effect to the Refinancing Transactions, approximately $2,620 million of our borrowings under the senior secured credit facility and other bank indebtedness, would have been at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income would decrease. Although we have entered into interest rate swaps with a notional value of $425 million, involving the exchange of floating for fixed rate interest payments, to reduce interest rate volatility, such interest rate swaps do not eliminate interest rate volatility for the unswapped portion of our variable rate indebtedness at December 31, 2010.

If we default on our obligations to pay our indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under the senior secured credit facility that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could render us unable to pay principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants, in the instruments governing our indebtedness (including covenants in the indentures governing the Extended Maturity Notes, the First and a Half Lien Notes, the 12.375% Senior Subordinated Notes and the senior secured credit facility), we could be in default under the terms of the agreements governing such indebtedness. In the event of such default, the holders of such indebtedness could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest, the lenders under the senior secured credit facility could elect to terminate their commitments thereunder and cease making further loans and institute foreclosure proceedings against our assets, we could be forced into bankruptcy or liquidation. If our operating performance declines, we may in the future need to obtain waivers from the required lenders under the senior secured credit facility to avoid being in default, including as a result of our failure to comply with the senior secured leverage ratio. After giving effect to the Refinancing Transactions, our senior secured leverage ratio would have been 3.51 to 1.0 at December 31, 2010. Notwithstanding the reduction in our senior secured net debt for purposes of calculating the senior secured leverage ratio, a delayed or weak housing recovery may materially adversely affect our ability to maintain compliance with our senior secured leverage ratio given our highly leveraged capital structure. If we breach our covenants under the senior secured credit facility and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under the senior secured credit facility, the lenders could exercise their rights, and we could be forced into bankruptcy or liquidation. See Description of Other Indebtedness and Description of the Notes.

We are a holding company and are dependent on dividends and other distributions from our subsidiaries.

We are a holding company with limited direct operations. Our principal assets are the equity interests that we hold in our operating subsidiaries. As a result, we are dependent on dividends and other distributions from those subsidiaries to generate the funds necessary to meet our financial obligations, including the payment of principal and interest on our outstanding debt. Our subsidiaries may not generate sufficient cash from operations to enable us to make principal and interest payments on our indebtedness. In addition, any payment of dividends, distributions, loans or advances to us by our subsidiaries could be subject to restrictions on dividends or repatriation of earnings under applicable local law and monetary transfer restrictions in the jurisdictions in which our subsidiaries operate. In addition, payments to us by our subsidiaries will be contingent upon our subsidiaries earnings. Our subsidiaries are permitted under the terms of our indebtedness, including the senior secured credit facility, the indentures governing the Unsecured Notes and the First and a Half Lien Notes, to incur additional indebtedness that may restrict payments from those subsidiaries to us. We cannot assure you that agreements governing current and future indebtedness of our subsidiaries will permit those subsidiaries to provide us with sufficient cash to fund our debt service payments.

Our subsidiaries are legally distinct from us and, except for our existing and future subsidiaries that are guarantors of our indebtedness, including the senior secured credit facility, the Unsecured Notes and the First and a Half Lien Notes, have no obligation, contingent or otherwise, to pay amounts due on our debt or to make funds available to us for such payment.

Realogy may be unable to purchase the notes upon a change of control.

Upon a change of control, as defined in the indenture, Realogy is required to offer to purchase all of the notes then outstanding for cash at 101% of the principal amount thereof plus accrued and unpaid interest and additional interest, if any. If a change of control occurs under the indenture, we may not have sufficient funds to pay the change of control purchase price, and we may be required to secure third party financing to do so. We may not be able to obtain this financing on commercially reasonable terms, or on terms acceptable to us, or at all. Further, we may be contractually restricted under the terms of the senior secured credit facility and the terms of our other senior indebtedness, from repurchasing all of the notes tendered by holders upon a change of control. Accordingly, we may not be able to satisfy our obligations to purchase any notes unless we are able to refinance or obtain waivers under the senior secured credit facility, the First and a Half Lien Notes and/or the Senior Notes, as applicable. If our failure to repurchase the notes upon a change of control would cause a default under the notes, it would also cause a cross-default under the senior secured credit facility. The senior secured credit

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facility also provides that a change of control, as defined therein, will be a default that permits lenders to accelerate the maturity of borrowings thereunder and, if such debt is not paid, to enforce security interests in the collateral securing such debt, thereby limiting our ability to raise cash to purchase the notes, and reducing the practical benefit of repurchase provisions to the holders of the notes. Our securitization facilities contain, and any of our future debt agreements may contain, similar provisions.

The change of control provisions in the indenture may not protect you in the event that we consummate a highly leveraged transaction, reorganization, restructuring, merger or other similar transaction, unless such transaction constitutes a change of control under the indenture. Such a transaction may not involve a change in voting power or beneficial ownership or, even if it does, may not involve a change in the magnitude required under the definition of change of control in the indenture to trigger our obligation to repurchase the notes. Except as otherwise described above, the indenture does not contain provisions that permit the holders of the notes to require Realogy to repurchase or redeem the notes in the event of a takeover, recapitalization or similar transaction. If an event occurs that does not constitute a change of control as defined in the indenture, Realogy will not be required to make an offer to repurchase the notes and you may be required to continue to hold your notes despite the event. In addition, the change of control provisions in the notes may also delay or prevent an otherwise beneficial takeover of us due to such takeover triggering the related purchase requirement. See Description of Other Indebtedness and Description of the Notes Repurchase at Option of the Holder Upon a Change of Control.

There is no public market for the notes, and we do not know if an active trading market will ever develop or, if a market does develop, whether it will be sustained.

The notes when issued were a new issue of securities and there is no existing trading market for any series of notes. Although the dealer managers in the Debt Exchange Offering have informed us that they intend to make a market in each series of notes, they have no obligation to do so and may discontinue making a market in any series of notes at any time without notice. Therefore, we cannot assure you as to the development or liquidity of any trading market for the notes.

We do not intend to apply for listing or quotation of any series of notes on any securities exchange or stock market. In addition, if a large amount of notes are not tendered or are tendered improperly, the limited amount of notes that would be issued and outstanding after we consummate the Exchange Offers would reduce liquidity and could lower the market price of those notes. The liquidity of any market for each series of notes will depend on a number of factors, including:

- the number of holders of such series of notes;
- our operating performance, financial condition or prospects;
- the market for similar securities;
- the interest of securities dealers in making a market in the applicable series of notes; and
- prevailing interest rates.

The market, if any, for the notes, similar to other non-investment grade debt, may be subject to disruptions that may cause substantial volatility in the prices of the notes and any disruptions may adversely affect the prices at which you may sell your notes. You may not be able to sell your notes at a particular time, and the price that you receive when you sell may not be favorable.

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Apollo is our controlling stockholder and Paulson may become a significant stockholder. There can be no assurance that Apollo and Paulson will act in our best interests as opposed to their own best interests.

Because of its position as our controlling stockholder, to the extent not otherwise limited in the senior secured credit facility or our indentures, Apollo is able to exercise significant control over decisions affecting us, including:

- our direction and policies, including the appointment and removal of officers;
- mergers or other business combinations and opportunities involving us;
- further issuance of capital stock or other equity or debt securities by us;
- payment of dividends; and
- approval of our business plans and general business development.

In addition, Paulson owns notes that may be converted into 21.5% of the total outstanding shares of Common Stock on an as converted basis assuming that all notes are converted into shares of Class A Common Stock. Pursuant to the Paulson Securityholders Agreement (as defined below), Paulson also has the right to nominate a member of our Board of Directors or designate a non-voting observer to attend meetings of our Board of Directors and has certain other rights with respect to issuances of our equity and debt securities.

Even if all of the outstanding notes held by parties other than Apollo were converted into Class A Common Stock, which has one vote per share, Apollo, by virtue of its ownership of shares of Class B Common Stock (as defined below), which has five votes per share, would continue to control a majority of the voting power of the outstanding Common Stock. In addition, if all of the notes were converted into Class A Common Stock, all of the Class B Common Stock would automatically convert into shares of Class A Common Stock and Apollo would then hold 66.2% of the outstanding shares of Class A Common Stock. See Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The concentration of ownership held by Apollo could delay, defer or prevent a change of control of us or impede a merger, takeover or other business combination that may be otherwise favorable to us. In addition, pursuant to Holdings Amended and Restated Certificate of Incorporation, Apollo has the right to, and will have no duty to abstain from, exercising such right to, conduct business with any business that is competitive or in the same line of business as us, do business with any of our clients, customers or vendors, or make investments in the kind of property in which we may make investments. Apollo is in the business of making or advising on investments in companies and may hold, and may from time to time in the future acquire, interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. Apollo may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. So long as Apollo continues to own a significant amount of the equity of Holdings, even if such amount is less than 50%, Apollo will continue to be able to strongly influence or effectively control our decisions.

Because our equity securities are not registered under the Exchange Act and are not listed on any U.S. securities exchange, we are not subject to any of the corporate governance requirements of any U.S. securities exchanges.

If we encounter financial difficulties, or we are unable to pay our debts as they mature, the interests of our equity holders may conflict with those of the holders of first lien indebtedness under the senior secured credit facility, the First and a Half Lien Notes, the Unsecured Notes or any other holder of our debt and such equity holders have no obligation to provide any additional equity or any debt financing to us.

Texas insurance laws and regulations may delay or impede your ability to purchase the notes and/or the Class A Common Stock.

The insurance laws and regulations of Texas, the jurisdiction in which our title insurance underwriter subsidiary is domiciled, generally provide that no person may acquire control, directly or indirectly, of a Texas domiciled insurer, unless the person has provided required information to, and the acquisition is approved or not disapproved by, the Texas Department of Insurance. Generally, any person acquiring beneficial ownership of 10% or more of our voting securities, including the notes, the Class A Common Stock, or a combination thereof, would be presumed to have acquired indirect control of our title insurance underwriter subsidiary unless the Texas Department of Insurance upon application determines otherwise. As a result, your ability to purchase the notes and/or the Class A Common Stock may be significantly delayed or otherwise impeded.

Ratings of the notes may cause their trading price to fall and affect the marketability of the notes.

The notes are rated by Moody s Investors Services, Inc. and Standard & Poor s Ratings Services. A rating agency s rating of the notes is not a recommendation to purchase, sell or hold any particular security, including the notes. Such ratings are limited in scope, and do not comment as to material risks relating to an investment in the notes. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will remain in effect for any given period of time. Rating agencies also may lower, suspend or withdraw ratings on the notes or our other debt in the future. Holders of the notes will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices or marketability of the notes.

Federal and state statutes allow courts, under specific circumstances, to void notes and guarantees and require holders of notes to return payments received.

The issuance of the notes and the related guarantees may be subject to review under federal and state fraudulent transfer and conveyance statutes. While the relevant laws may vary from state to state, under such laws the payment of consideration will be a fraudulent conveyance if (1) we paid the consideration with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for issuing either the notes or a guarantee and, in the case of (2) only, one of the following is also true:

- we or any of the guarantors were insolvent or rendered insolvent by reason of the incurrence of the indebtedness;

- payment of the consideration left us or any of the guarantors with an unreasonably small amount of capital to carry on the business; or

- we or any of the guarantors intended to, or believed that we or it would, incur debts beyond our or its ability to pay as they mature.

If a court were to find that the issuance of the notes or a related guarantee was a fraudulent conveyance, the court could void the payment obligations under the notes or such guarantee or subordinate the notes or such guarantee to presently existing and future indebtedness of ours or such guarantor, or require the holders of the notes to repay any amounts received with respect to the notes or such guarantee. In the event of a finding that a fraudulent conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our other debt and that of the guarantors that could result in acceleration of such debt.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. In general, however, a court would consider an issuer or a guarantor insolvent if:

- the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

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- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

- it could not pay its debts as they became due.

We cannot be certain as to the standards a court would use to determine whether or not we or the Note Guarantors were solvent at the relevant time, or regardless of the standard that a court uses, that the issuance of the notes and the related guarantees would not be subordinated to our or any guarantor s other debt.

If the guarantees of the notes were legally challenged, any such guarantee could also be subject to the claim that, since the guarantee was incurred for our benefit, and only indirectly for the benefit of the Note Guarantor, the obligations of the applicable guarantor were incurred for less than fair consideration. A court could thus void the obligations under the guarantees of the notes, subordinate them to the applicable guarantor s other debt or take other action detrimental to the holders of the notes.

Each guarantee of the notes contains a provision intended to limit the guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer law, or may reduce or eliminate the guarantor s obligation to an amount that effectively makes such guarantee worthless.

The notes do not restrict our ability to incur additional debt, repurchase our securities or to take other actions that could negatively impact holders of the notes.

We are not restricted under the terms of the notes from incurring additional debt, including secured debt, or repurchasing our securities. In addition, the limited covenants applicable to the notes do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the notes could have the effect of diminishing our ability to make payments on the notes when due. Certain of our other debt instruments may, however, restrict these and other actions. See Description of the Notes Subordination of the Notes.

The conversion rates of the notes may not be adjusted for all dilutive events that may occur.

As described under Description of the Notes Conversion Rate Adjustments, we will adjust the conversion rates of the notes for certain events, including, among others:

- the issuance of stock or cash dividends on the Class A Common Stock;

- the issuance of certain rights or warrants to purchase Class A Common Stock;

- certain subdivisions and combinations of Class A Common Stock; and

- the distribution of capital stock, indebtedness or assets of Holdings.

We will not adjust the conversion rates for other events, such as an issuance of Class A Common Stock for cash or in connection with an acquisition, or for grants of options, restricted stock or other equity awards pursuant to Holdings existing and future employee incentive plans, including the Phantom Value Plan, that may adversely affect the trading price of the notes or the Class A Common Stock. If we engage in any of these types of transactions, the value of the Class A Common Stock into which the notes may be convertible may be diluted. In addition, if we are unable to maintain compliance with the senior secured leverage ratio under our senior secured credit facility, we may issue additional equity in the future pursuant to an equity cure or otherwise, which could also adversely impact the value of the notes or the Class A Common Stock. An event that adversely affects the value of the notes, but does not result in an adjustment to the conversion rates, may occur.

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You may lose the option time value of your notes if we redeem your notes upon a Qualified Public Offering or if you elect to have your notes repurchased upon a Change of Control and if the notes are redeemed by us upon a Qualified Public Offering, you will not receive the full face amount of your notes.

Upon a Qualified Public Offering and at any time thereafter, the notes will be redeemable at our option at a price equal to 90% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption. In addition, if a change of control occurs prior to the maturity date of the notes, each holder of the notes will have the right to require us to repurchase its notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest to the date of purchase. Upon such redemption or repurchase, you will not be compensated for any lost option time value of your notes. In addition, because we may redeem the notes at a price equal to 90% of the principal amount thereof, you will not receive the full face amount of your notes following any such redemption.

As a holder of the notes, you will not be entitled to any rights with respect to Class A Common Stock, but you will be subject to all changes made with respect to Class A Common Stock and even if you convert your notes, your voting interests may be diluted.

If you hold notes, you will not be entitled to any rights with respect to the Class A Common Stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on the Class A Common Stock), but you will be subject to all changes affecting the Class A Common Stock. You will have the rights with respect to the Class A Common Stock only when shares of Class A Common Stock are delivered to you upon conversion of your notes. For example, in the event that an amendment is proposed to Holdings charter or by-laws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the date you are deemed to have received Class A Common Stock upon conversion, you will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes in the powers, preferences or special rights of the Class A Common Stock. In addition, because the Class B Common Stock has five votes per share, even if you convert your notes, your voting interests in the Class A Common Stock may not be proportional to your actual ownership of the outstanding Common Stock and holders of Class B Common Stock may control a majority of the voting interests in the Common Stock even though they do not own a majority of the outstanding Common Stock.

Recent regulatory actions may adversely affect the trading price and liquidity of the notes.

If the Class A Common Stock becomes publicly traded, we expect that investors in, and potential purchasers of, the notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the notes. Investors that employ a convertible arbitrage strategy with respect to convertible securities typically implement that strategy by selling short the common stock underlying the convertible securities and dynamically adjusting their short position while they hold the convertible securities. As a result, any specific rules regulating short selling of securities, such as the recent amendments to Rule 201 of Regulation SHO that became effective on May 10, 2010, or any other governmental action that interferes with the ability of market participants to effect short sales in Class A Common Stock could adversely affect the ability of investors in, or potential purchasers of, the notes to conduct such a convertible arbitrage strategy with respect to the notes. This could, in turn, adversely affect the trading price and liquidity of the notes.

You may be subject to United States federal income or withholding taxes if we adjust the conversion rates of notes in certain circumstances, even if you do not receive any cash.

We will adjust the conversion rates of the notes for stock splits and combinations, stock dividends, cash dividends and certain other events that affect the capital structure of Holdings. See Description of the Notes Conversion Rate Adjustments. If we adjust the conversion rates, you may be treated as having received a constructive distribution from us, resulting in taxable income to you for United States federal income tax purposes, even though you would not receive any cash in connection with a conversion rate adjustment and even

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though you might not exercise your conversion right. In addition, Non-U.S. Holders (as defined in Certain United States Federal Income Tax Considerations) of the notes may be deemed to have received a distribution subject to United States federal withholding tax requirements. See Certain United States Federal Income Tax Considerations U.S. Holders Constructive Dividends and Certain United States Federal Income Tax Considerations Non-U.S. Holders Constructive Dividends.

Holders who convert their notes into Class A Common Stock may be subject to greater risks than the risks to which they would otherwise be subject.

If you elect to convert your notes into Class A Common Stock, you will hold equity of Holdings, rather than debt of Realogy, which will have important consequences to you. For example, the rights of holders of Class A Common Stock will be junior to our existing and future indebtedness and other obligations. If we were to become subject to bankruptcy protection, holders of the notes who do not convert their notes may receive value greater than the value, if any, received by holders of Class A Common Stock. This is because any claims of holders of the notes and our other indebtedness will be given priority over the claims of holders of equity securities.

The conversion prices of the notes were determined by negotiations and are based on a premium to the estimated fair market value of the Class A Common Stock. There may not be an active market for Class A Common Stock, and a market may never develop, which could adversely affect the liquidity and market price of the notes and could result in holders of Class A Common Stock being unable to monetize their investment.

Currently there is no public market for the Class A Common Stock. In the absence of a public market for the Class A Common Stock, the conversion prices of the notes were determined through negotiations with holders of the Existing Notes by reference to the Company s estimated fair market value of the Class A Common Stock as of November 29, 2010. The conversion prices were based on a premium to the estimated fair market value of the Class A Common Stock and may not bear any relationship to our past, current or future operations, cash flows, net income, current financial condition, the book value of our assets or any other established criteria for value. As a result, the conversion prices of the notes should not be considered as reflective of the actual value of the Class A Common Stock.

An active trading market for the Class A Common Stock may never develop or be sustained. The absence of such market could adversely affect the liquidity and price of the Class A Common Stock and the notes. In addition, we cannot assure you that, if such market were to develop, the price at which the Class A Common Stock may trade will not decline, or that such price will reflect the actual financial performance of Holdings.

In connection with any Qualified Public Offering, Holdings expects that it would list the Class A Common Stock for trading on the NASDAQ Global Select Market, the NASDAQ Global Market or the New York Stock Exchange. Until then, you may not be able to liquidate any investment you may make in the Class A Common Stock by converting the notes. We cannot assure you that there will be a trading market for the Class A Common Stock or that an active public market will develop or, if developed, will continue. If an active public market does not develop or is not maintained, the market price and liquidity of the Class A Common Stock may be adversely affected. Moreover, in the event you are able to sell some or all of your Class A Common Stock, you may not recover the original investment.

Fluctuations in the market price of Class A Common Stock may impact the trading price of the notes and make them more difficult to resell. Holders who receive Class A Common Stock upon conversion of the notes will also be subject to the risk of volatility and depressed prices of Class A Common Stock.

If the Class A Common Stock becomes publicly traded, the conversion value of the notes will be based on the market price of shares of Class A Common Stock, and any decline in the market price of Class A Common Stock may have a similar effect on the value of the notes and could limit the number of shares deliverable upon conversion of the notes.

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Holders who receive shares of Class A Common Stock upon conversion of the notes will also be subject to the risk of volatility and depressed prices of Class A Common Stock. The conversion of some or all of the notes and any sales of Class A Common Stock issued upon conversion of the notes could adversely affect the market price of Class A Common Stock. In the future, Holdings may sell additional shares of Class A Common Stock to raise capital. We cannot predict the size of future issuances or the effect, if any, that they may have on the market price for Class A Common Stock. The issuance and sale of substantial amounts of Class A Common Stock or securities convertible into Class A Common Stock, or the perception that such issuances and sales may occur, could adversely affect the value of the notes and the market price of Class A Common Stock and impair Holdings ability to raise capital through the sale of additional equity securities. In addition, holders who receive shares of Class A Common Stock upon conversion of the notes may have their percentage ownership diluted in the future because of equity issuances.

The market price of Class A Common Stock (if such market were to develop) could also be affected by possible sales of shares of Class A Common Stock by investors who view the notes as a more attractive means of equity participation in Holdings and by hedging or arbitrage trading activity involving Class A Common Stock that we expect to develop if the Class A Common Stock becomes publicly tradable. Such hedging or arbitrage trading activity could, in turn, affect the trading price of the notes and/or the market price of any Class A Common Stock that holders receive upon conversion of their notes.

Risks Related to Our Business

The residential real estate market is cyclical and we are negatively impacted by downturns in this market.

The residential real estate market tends to be cyclical and typically is affected by changes in general economic conditions which are beyond our control. The U.S. residential real estate market has recently shown some signs of stabilizing from a lengthy and deep downturn that began in the second half of 2005. However, we cannot predict when the market and related economic forces will return the U.S. residential real estate industry to a period of sustained growth.

Any of the following could halt or limit a recovery in the housing market and have a material adverse effect on our business by causing a lack of sustained growth or a decline in the number of homesales and/or prices which, in turn, could adversely affect our revenues and profitability:

- continued high unemployment;
- a period of slow economic growth or recessionary conditions;
- weak credit markets;
- a low level of consumer confidence in the economy and/or the residential real estate market;
- rising mortgage interest rates;
- instability of financial institutions;
- legislative, tax or regulatory changes that would adversely impact the residential real estate market, including but not limited to potential reform relating to Fannie Mae, Freddie Mac and other government sponsored entities that provide liquidity to the U.S. housing and mortgage markets;

increasing mortgage rates and down payment requirements and/or reduced availability of mortgage financing, including but not limited to the potential impact of various provisions of the Dodd-Frank Act or other legislation that may be enacted to reform the U.S. housing finance market, including restrictions imposed on mortgage originators as well as retention levels required to be maintained by sponsors to securitize mortgages;

excessive or insufficient regional home inventory levels;

continuing high levels of foreclosure activity including but not limited to the release of homes for sale by financial institutions and the uncertainty surrounding the appropriateness of mortgage servicers foreclosure processes;

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- adverse changes in local or regional economic conditions;
- the inability or unwillingness of homeowners to enter into homesale transactions due to negative equity in their existing homes;
- a decrease in the affordability of homes;
- our geographic and high-end market concentration relating in particular to our company-owned brokerage operations;
- local, state and federal government regulation that burden residential real estate transactions or ownership;
- shifts in populations away from the markets that we or our franchisees serve;
- individual tax law changes, including potential limits or elimination of the deductibility of certain mortgage interest expense, the application of the alternative minimum tax, real property taxes and employee relocation expenses;
- decreasing home ownership rates, declining demand for real estate and changing social attitudes toward home ownership;
- commission pressure from brokers who discount their commissions; and/or
- acts of God, such as hurricanes, earthquakes and other natural disasters that disrupt local or regional real estate markets.

Recently, banks and other lenders have come under investigations for alleged improper support for foreclosure actions. As a result, the foreclosure process in many areas has slowed and may face ongoing disruption. These foreclosure developments could reduce the level of homesales and could, once these homes reemerge on the market, add additional downward pressure on the price of existing homesales.

Our success is largely dependent on the efforts and abilities of the independent sales associates retained by company owned brokerage offices and by our franchisees. The ability of our company owned brokerage offices and our franchisees to retain independent sales associates is generally subject to numerous factors, including the compensation they receive and their perception of brand value. Given our high degree of leverage and negative perceptions in the media relating to our financial condition, neither our company owned brokerage offices or our independent franchisees may be successful in attracting or maintaining independent sales associates. If we or our franchisees fail to attract and retain independent sales associates, our business may be materially adversely affected.

A prolonged decline or lack of sustained growth in the number of homesales and/or prices would adversely affect our revenues and profitability.

Based upon data published by NAR, from 2005 to 2010, annual U.S. existing homesale units declined by 31% and the median homesale price declined by 21%. Our Company s revenues for the year ended December 31, 2010 compared to the year ended December 31, 2007, on a pro forma combined basis, decreased approximately 32%. A further decline or lack of sustained growth in existing homesales, a continued decline in home prices or a decline in commission rates charged by brokers would further adversely affect our results of operations by reducing the royalties we receive from our franchisees and company owned brokerages, reducing the commissions our company owned brokerage operations earn, reducing the demand for our title and settlement services and reducing the referral fees earned by our relocation services business. For example, for 2010, a 100 basis point (or 1%) decline in either our homesale sides or the average selling price of closed homesale transactions, with all else being equal, would have decreased EBITDA by $2 million for our Real Estate Franchise Services segment and $9 million for our Company Owned Real Estate Brokerage Services segment.

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Our company owned brokerage operations are subject to geographic and high-end real estate market risks, which could continue to adversely affect our revenues and profitability.

Our subsidiary, NRT, owns real estate brokerage offices located in and around large metropolitan areas in the U.S. Local and regional economic conditions in these locations could differ materially from prevailing conditions in other parts of the country. NRT has more offices and realizes more of its revenues in California, Florida and the New York metropolitan area than any other regions in the country. For the year ended December 31, 2010, NRT realized approximately 63% of its revenues from California (27%), the New York metropolitan area (26%) and Florida (10%). A further downturn in residential real estate demand or economic conditions in these regions could result in a further decline in NRT s total gross commission income and have a material adverse effect on us. In addition, given the significant geographic overlap of our title and settlement services business with our company owned brokerage offices, such regional declines affecting our company owned brokerage operations could have an adverse effect on our title and settlement services business as well. A further downturn in residential real estate demand or economic conditions in these states could continue to result in a decline in our overall revenues and have a material adverse effect on us.

NRT has a significant concentration of transactions at the higher end of the U.S. real estate market. A shift in NRT s mix of property transactions from the high range to lower and middle range homes would adversely affect the average price of NRT s closed homesales.

Loss or attrition among our senior management or other key employees could adversely affect our financial performance.

Our success is largely dependent on the efforts and abilities of our senior management and other key employees. Our ability to retain our employees is generally subject to numerous factors, including the compensation and benefits we pay, the mix between the fixed and variable compensation we pay our employees and prevailing compensation rates. Given the lengthy and prolonged downturn in the real estate market and the cost-cutting measures we implemented during the downturn, certain of our employees have received, and may in the near term continue to receive, less variable compensation. As such, we may suffer significant attrition among our current key employees. If we were to lose key employees and not promptly fill their positions with comparably qualified individuals, our business may be materially adversely affected.

Tightened mortgage underwriting standards could continue to reduce homebuyers ability to access the credit market on reasonable terms.

During the past several years, many lenders have significantly tightened their underwriting standards, and many subprime and other alternative mortgage products are no longer being made available in the marketplace. If these trends continue and mortgage loans continue to be difficult to obtain, including in the jumbo mortgage markets important to our higher value and luxury brands, the ability and willingness of prospective buyers to finance home purchases or to sell their existing homes will be adversely affected, which will adversely affect our operating results.

Adverse developments in general business, economic and political conditions could have a material adverse effect on our financial condition and our results of operations.

Our business and operations and those of our franchisees are sensitive to general business and economic conditions in the U.S. and worldwide. These conditions include short-term and long-term interest rates, inflation, fluctuations in debt and equity capital markets, consumer confidence and the general condition of the U.S. and world economy.

Dramatic declines in the housing market during the past several years, with falling home prices and increasing foreclosures, including disruptions and delays occasioned by recent investigations into alleged improper foreclosure processes, and unemployment, have resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities and major commercial and investment banks as well as repayment and reimbursement arrangements between the originating banks and Fannie Mae and Freddie Mac. These actions, which initially impacted mortgage-backed securities, spread to credit default swaps and other derivative securities and caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to fail. Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors reduced, and in some cases, ceased to provide funding to borrowers, including other financial institutions. Lack of available credit or lack of confidence in the financial sector could materially and adversely affect our business, financial condition and results of operations.

A host of factors beyond our control could cause fluctuations in these conditions, including the political environment and acts or threats of war or terrorism. Adverse developments in these general business and economic conditions could have a material adverse effect on our financial condition and our results of operations.

Recent U.S. governmental actions to assist in the stabilization and/or recovery of the residential real estate market may not be successful; reform of Freddie Mac and Fannie Mae could have a material impact on our operations.

The U.S. government implemented certain actions during the past several years to assist in a stabilization and/or a recovery of the residential real estate market. These measures have included: (1) the placement of Fannie Mae and Freddie Mac in conservatorship in September 2008 and the funding of over $130 billion to these entities to backstop shortfalls in their capital requirements; (2) the establishment, and subsequent expansion and extension, of a federal homebuyer tax credit for qualified buyers (that, as extended, required signed contracts on or before April 30, 2010); (3) as part of a broader plan to bring stability to credit markets and stimulate the housing market, the purchase of mortgage-backed securities by the Federal Reserve in an attempt to maintain low mortgage rates (the first phase of which ended on March 31, 2010); (4) the continuation of the 2008 higher loan limits for FHA, Freddie Mac and Fannie Mae loans through September 30, 2011; and (5) the availability of low-cost refinancing through Fannie Mae and Freddie Mac to certain homeowners negatively impacted by falling home prices, encouraging lenders to modify loan terms with borrowers at risk of foreclosure or already in foreclosure. There can be no assurance that these actions or any other governmental action will continue to stabilize the housing market or that any recovery in this market will be sustained as these programs either wind down or expire by their terms.

Moreover, Congress has recently held hearings on the future of Freddie Mac and Fannie Mae and other government sponsored entities or GSEs with a view towards further legislative reform. On February 11, 2011, the Obama Administration issued a report to the U.S. Congress outlining proposals to reform the U.S. housing finance market, including, among other things, reform designed to reduce government support for housing finance and the winding down of Freddie Mac and Fannie Mae over a period of years. Numerous pieces of legislation seeking various types of reform for the GSEs have been introduced recently in Congress. Two significant questions that need to be addressed in any such reform are: (1) will banks and other private sources of capital be able to fill homebuyers needs as the government seeks to pull back some of the housing mortgage market support and (2) will these other sources of capital be available at rates which are reasonably attractive to potential homebuyers. Legislation, if enacted, which curtails Freddie Mac and/or Fannie Mae s activities and/or results in the wind down of these entities could increase mortgage costs and could result in more stringent underwriting guidelines imposed by lenders, either of which could materially adverse affect the housing market in general and our operations in particular. Given the current uncertainty with respect to the extent, if any, of such reform, it is difficult to predict either the long-term or short-term impact of government action that may be taken.

The Dodd-Frank Act and other financial reform legislation may, among other things, result in new rules and regulations that may adversely affect the housing industry.

On July 21, 2010, the Dodd-Frank Act was signed into law for the express purpose of regulating the financial services industry and also establishes an independent federal bureau of consumer financial protection to enforce laws involving consumer financial products and services, including mortgage finance. The bureau is empowered with examination and enforcement authority. The Dodd-Frank Act also establishes new standards and practices for mortgage originators, including determining a prospective borrower s ability to repay their mortgage, removing incentives for higher cost mortgages, prohibiting prepayment penalties for non-qualified mortgages, prohibiting mandatory arbitration clauses, requiring additional disclosures to potential borrowers and restricting the fees that mortgage originators may collect. While we are continuing to evaluate all aspects of the Dodd-Frank Act, such legislation and regulations promulgated pursuant to such legislation as well as other legislation that may be enacted to reform the U.S. housing finance market could materially and adversely affect the mortgage and housing industries, result in heightened federal regulation and oversight of the mortgage and housing industries, increase mortgage costs and result in increased costs and potential litigation for housing market participants.

Certain provisions of the Dodd-Frank Act may impact the operation and practices of Fannie Mae and Freddie Mac and require sponsors of securitizations to retain a portion of the economic interest in the credit risk associated with the assets securitized by them. Federal regulators have been authorized to provide exceptions to the risk retention requirements for certain qualified mortgages and mortgages meeting certain underwriting standards prescribed in such regulations, however, it is unclear what types of mortgage loans will be encompassed by future regulations related to the definition of qualified mortgages. If mortgage loans originated for purchasers of homes are sold into GSE-sponsored mortgage-backed securities that do not meet the definition of a qualified mortgage, then the GSEs may be required to retain a portion of the risk of assets they securitize, which may in turn substantially reduce or eliminate the GSEs ability to issue mortgage-backed securities. Substantial reduction in, or the elimination of, GSE demand for mortgage loans could have a material adverse effect on the mortgage industry and the housing industry in general. It is also unclear what effect future laws or regulations may have on the ability of the GSEs to issue mortgage-backed securities.

Monetary policies of the federal government and its agencies may have a material impact on our operations.

Our business is significantly affected by the monetary policies of the federal government and its agencies. We are particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the U.S. The Federal Reserve Board s policies affect the real estate market through their effect on interest rates as well as the pricing on our interest-earning assets and the cost of our interest-bearing liabilities.

We are affected by any rising interest rate environment. Changes in the Federal Reserve Board s policies, the interest rate environment and mortgage market are beyond our control, are difficult to predict and could have a material adverse effect on our business, results of operations and financial condition. Additionally, the possibility of the elimination of the mortgage interest deduction could have an adverse effect on the housing market by reducing incentives for buying or refinancing homes and negatively affecting property values.

Competition in the residential real estate and relocation business is intense and may adversely affect our financial performance.

Competition in the residential real estate services business is intense. As a real estate brokerage franchisor, our products are our brand names and the support services we provide to our franchisees. Upon the expiration of a franchise agreement, a franchisee may choose to franchise with one of our competitors or operate as an independent broker. Competitors may offer franchisees whose franchise agreements are expiring similar products and services at rates that are lower than we charge. Our largest national competitors in this industry include The Prudential Real Estate Affiliates, Inc., Real Living (which includes the franchise business that had been conducted by GMAC Real Estate, LLC), RE/MAX and Keller Williams Realty, Inc. Some of these companies may have greater financial resources than we do, including greater marketing and technology budgets, and may be less leveraged. Regional and local franchisors provide additional competitive pressure in certain areas. To remain competitive in the sale of franchises and to retain our existing franchisees, we may have to reduce the fees we charge our franchisees to be competitive with those charged by competitors, which may accelerate if market conditions further deteriorate.

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Our company owned brokerage business, like that of our franchisees, is generally in intense competition. We compete with other national independent real estate organizations, including Home Services of America, franchisees of our brands and of other national real estate franchisors, franchisees of local and regional real estate franchisors, regional independent real estate organizations, discount brokerages, and smaller niche companies competing in local areas. Competition is particularly severe in the densely populated metropolitan areas in which we operate. In addition, the real estate brokerage industry has minimal barriers to entry for new participants, including participants pursuing non-traditional methods of marketing real estate, such as Internet-based brokerage or brokers who discount their commissions. Discount brokers have had varying degrees of success and while they have been negatively impacted by the prolonged downturn in the residential housing market, they may increase their market share in the future. Real estate brokers compete for sales and marketing business primarily on the basis of services offered, reputation, personal contacts and brokerage commission. As with our real estate franchise business, a decrease in the average brokerage commission rate may adversely affect our revenues. We also compete for the services of qualified licensed independent sales associates. Some of the firms competing for sales associates use a different model of compensating agents, in which agents are compensated for the revenue generated by other agents that they recruit to those firms. This business model may be appealing to certain agents and hinder our ability to attract and retain those agents. Competition for sales associates could reduce the commission amounts retained by our company after giving effect to the split with independent sales associates and possibly increase the amounts that we spend on marketing. Our average homesale commission rate per side in our Company Owned Real Estate Services segment has declined from 2.62% in 2002 to 2.48% in 2010.

In our relocation services business, we compete primarily with global and regional outsourced relocation service providers. The larger outsourced relocation service providers that we compete with include SIRVA, Inc., Weichert Relocation Resources, Inc. and Prudential Real Estate and Relocation Services, Inc.

The title and settlement services business is highly competitive and fragmented. The number and size of competing companies vary in the different areas in which we conduct business. We compete with other title insurers, title agents and vendor management companies. The title and settlement services business competes with a large, fragmented group of smaller underwriters and agencies as well as national competitors.

Several of our businesses are highly regulated and any failure to comply with such regulations or any changes in such regulations could adversely affect our business.

Several of our businesses are highly regulated. The sale of franchises is regulated by various state laws as well as by the FTC. The FTC requires that franchisors make extensive disclosure to prospective franchisees but does not require registration. A number of states require registration or disclosure in connection with franchise offers and sales. In addition, several states have franchise relationship laws or business opportunity laws that limit the ability of franchisors to terminate franchise agreements or to withhold consent to the renewal or transfer of these agreements. While we believe that our franchising operations are in compliance with such existing regulations, we cannot predict the effect any existing or future legislation or regulation may have on our business operation or financial condition.

Our real estate brokerage business must comply with the requirements governing the licensing and conduct of real estate brokerage and brokerage-related businesses in the jurisdictions in which we do business. These laws and regulations contain general standards for and prohibitions on the conduct of real estate brokers and sales associates, including those relating to licensing of brokers and sales associates, fiduciary and agency duties, administration of trust funds, collection of commissions, advertising and consumer disclosures. Under state law, our real estate brokers have the duty to supervise and are responsible for the conduct of their brokerage business.

Several of the litigation matters we are involved with allege claims based upon breaches of fiduciary duties by our licensed brokers, violations of state laws relating to business practices or consumer disclosures and with respect to compliance with wage and hour regulations. We cannot predict with certainty the cost of defense or the ultimate outcome of these or other litigation matters filed by or against us, including remedies or awards, and adverse results in any such litigation may harm our business and financial condition.

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Our company owned real estate brokerage business, our relocation business, our title and settlement service business and the businesses of our franchisees (excluding commercial brokerage transactions) must comply with RESPA. RESPA and comparable state statutes, among other things, restrict payments which real estate brokers, agents and other settlement service providers may receive for the referral of business to other settlement service providers in connection with the closing of real estate transactions. Such laws may to some extent restrict preferred vendor arrangements involving our franchisees and our company owned brokerage business. RESPA and similar state laws also require timely disclosure of certain relationships or financial interests that a broker has with providers of real estate settlement services.

Our title insurance business also is subject to regulation by insurance and other regulatory authorities in each state in which we provide title insurance. State regulations may impede or impose burdensome conditions on our ability to take actions that we may want to take to enhance our operating results.

There is a risk that we could be adversely affected by current laws, regulations or interpretations or that more restrictive laws, regulations or interpretations will be adopted in the future that could make compliance more difficult or expensive. There is also a risk that a change in current laws could adversely affect our business. For example, the Bush tax cuts, which have reduced ordinary income and capital gains rates on federal taxes, were recently extended until the end of 2012, after which these tax cuts are due to expire. There can be no assurance that these tax cuts will be extended or if extended, the extension may apply only to a portion of the tax cuts and/or the extension could be limited in duration. Other potential federal tax legislation includes the elimination or narrowing of mortgage tax deductions. Higher federal income tax rates or further limits on mortgage tax deductions could negatively impact the purchase and sale of residential homes. We cannot assure you that future legislative or regulatory changes will not adversely affect our business operations.

In April 2007, the FTC and Justice Department issued a report on competition in the real estate brokerage industry and concluded that while the industry had undergone substantial changes in prior years, particularly with the increasing use of the Internet, competition has been hindered as a result of actions taken by some real estate brokers, acting through multiple listing services and NAR, state legislatures, and real estate commissions, and recommend, among other things, that the agencies should continue to monitor the cooperative conduct of private associations of real estate brokers, and bring enforcement actions in appropriate circumstances.

In addition, regulatory authorities have relatively broad discretion to grant, renew and revoke licenses and approvals and to implement regulations. Accordingly, such regulatory authorities could prevent or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us if our financial condition or our practices were found not to comply with the then current regulatory or licensing requirements or any interpretation of such requirements by the regulatory authority. Our failure to comply with any of these requirements or interpretations could limit our ability to renew current franchisees or sign new franchisees or otherwise have a material adverse effect on our operations.

We are also, to a lesser extent, subject to various other rules and regulations such as:

- the Gramm-Leach-Bliley Act which governs the disclosure and safeguarding of consumer financial information;
- various state and federal privacy laws;
- the USA PATRIOT Act;
- restrictions on transactions with persons on the Specially Designated Nationals and Blocked Persons list promulgated by the Office of Foreign Assets Control of the Department of the Treasury;
- federal and state Do Not Call, Do Not Fax, and Do Not E-Mail laws;

controlled business statutes, which impose limitations on affiliations between providers of title and settlement services, on the one hand, and real estate brokers, mortgage lenders and other real estate providers, on the other hand, or similar laws or regulations that would limit or restrict transactions among affiliates in a manner that would limit or restrict collaboration among our businesses;

the Affiliated Marketing Rule, which prohibits or restricts the sharing of certain consumer credit information among affiliated companies without notice and/or consent of the consumer;

the Fair Housing Act;

laws and regulations, including the Foreign Corrupt Practices Act, that can impair significant sanctions on improper payments to foreign officials or agents;

laws and regulations in jurisdictions outside the United States in which we do business;

state and federal employment laws and regulations, including any changes that would require classification of independent contractors to employee status, and wage and hour regulations; and

increases in state, local or federal taxes that could diminish profitability or liquidity.

Our failure to comply with any of the foregoing laws and regulations may subject us to fines, penalties, injunctions and/or potential criminal violations. Any changes to these laws or regulations or any new laws or regulations may make it more difficult for us to operate our business and may have a material adverse effect on our operations.

Seasonal fluctuations in the residential real estate brokerage and relocation businesses could adversely affect our business.

The residential real estate brokerage business is subject to seasonal fluctuations. Historically, real estate brokerage revenues and relocation revenues have been strongest in the second and third quarters of the calendar year (although, due to the expiration of the homebuyer tax credit, the third quarter of 2010 was adversely affected by the acceleration of activity into the first half of 2010). However, many of our expenses, such as rent and personnel, are fixed and cannot be reduced during a seasonal slowdown. As a result, we may be required to borrow in order to fund operations during seasonal slowdowns or at other times. Since the terms of our indebtedness may restrict our ability to incur additional debt, we cannot assure you that we would be able to borrow sufficient amounts. Our inability to finance our funding needs during a seasonal slowdown or at other times would have a material adverse effect on us.

Changes in accounting standards, subjective assumptions and estimates used by management related to complex accounting matters could have an adverse effect on results of operations.

Generally accepted accounting principles in the United States and related accounting pronouncements, implementation guidance and interpretations with regard to a wide range of matters, such as stock-based compensation, asset impairments, valuation reserves, income taxes and fair value accounting, are highly complex and involve many subjective assumptions, estimates and judgments made by management. Changes in these rules or their interpretations or changes in underlying assumptions, estimates or judgments to be made by management could significantly change our reported results.

We may not have the ability to complete future acquisitions; we may not be successful in developing the Better Homes and Gardens Real Estate brand.

We have pursued an active acquisition strategy as a means of strengthening our businesses and have sought to integrate acquisitions into our operations to achieve economies of scale. Our company owned brokerage business has completed over 350 acquisitions since its formation in 1997 and, in 2004, we acquired the Sotheby s International Realty® residential brokerage business and entered into an exclusive license agreement for the rights to the Sotheby s International Realty® trademarks with which we are in the process of building the Sotheby s International Realty® franchise system. In January 2006, we acquired our title insurance underwriter and certain title agencies. As a result of these and other acquisitions, we have derived a substantial portion of our

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growth in revenues and net income from acquired businesses. The success of our future acquisition strategy will continue to depend upon our ability to find suitable acquisition candidates on favorable terms and to finance and complete these transactions.

In October 2007, we entered into a long-term agreement to license the Better Homes and Gardens® Real Estate brand from Meredith. We seek to build a new international residential real estate franchise company using the Better Homes and Gardens® Real Estate brand name. The licensing agreement between us and Meredith became operational on July 1, 2008 and is for a 50-year term, with a renewal term for another 50 years at our option. We may not be able to successfully develop the brand in a timely manner or at all. Our inability to complete acquisitions or to successfully develop the Better Homes and Gardens® Real Estate brand would have a material adverse effect on our growth strategy.

We may not realize anticipated benefits from future acquisitions.

Integrating acquired companies involves complex operational and personnel-related challenges. Future acquisitions may present similar challenges and difficulties, including:

- the possible defection of a significant number of employees and independent sales associates;
- increased amortization of intangibles;
- the disruption of our respective ongoing businesses;
- possible inconsistencies in standards, controls, procedures and policies;
- failure to maintain important business relationships and contracts;
- unanticipated costs of terminating or relocating facilities and operations;
- unanticipated expenses related to integration; and
- potential unknown liabilities associated with acquired businesses.

A prolonged diversion of management s attention and any delays or difficulties encountered in connection with the integration of any business that we have acquired or may acquire in the future could prevent us from realizing the anticipated cost savings and revenue growth from our acquisitions.

We may be unable to maintain anticipated cost savings and other benefits from our restructuring activities.

We are committed to various restructuring initiatives targeted at reducing costs and enhancing organizational effectiveness while consolidating existing processes and facilities. We may not be able to achieve or maintain the anticipated cost savings and other benefits from these restructuring initiatives that are described elsewhere in this prospectus. If our cost savings or the benefits are less than our estimates or take longer to implement than we project, the savings or other benefits we projected may not be fully realized.

Our financial results are affected by the operating results of franchisees.

Our real estate franchise services segment receives revenue in the form of royalties, which are based on a percentage of gross commission income earned by our franchisees. Accordingly, the financial results of our real estate franchise services segment are dependent upon the operational and financial success of our franchisees. If industry trends or economic conditions worsen for franchisees, their financial results may worsen and our royalty revenues may decline. In addition, we may have to increase our bad debt and note reserves. We may also have to terminate franchisees more frequently due to non-reporting and non-payment. Further, if franchisees fail to renew their franchise agreements, or if we decide to restructure franchise agreements in order to induce franchisees to renew these agreements, then our royalty revenues may decrease.

Our franchisees and independent sales associates could take actions that could harm our business.

Our franchisees are independent business operators and the sales associates that work with our company owned brokerage operations are independent contractors, and, as such, neither are our employees, and we do not exercise control over their day-to-day operations. Our franchisees may not successfully operate a real estate brokerage business in a manner consistent with our standards, or may not hire and train qualified independent sales associates or employees. If our franchisees and independent sales associates were to provide diminished quality of service to customers, our image and reputation may suffer materially and adversely affect our results of operations.

Additionally, franchisees and independent sales associates may engage or be accused of engaging in unlawful or tortious acts such as, for example, violating the anti-discrimination requirements of the Fair Housing Act. Such acts or the accusation of such acts could harm our and our brands image, reputation and goodwill.

Franchisees, as independent business operators, may from time to time disagree with us and our strategies regarding the business or our interpretation of our respective rights and obligations under the franchise agreement. This may lead to disputes with our franchisees and we expect such disputes to occur from time to time in the future as we continue to offer franchises. To the extent we have such disputes, the attention of our management and our franchisees will be diverted, which could have a material adverse effect on our business, financial condition, results of operations or cash flows.

Our relocation business is subject to risks related to acquiring, carrying and reselling real estate.

On January 21, 2010, Cartus acquired a global relocation service provider, Primacy, which is a supplier of relocation services to corporate clients as well as certain U.S. government agencies under at risk contracts. At December 31, 2010, Primacy was merged into Cartus. Under at risk contracts, our relocation business enters into homesale transactions whereby we acquire the homes being sold by relocating employees and bear the risk of all expenses associated with acquiring, carrying and selling the homes, including potential loss on sale. In at risk homesale transactions where the ultimate third party buyer is not under contract at the time we become the owner of the home, we are subject to the market risk that the home we purchase will lose value while we are carrying it as well as the risk that our carrying costs will increase, both of which would increase the costs that we may incur on the home. A significant increase in the number of at risk home sale transactions could have a material adverse effect on our relocation business if housing prices continue to fall and we are unable to sell our at-risk homes in a timely manner or at favorable prices.

Clients of our relocation business may terminate their contracts at any time.

Substantially all of our contracts with our relocation clients are terminable at any time at the option of the client. If a client terminates its contract, we will only be compensated for all services performed up to the time of termination and reimbursed for all expenses incurred up to the time of termination. If a significant number of our relocation clients terminate their contracts with us, our results of operations would be materially adversely affected.

Our marketing arrangement with PHH Home Loans may limit our ability to work with other key lenders to grow our business.

Under our Strategic Relationship Agreement relating to PHH Home Loans, we are required to recommend PHH Home Loans as originator of mortgage loans to the independent sales associates, customers and employees of our company owned and operated brokerage offices. This provision may limit our ability to enter into beneficial business relationships with other lenders and mortgage brokers.

We do not control the joint venture PHH Home Loans and PHH as the managing partner of that venture may make decisions that are contrary to our best interests.

Under our Operating Agreement with PHH relating to PHH Home Loans, we own a 49.9% equity interest but do not have control of the operations of the venture. Rather, our joint venture partner, PHH, is the managing

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partner of the venture and may make decisions with respect to the operation of the venture, which may be contrary to our best interests and may adversely affect our results of operations. In addition, our joint venture may be materially adversely impacted by changes affecting the mortgage industry, including but not limited to regulatory changes, increases in mortgage interest rates and decreases in operating margins.

We may experience significant claims relating to our operations and losses resulting from fraud, defalcation or misconduct.

We issue title insurance policies which provide coverage for real property to mortgage lenders and buyers of real property. When acting as a title agent issuing a policy on behalf of an underwriter, our insurance risk is typically limited to the first $5,000 of claims on any one policy, though our insurance risk is not limited if we are negligent. The title underwriter which we acquired in January 2006 typically underwrites title insurance policies of up to $1.5 million. For policies in excess of $1.5 million, we typically obtain a reinsurance policy from a national underwriter to reinsure the excess amount. To date, our title underwriter has experienced claims losses that are significantly below the industry average; our claims experience could increase in the future, which could negatively impact the profitability of that business. We may also be subject to legal claims arising from the handling of escrow transactions and closings. Our subsidiary, NRT, carries errors and omissions insurance for errors made during the real estate settlement process of $15 million in the aggregate, subject to a deductible of $1 million per occurrence. In addition, we carry an additional errors and omissions insurance policy for Realogy and its subsidiaries for errors made for real estate related services up to $35 million in the aggregate, subject to a deductible of $2.5 million per occurrence. This policy also provides excess coverage to NRT creating an aggregate limit of $50 million, subject to the NRT deductible of $1 million per occurrence. The occurrence of a significant title or escrow claim in excess of our insurance coverage in any given period could have a material adverse effect on our financial condition and results of operations during the period.

Fraud, defalcation and misconduct by employees are also risks inherent in our business. We carry insurance covering the loss or theft of funds of up to $30 million annually in the aggregate, subject to a deductible of $1 million per occurrence. To the extent that any loss or theft of funds substantially exceeds our insurance coverage, our business could be materially adversely affected.

In addition, we rely on the collection and use of personally identifiable information from customers to conduct our business. We disclose our information collection and dissemination practices in a published privacy statement on our websites, which we may modify from time to time. We may be subject to legal claims, government action and damage to our reputation if we act or are perceived to be acting inconsistently with the terms of our privacy statement, customer expectations or the law. Further, we may be subject to claims to the extent individual employees or independent contractors breach or fail to adhere to company policies and practices and such actions jeopardize any personally identifiable information. In addition, concern among potential home buyers or sellers about our privacy practices could keep them from using our services or require us to incur significant expense to alter our business practices or educate them about how we use personally identifiable information.

We could be subject to severe losses if banks do not honor our escrow and trust deposits.

Our company owned brokerage business and our title and settlement services business act as escrow agents for numerous customers. As an escrow agent, we receive money from customers to hold until certain conditions are satisfied. Upon the satisfaction of those conditions, we release the money to the appropriate party. We deposit this money with various banks and while these deposits are not assets of the Company (and therefore excluded from our consolidated balance sheet), we remain contingently liable for the disposition of these deposits. The banks may hold a significant amount of these deposits in excess of the federal deposit insurance limit. If any of our depository banks were to become unable to honor our deposits, customers could seek to hold us responsible for these deposits and, if the customers prevailed in their claims, we could be subject to severe losses. These escrow and trust deposits totaled $190 million and $161 million at December 31, 2010 and December 31, 2009, respectively.

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Title insurance regulations limit the ability of our insurance underwriter to pay cash dividends to us.

Our title insurance underwriter is subject to regulations that limit its ability to pay dividends or make loans or advances to us, principally to protect policy holders. Generally, these regulations limit the total amount of dividends and distributions to a certain percentage of the insurance subsidiary s surplus, or 100% of statutory operating income for the previous calendar year. These restrictions could limit our ability to receive dividends from our insurance underwriter , make acquisitions or otherwise grow our business.

We may be unable to continue to securitize certain of our relocation assets, which may adversely impact our liquidity.

At December 31, 2010, $331 million of securitization obligations were outstanding through special purpose entities monetizing certain assets of our relocation services business under two lending facilities. We have provided a performance guaranty which guarantees the obligations of our Cartus subsidiary and its subsidiaries, as originator and servicer under the Apple Ridge securitization program. The securitization markets have experienced significant disruptions which may have the effect of increasing our cost of funding or reducing our access to these markets in the future. If we are unable to continue to securitize these assets, we may be required to find additional sources of funding which may be on less favorable terms or may not be available at all.

The occurrence of any trigger events under our Apple Ridge securitization facility could cause us to lose funding under that facility and therefore restrict our ability to fund the operation of our U.S. relocation business.

The Apple Ridge securitization facility, which we use to advance funds on behalf of certain U.S. clients of our relocation business in order to facilitate the relocation of their employees, contains terms which if triggered may result in a termination or limitation of new or existing funding under the facility and/or may result in a requirement that all collections on the assets be used to pay down the amounts outstanding under such facility. Some of the terms which could affect the availability of funds under the securitization facility include restrictive covenants and trigger events, including performance triggers linked to the age and quality of the underlying assets, limits on net credit losses incurred, financial reporting requirements, restrictions on mergers and change of control, and cross defaults under the senior secured credit facility, the Unsecured Notes and other material indebtedness. Given the current economic conditions, there is an associated risk relating to compliance with the Apple Ridge securitization performance trigger relating to limits on net credit losses (the estimated losses incurred on securitization receivables that have been written off, net of recoveries of such receivables), as net credit losses may not exceed $750 thousand in any one month or $1.5 million in any trailing 12 month period. The Apple Ridge facility has trigger events based on change in control and cross-defaults to material indebtedness. The occurrence of a trigger event under the Apple Ridge securitization facility could restrict our ability to access new or existing funding under this facility and adversely affect the operation of our relocation business.

We are highly dependent on the availability of the asset-backed securities market to finance the operations of our relocation business, and disruptions in this market or any adverse change or delay in our ability to access the market could have a material adverse effect on our financial position, liquidity or results of operations.

Reduced investor demand for asset-backed securities could result in our having to fund our relocation assets until investor demand improves, but our capacity to fund our relocation assets is not unlimited. If we confront a reduction in borrowing capacity under the Apple Ridge facility due to a reduced demand for asset-backed securities, it could require us to reduce the amount of relocation assets we fund and to find alternative sources of funding for working capital needs. Adverse market conditions could also result in increased costs and reduced margins earned in connection with securitization transactions.

If we need to increase the funding available under the Apple Ridge securitization facility, such funding may not be available to us or, if available, on terms acceptable to us. In addition, our Apple Ridge securitization

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facility matures in April 2012. We could encounter difficulties in renewing this facility and if this source of funding is not available to us for any reason, we could be required to borrow under the revolving credit facility or incur other indebtedness to finance our working capital needs or we could require our clients to fund the home purchases themselves, which could have a material adverse effect on our ability to achieve our business and financial objectives.

Our international operations are subject to risks not generally experienced by our U.S. operations.

Our relocation services business operates worldwide, and to a lesser extent, our real estate franchise services segment has international operations. For the year ended December 31, 2010, revenues from these operations are approximately 2.5% of total revenues. Our international operations are subject to risks not generally experienced by our U.S. operations. The risks involved in our international operations that could result in losses against which we are not insured and therefore affect our profitability include:

- fluctuations in foreign currency exchange rates;
- exposure to local economic conditions and local laws and regulations, including those relating to our employees;
- economic and/or credit conditions abroad;
- potential adverse changes in the political stability of foreign countries or in their diplomatic relations with the U.S.;
- restrictions on the withdrawal of foreign investment and earnings;
- government policies against businesses owned by foreigners;
- investment restrictions or requirements;
- diminished ability to legally enforce our contractual rights in foreign countries;
- difficulties in registering, protecting or preserving trade names and trademarks in foreign countries;
- restrictions on the ability to obtain or retain licenses required for operation;
- foreign exchange restrictions;
- withholding and other taxes on remittances and other payments by subsidiaries; and
- changes in foreign taxation structures.

We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business and financial condition.

We cannot predict with certainty the cost of defense, the cost of prosecution, insurance coverage or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards, and adverse results in such litigation and other proceedings may harm our business and financial condition. Such litigation and other proceedings may include, but are not limited to, actions relating to intellectual property, commercial arrangements, franchising arrangements, actions against our title company alleging it knew or should have known that others were committing mortgage fraud, standard brokerage disputes like the failure to disclose hidden defects in the property such as mold, vicarious liability based upon conduct of individuals or entities outside of our control, including franchisees and independent sales associates, antitrust claims, general fraud claims, and employment law, including claims challenging the classification of our sales associates as independent contractors. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third party patents or other third party intellectual property rights. In addition, we may be required to enter into licensing agreements (if available on acceptable terms or at all) and pay royalties.

In 2002, Frank K. Cooper Real Estate #1, Inc. filed a putative class action (the Cooper Litigation) against Cendant and Cendant s subsidiary, Century 21 Real Estate Corporation (Century 21). The complaint alleges breach of certain provisions of the Real Estate Franchise Agreement entered into between Century 21 and the plaintiffs, breach of the implied duty of good faith and fair dealing, violation of the New Jersey Consumer Fraud Act and breach of certain express and implied fiduciary duties. The complaint alleges, among other things, that Cendant diverted money and resources from Century 21 franchisees and allotted them to NRT owned brokerages and otherwise improperly charged expenses to advertising funds. The complaint seeks unspecified compensatory and punitive damages, injunctive relief, interest, attorney s fees and costs. The New Jersey Consumer Fraud Act provides for treble damages, attorney s fees and costs as remedies for violation of the Act. On August 17, 2010, the court granted plaintiffs renewed motion to certify a class. The certified class includes Century 21 franchisees at any time between August 1, 1995 and April 17, 2002 whose franchise agreements contain New Jersey choice of law and venue provisions and who have not executed releases releasing the claim (unless the release was a provision of a franchise renewal agreement).

A case management order was entered on November 29, 2010 that includes, among other deadlines, a trial date of April 16, 2012. On December 20, 2010, the court held a status conference to address plaintiffs motion regarding notice to be issued to the class, the language of the notice, publication of the notice and how class members can opt out of the class. As directed by a court order, Century 21 has delivered to plaintiffs counsel and Rust Consulting, Inc. (the Notice Administrator) lists of the names and contact information for (1) franchisees that meet the class definition and (2) franchisees that would have met the class definition but for the fact that they signed a waiver of claims against Century 21. Pursuant to the court order, the Notice Administrator has advised us that the notice of pendency of the action was mailed to possible class members on March 4, 2011, and a summary of that notice will be published in various print and online media. This case remains in its very early stages, with most of the effort in the past six months directed at class identification. Discovery on the merits is ongoing. This class action involves substantial, complex litigation. Class action litigation is inherently unpredictable and subject to significant uncertainties. The resolution of the Cooper Litigation could result in substantial losses and we cannot assure you that such resolution will not have a material adverse effect on our results of operations, financial condition or liquidity.

We are reliant upon information technology to operate our business and maintain our competitiveness, and any disruption or reduction in our information technology capabilities could harm our business.

Our business depends upon the use of sophisticated information technologies and systems, including technology and systems utilized for communications, records of transactions, procurement, call center operations and administrative systems. The operation of these technologies and systems is dependent upon third party technologies, systems and services, for which there are no assurances of continued or uninterrupted availability and support by the applicable third party vendors on commercially reasonable terms. We also cannot assure you that we will be able to continue to effectively operate and maintain our information technologies and systems. In addition, our information technologies and systems are expected to require refinements and enhancements on an ongoing basis, and we expect that advanced new technologies and systems will continue to be introduced. We may not be able to obtain such new technologies and systems, or to replace or introduce new technologies and systems as quickly as our competitors or in a cost-effective manner. Also, we may not achieve the benefits anticipated or required from any new technology or system, and we may not be able to devote financial resources to new technologies and systems in the future.

In addition, our information technologies and systems are vulnerable to damage or interruption from various causes, including (1) natural disasters, war and acts of terrorism, (2) power losses, computer systems failure, Internet and telecommunications or data network failures, operator error, losses and corruption of data, and similar events and (3) computer viruses, penetration by individuals seeking to disrupt operations or misappropriate information and other physical or electronic breaches of security. We maintain certain disaster recovery capabilities for critical functions in most of our businesses, including certain disaster recovery services from International Business Machines Corporation. However, these capabilities may not successfully prevent a disruption to or material adverse effect on our businesses or operations in the event of a disaster or other business interruption. Any extended interruption in our technologies or systems could significantly curtail our ability to conduct our business and generate revenue. Additionally, our business interruption insurance may be insufficient to compensate us for losses that may occur.

We do not own two of our brands and must manage cooperative relationships with both owners.

The Sotheby s International Realty® and Better Homes and Gardens® real estate brands are owned by the companies that founded these brands. We are the exclusive party licensed to run brokerage services in residential real estate under those brands, whether through our franchisees or our company owned operations. Our future operations and performance with respect to these brands requires the continued cooperation from the owners of those brands. In particular, Sotheby s has the right to approve the master franchisors of, and the material terms of our master franchise agreements governing our relationships with, our Sotheby s franchisees located outside the U.S., which approval cannot be unreasonably withheld or delayed. If Sotheby s unreasonably withholds or delays its approval for new international master franchisors, our relationship with them could be disrupted. Any significant disruption of the relationships with the owners of these brands could impede our franchising of those brands and have a material adverse effect on our operations and performance.

The weakening or unavailability of our intellectual property rights could adversely impact our business.

Our trademarks, trade names, domain names, trade dress and other intellectual property rights are fundamental to our brands and our franchising business. The steps we take to obtain, maintain and protect our intellectual property rights may not be adequate and, in particular, we may not own all necessary registrations for our intellectual property. Applications we have filed to register our intellectual property may not be approved by the appropriate regulatory authorities. Our intellectual property rights may not be successfully asserted in the future or may be invalidated, circumvented or challenged. We may be unable to prevent third parties from using our intellectual property rights without our authorization or independently developing technology that is similar to ours. Also third parties may own rights in similar trademarks. Any unauthorized use of our intellectual property by third parties could reduce any competitive advantage we have developed or otherwise harm our business and brands. If we had to litigate to protect these rights, any proceedings could be costly, and we may not prevail. Our intellectual property rights, including our trademarks, may fail to provide us with significant competitive advantages in the U.S. and in foreign jurisdictions that do not have or do not enforce strong intellectual property rights.

We cannot be certain that our intellectual property does not and will not infringe issued intellectual property rights of others. We may be subject to legal proceedings and claims in the ordinary course of our business, including claims of alleged infringement of the patents, trademarks and other intellectual property rights of third parties. Any such claims, whether or not meritorious, could result in costly litigation. Depending on the success of these proceedings, we may be required to enter into licensing or consent agreements (if available on acceptable terms or at all), or to pay damages or cease using certain service marks or trademarks.

We franchise our brands to franchisees. While we try to ensure that the quality of our brands is maintained by all of our franchisees, we cannot assure that these franchisees will not take actions that hurt the value of our intellectual property or our reputation.

Our license agreement with Sotheby s for the use of the Sotheby s International Realty® brand is terminable by Sotheby s prior to the end of the license term if certain conditions occur, including but not limited to the following: (1) we attempt to assign any of our rights under the license agreement in any manner not permitted under the license agreement, (2) we become bankrupt or insolvent, (3) a court issues a non-appealable, final judgment that we have committed certain breaches of the license agreement and we fail to cure such breaches within 60 days of the issuance of such judgment, or (4) we discontinue the use of all of the trademarks licensed under the license agreement for a period of twelve consecutive months.

Our license agreement with Meredith for the use of the Better Homes and Gardens® real estate brand is terminable by Meredith prior to the end of the license term if certain conditions occur, including but not limited to the following: (i) we attempt to assign any of our rights under the license agreement in any manner not permitted under the license agreement, (ii) we become bankrupt or insolvent, or (iii) a trial court issues a final judgment that we are in material breach of the license agreement or any representation or warranty we made was false or materially misleading when made.

Our ability to use our NOLs and other tax attributes may be limited if we undergo an ownership change.

Our ability to utilize our net operating losses (NOLs) and other tax attributes could be limited if we undergo an ownership change within the meaning of Section 382 of the Internal Revenue Code of 1986, as amended (the Code). An ownership change is generally defined as a greater than 50 percentage point increase in equity ownership by five-percent shareholders in any three-year period. Under certain circumstances, convertible debt that is not yet converted may nevertheless be treated as converted for purposes of testing for an ownership change. It is possible that an ownership change results by virtue of the resale of notes pursuant to this prospectus, the conversion of the notes, future equity issuances, or the cumulative effect of such transactions and the Debt Exchange Offering.

Risks Related to Realogy s Separation from Cendant

We are responsible for certain of Cendant s contingent and other corporate liabilities.

Under the Separation and Distribution Agreement dated July 27, 2006 (the Separation and Distribution Agreement) among Realogy, Cendant Corporation (Cendant), which changed its name to Avis Budget Group, Inc. (Avis Budget) in August 2006, Wyndham Worldwide Corporation (Wyndham Worldwide) and Travelport Inc. (Travelport), and other agreements, subject to certain exceptions contained in the Tax Sharing Agreement dated as of July 28, 2006, as amended, among Realogy, Wyndham Worldwide and Travelport, Realogy and Wyndham Worldwide have each assumed and are generally responsible for 62.5% and 37.5%, respectively, of certain of Cendant s contingent and other corporate liabilities not primarily related to the businesses of Travelport, Realogy, Wyndham Worldwide or Avis Budget Group. The due to former parent balance was $104 million at December 31, 2010 and represents Realogy s accrual of its share of potential Cendant contingent and other corporate liabilities.

If any party responsible for Cendant contingent and other corporate liabilities were to default in its payment, when due, of any such assumed obligations related to any such contingent and other corporate liability, each non-defaulting party (including Cendant) would be required to pay an equal portion of the amounts in default. Accordingly, Realogy may, under certain circumstances, be obligated to pay amounts in excess of its share of the assumed obligations related to such contingent and other corporate liabilities, including associated costs and expenses.

Adverse outcomes from the unresolved Cendant liabilities for which Realogy has assumed partial liability under the Separation and Distribution Agreement could be material with respect to our earnings or cash flows in any given reporting period.

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FORWARD-LOOKING STATEMENTS

Forward-looking statements in this prospectus or other public statements are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other public statements. These forward-looking statements were based on various facts and were derived utilizing numerous important assumptions and other important factors, and changes in such facts, assumptions or factors could cause actual results to differ materially from those in the forward-looking statements. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives, as well as projections of macroeconomic trends, which are inherently unreliable due to the multiple factors that impact economic trends, and any such variations may be material. Statements preceded by, followed by or that otherwise include the words believes, expects, anticipates, intends, projects, estimates, plans, and sim expressions or future or conditional verbs such as will, should, would, may and could are generally forward-looking in nature and not histori facts. You should understand that the following important factors could affect our future results and cause actual results to differ materially from those expressed in the forward-looking statements:

- our substantial leverage as a result of Realogy s April 2007 acquisition by affiliates of Apollo and the related financings (the Merger Transactions). Since 2007, we have needed to incur additional debt in order to fund negative cash flows. After giving effect to the Refinancing Transactions, as of December 31, 2010, our total debt (excluding the securitization obligations) would have been $7,007 million. The industry and economy have experienced significant declines since the time of the Merger Transactions that have negatively impacted our operating results. As a result, we have been, and continue to be, challenged by our heavily leveraged capital structure;

- if we experience an event of default under the senior secured credit facility, including but not limited to a failure to maintain, or a failure to cure a default of, the applicable senior secured leverage ratio under such facility, or under our indentures or relocation securitization facilities or a failure to meet our cash interest obligations under these instruments or other lack of liquidity caused by substantial leverage and the adverse conditions in the housing market, such an event would materially and adversely affect our financial condition, results of operations and business;

- under the senior secured credit facility, the senior secured leverage ratio limit of total senior secured net debt to trailing 12-month Adjusted EBITDA, as defined herein, was 5.0 to 1 at December 31, 2010 and the ratio limit steps down to 4.75 to 1 on March 31, 2011 and thereafter. For the fiscal year ended December 31, 2010, we were in compliance with the senior secured leverage ratio covenant with a ratio of 4.59 to 1.0. After giving effect to the Refinancing Transactions, our senior secured leverage ratio would have been 3.51 to 1.0 at December 31, 2010. While the housing market in 2010 showed signs of stabilization, in part due to government actions designed to bolster the housing market, there remains substantial uncertainty with respect to the timing and scope of a housing recovery and if a housing recovery is delayed or is weak, we may be subject to additional pressure in maintaining compliance with our senior secured leverage ratio;

- adverse developments or the absence of sustained improvement in general business, economic, employment and political conditions;

- adverse developments or the absence of improvement in the residential real estate markets, either regionally or nationally, including but not limited to:

  - a lack of sustained improvement in the number of homesales, further declines in home prices and/or a deterioration in other economic factors that particularly impact the residential real estate market and the business segments in which we operate;

  - a lack of improvement in consumer confidence;

the impact of ongoing or future recessions, slow economic growth and high levels of unemployment in the U.S. and abroad;

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- increasing mortgage rates and down payment requirements and/or reduced availability of mortgage financing, including but not limited to the potential impact of various provisions of the Dodd-Frank Act and regulations which may be promulgated thereunder relating to mortgage financing, including restrictions imposed on mortgage originators as well as retention levels required to be maintained by sponsors to securitize mortgages;
- legislative, tax or regulatory changes that would adversely impact the residential real estate market, including but not limited to potential reform relating to Fannie Mae, Freddie Mac and other government sponsored entities that provide liquidity to the U.S. housing and mortgage markets;
- negative trends and/or a negative perception of the market trends in value for residential real estate;
- continuing high levels of foreclosure activity including but not limited to the release of homes for sale by financial institutions and the uncertainty surrounding the appropriateness of mortgage servicers, foreclosure processes;
- excessive or insufficient regional home inventory levels;
- the inability or unwillingness of homeowners to enter into homesale transactions due to negative equity in their existing homes;
- lower homeownership rates in the U.S. due to various factors, including, but not limited to, high unemployment levels, reduced demand or preferred use by households of rental housing due in part to uncertainty regarding future home values;
- our geographic and high-end market concentration relating in particular to our company-owned brokerage operations; and
- local and regional conditions in the areas where our franchisees and brokerage operations are located;

the impact an increase in interest rates would have on certain of our borrowings that have variable interest and the related increase in our debt service costs that would result therefrom;

limitations on flexibility in operating our business due to restrictions contained in our debt agreements;

our inability to sustain the improvements we have realized during the past several years in our operating efficiency through cost savings and business optimization efforts;

our inability to access capital and/or to securitize certain assets of our relocation business, either of which would require us to find alternative sources of liquidity, which may not be available, or if available, may not be on favorable terms;

any remaining resolutions or outcomes with respect to Cendant s contingent and corporate tax liabilities under the Separation and Distribution Agreement and the Tax Sharing Agreement, including any adverse impact on our future cash flows;

competition in our existing and future lines of business, including, but not limited to, higher costs to retain or attract sales agents for residential real estate brokerages, and the financial resources of competitors;

our failure to comply with laws and regulations and any changes in laws and regulations;

adverse effects of natural disasters or environmental catastrophes;

our failure to enter into or renew franchise agreements, maintain franchisee satisfaction with our brands or the inability of franchisees to survive the most recent real estate downturn;

disputes or issues with entities that license us their trade names for use in our business that could impede our franchising of those brands;

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- actions by our franchisees that could harm our business or reputation, non-performance of our franchisees or controversies with our franchisees;
- the loss of any of our senior management or key managers or employees;
- the cumulative effect of adverse litigation or arbitration awards against us and the adverse effect of new regulatory interpretations, rules and laws, including any changes that would (1) require classification of independent contractors to employee status, (2) place additional limitations or restrictions on affiliated transactions, which would have the effect of limiting or restricting collaboration among our business units, (3) interpret the Real Estate Settlement Procedures Act (RESPA) in a manner that would adversely affect our operations and business arrangements, or (4) require significant changes in the manner in which we support our franchisees; and
- new types of taxes or increases in state, local or federal taxes that could diminish profitability or liquidity.

Other factors not identified above, including those described under the headings Risk Factors and Management s Discussion and Analysis of Financial Condition and Results of Operations, may also cause actual results to differ materially from those described in our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our control. You should consider these factors in connection with considering any forward-looking statements that may be made by us and our businesses generally.

Except for our ongoing obligations to disclose material information under the federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events unless we are required to do so by law. For any forward-looking statements contained in our public filings or other public statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of the notes and Class A Common Stock issuable upon conversion thereof by the selling securityholders.

CAPITALIZATION

The following table sets forth Realogy s cash and cash equivalents and capitalization as of December 31, 2010 on a historical basis and on an as adjusted basis, after giving effect to the Refinancing Transactions.

You should read this table in conjunction with the information included under the headings Selected Historical Consolidated and Combined Financial Statements and Management s Discussion and Analysis of Financial Condition and Results of Operations in this prospectus.

Capitalization (excluding securitization obligations)	As of December 31, 2010 Historical	As Adjusted
	(In millions)	
Cash and cash equivalents (1)	$ 192	$ 333
Long-term debt (including current portion):		
Senior Secured Credit Facility:		
Non-extended revolving credit facility (2)		
Extended revolving credit facility (2)		
Non-extended term loan facility (3)	3,059	635
Extended term loan facility		1,822
First and a Half Lien Notes		700
Second Lien Loans	650	650
Other bank indebtedness (4)	163	163
Existing Notes:		
10.50% Senior Notes (5)	1,688	64
Senior Toggle Notes (6)	468	49
12.375% Senior Subordinated Notes (7)	864	187
Extended Maturity Notes:		
11.50% Senior Notes (8)		488
12.00% Senior Notes (9)		129
13.375% Senior Subordinated Notes (10)		10
11.00% Convertible Notes (11)		2,110
Total long-term debt, including short-term portion	6,892	7,007
Total equity (deficit) (12)	(1,072)	(1,072)
Total capitalization (13)	$ 5,820	$ 5,935

(1) Readily available cash as of December 31, 2010 was $166 million.

(2) In connection with the Senior Secured Credit Facility Amendment, certain lenders converted approximately $98 million of commitments in respect of extended revolving loans to extended term loans, thereby reducing the commitments under the revolving credit facility to $652 million. Our borrowing availability under our $652 million revolving credit facility is reduced by outstanding letters of credit. At December 31, 2010, we had no borrowings outstanding on the revolving credit facility. The revolving credit facility includes a $200 million letter of credit sub-facility which had $21 million of remaining capacity at December 31, 2010. The available capacity under this facility was reduced by $79 million and $100 million of outstanding letters of credit on the non-extended and the extended revolving credit facility, respectively at December 31, 2010. As of March 1, 2011, we had $60 million outstanding on the revolving credit facility.

(3) As of December 31, on an as adjusted basis, $700 million of gross proceeds from the First and a Half Lien Notes would have been utilized to prepay a portion of the outstanding borrowings under the term loan facility and $98 million capacity under the revolving credit facility would have been converted to Extended term loans to provide additional cash on the balance sheet.

(4) Consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit facility, $5 million is due in April 2011, $50 million is due in June 2011, $50 million due November

2011, $50 million is due in January 2013 and $8 million due in May 2015. In February 2011, the Company repaid $55 million of outstanding borrowings under these revolving credit facilities that were due in April and June 2011.

(5) Consists of $1,700 million face amount of 10.50% Senior Notes, less a discount of $12 million at December 31, 2010. On an as adjusted basis, the face amount of 10.50% Senior Notes would have decreased to $64 million and the remaining discount would have been written off.

(6) Consists of $470 million face amount of Senior Toggle Notes less a discount of $2 million at December 31, 2010. On an as adjusted basis, the face amount of Senior Toggle Notes would have decreased to $49 million and the remaining discount would have been written off.

(7) Consists of $875 million face amount of 12.375% Senior Subordinated Notes, less a discount of $11 million at December 31, 2010. On an as adjusted basis, consists of $190 million face amount of 12.375% Senior Subordinated Notes, less a discount of $3 million.

(8) Consists of $492 million face amount of 11.50% Senior Notes issued in connection with the Debt Exchange Offering, less a discount of $4 million.

(9) Consists of $130 million face amount of 12.00% Senior Notes issued in connection with the Debt Exchange Offering, less a discount of $1 million.

(10) Consists of $10 million face amount of 13.375% Senior Subordinated Notes issued in connection with the Debt Exchange Offering.

(11) Consists of $2,110 million face amount of notes issued in connection with the Debt Exchange Offering.

(12) As a result of the consummation of the Debt Exchange Offering in January 2011, we expect to write off approximately $18 million of note discounts and approximately $10 million of deferred financing costs on the Existing Notes. We expect to have a write off for deferred financing costs in the first quarter of 2011 due to the prepayment of $700 million of borrowings pursuant to the Senior Secured Credit Facility Amendment.

(13) Total capitalization excludes our securitization obligations which are collateralized by relocation related assets and are included in our current liabilities.

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DIVIDEND POLICY

Holdings has not historically paid any dividends to its shareholders and does not expect to pay dividends on the Class A Common Stock in the foreseeable future, although it reserves the right to do so. We anticipate that all of our earnings in the foreseeable future will be used for the operation and growth of our business.

Any future determination to pay dividends on the Class A Common Stock will be at the discretion of the Holdings Board and will depend upon many factors, including our financial position, results of operations, liquidity, legal requirements and other factors deemed relevant by the Holdings Board.

Holdings ability to pay dividends is dependent on cash dividends from its subsidiaries as well as certain restrictions contained in the Paulson Securityholders Agreement (as defined below). Covenants under the senior credit facility and indentures also place restrictions on Realogy s ability to pay dividends. See Management s Discussion and Analysis of Financial Condition and Results of Operations and Certain Relationships and Related Party Transactions.

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DETERMINATION OF OFFERING PRICE

As of the date of this prospectus, there is no established public trading market for the Class A Common Stock. The selling securityholders may sell their notes and Class A Common Stock issuable upon conversion thereof from time to time at the prevailing market prices at the time of the sale or at privately negotiated prices. See Plan of Distribution in this prospectus.

The conversion prices of the notes were determined by our Board of Directors following negotiations with holders of the Existing Notes in connection with the Debt Exchange Offering by reference to the estimated fair market value of the Class A Common Stock as of November 29, 2010. The conversion prices were based on a premium to the estimated fair market value of the Class A Common Stock and may not bear any relationship to our past, current or future operations, cash flows, net income, current financial condition, the book value of our assets or any other established criteria for value. As a result, the conversion prices of the notes should not be considered as reflective of the actual value of the Class A Common Stock.

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SELECTED HISTORICAL CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

The following table presents our selected historical consolidated financial data and operating statistics. The consolidated statement of operations data for the years ended December 31, 2010, 2009 and 2008 and the consolidated balance sheet data as of December 31, 2010 and 2009 have been derived from our audited consolidated financial statements included in this prospectus. The statement of operations data for the periods from April 10, 2007 through December 31, 2007 and January 1, 2007 through April 9, 2007 and the year ended December 31, 2006 and the consolidated balance sheet data as of December 31, 2008, 2007 and December 31, 2006 have been derived from our consolidated and combined financial statements not included in this prospectus. Holdings, the indirect parent of Realogy, does not conduct any operations other than with respect to its indirect ownership of Realogy. Intermediate, the parent of Realogy, does not conduct any operations other than with respect to its ownership of Realogy. Any expenses related to stock compensation issued by Holdings to the employees or directors of Realogy or franchise taxes incurred by Holdings are recorded in Realogy s financial statements. As a result, there are no material differences between Holdings and Realogy s financial statements for the years ended December 31, 2010, 2009 and 2008 and no material differences between Intermediate s and Realogy s financial statements for the years ended December 31, 2010, 2009 and 2008.

Although Realogy continued as the same legal entity after the Merger, the financial statements for 2007 are presented for two periods: January 1 through April 9, 2007 (the Predecessor Period or Predecessor, as context requires) and April 10 through December 31, 2007 (the Successor Period or Successor, as context requires), which relate to the period preceding the Merger and the period succeeding the Merger, respectively. The results of the Successor are not comparable to the results of the Predecessor due to the difference in the basis of presentation of purchase accounting as compared to historical cost. In the opinion of management, the statement of operations data for 2007 include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations as of the dates and for the periods indicated. The results for periods of less than a full year are not necessarily indicative of the results to be expected for any interim period or for a full year.

The selected historical consolidated and combined financial data and operating statistics presented below should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, and our consolidated financial statements and accompanying notes included in this prospectus.

	Successor				Predecessor	
	As of or For the Year Ended December 31, 2010	As of or For the Year Ended December 31, 2009	As of or For the Year Ended December 31, 2008	As of or For the Period from April 10, 2007 through December 31, 2007	As of or For the Period from January 1, 2007 through April 9, 2007	As of or For the Year Ended December 31, 2006
	(in millions, except ratio and operating statistics)					
Statement of Operations Data:						
Net revenue	$ 4,090	$ 3,932	$ 4,725	$ 4,472	$ 1,492	$ 6,483
Total expenses	4,084	4,266	6,988	5,708	1,560	5,888
Income (loss) before income taxes, equity in earnings and noncontrolling interests	6	(334)	(2,263)	(1,236)	(68)	595
Income tax expense (benefit)	133	(50)	(380)	(439)	(23)	237
Equity in (earnings) losses of unconsolidated entities	(30)	(24)	28	(2)	(1)	(9)
Net income (loss)	(97)	(260)	(1,911)	(795)	(44)	367
Less: Net income attributable to noncontrolling interests	(2)	(2)	(1)	(2)		(2)
Net income (loss) attributable to Realogy	(99)	(262)	(1,912)	(797)	$ (44)	$ 365
Net loss attributable to Holdings	$ (99)	$ (262)	$ (1,912)	$ (797)		
Earnings (loss) per share:						
Basic loss per share:	$ (0.49)	$ (1.31)	$ (9.55)	$ (3.98)	$ (0.20)	$ 1.50
Diluted loss per share:	$ (0.49)	$ (1.31)	$ (9.55)	$ (3.98)	$ (0.20)	$ 1.50

Weighted average common and common equivalent shares outstanding:						
Basic:	200.4	200.2	200.1	200.1	217.5	242.7
Diluted:	200.4	200.2	200.1	200.1	217.5	242.7

	Successor				Predecessor	
	As of or For the Year Ended December 31, 2010	As of or For the Year Ended December 31, 2009	As of or For the Year Ended December 31, 2008	As of or For the Period from April 10, 2007 through December 31, 2007	As of or For the Period from January 1, 2007 through April 9, 2007	As of or For the Year Ended December 31, 2006
	(in millions, except ratio and operating statistics)					
Balance Sheet Data:						
Securitization assets	$ 393	$ 364	$ 845	$ 1,300		$ 1,190
Total assets	8,029	8,041	8,912	11,172		6,668
Securitization obligations	331	305	703	1,014		893
Long-term debt, including short-term portion	6,892	6,706	6,760	6,239		1,800
Equity (deficit)	(1,072)	(981)	(740)	1,203		2,487
Other Financial Data:						
Ratio of earnings to fixed charges (1)	1.1x					4.5x
Cash dividends						2,183(2)

(1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes and non-controlling interests plus fixed charges. Fixed charges consist of interest expense on all indebtedness, including amortization of deferred financing costs, and the portion of rental expense that management believes is representative of the interest factor. In addition, interest expense includes interest incurred related to our securitization obligations. Interest related to these securitization obligations are recorded within net revenues on the consolidated and combined statements of operations as the related borrowings are utilized to fund advances within our relocation business where interest is earned on such advances. The interest related to these securitization obligations was $7 million, $12 million and $46 million for the years ended December 31, 2010, 2009 and 2008, respectively, $45 million for the period from April 10 through December 31, 2007, $14 million for the period from January 1 through April 9, 2007 and $42 million for the year ended December 31, 2006. Our earnings were insufficient to cover fixed charges by approximately $278 million for the year ended December 31, 2009, approximately $2,317 million for the year ended December 31, 2008, approximately $1,229 million for the period from April 10 to December 31, 2007, and by approximately $65 million for the period from January 1 to April 9, 2007.

(2) In 2006, $2,183 million of net distribution payments were made to Cendant related to the separation from Cendant.

	As of or For the Year Ended December 31,				
	2010	2009	2008	2007	2006
Operating Statistics					
Real Estate Franchise Services					
Closed homesale sides	922,341	983,516	995,622	1,221,206	1,515,542
Average homesale price	$ 198,076	$ 190,406	$ 214,271	$ 230,346	$ 231,664
Average homesale broker commission rate	2.54%	2.55%	2.52%	2.49%	2.47%
Net effective royalty rate	5.00%	5.10%	5.12%	5.03%	4.87%
Royalty per side	$ 262	$ 257	$ 287	$ 298	$ 286
Company Owned Real Estate Brokerage Services					
Closed homesale sides	255,287	273,817	275,090	325,719	390,222
Average homesale price	$ 435,500	$ 390,688	$ 479,301	$ 534,056	$ 492,669
Average homesale broker commission rate	2.48%	2.51%	2.48%	2.47%	2.48%
Gross commission income per side	$ 11,571	$ 10,519	$ 12,612	$ 13,806	$ 12,691
Relocation Services					
Initiations	148,304	114,684	136,089	132,343	130,764
Referrals	69,605	64,995	71,743	78,828	84,893
Title and Settlement Services					
Purchase title and closing units	94,290	104,689	110,462	138,824	161,031
Refinance title and closing units	62,225	69,927	35,893	37,204	40,996
Average price per closing unit	$ 1,386	$ 1,317	$ 1,500	$ 1,471	$ 1,405

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MANAGEMENT S DISCUSSION AND ANALYSIS

OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our consolidated financial statements and accompanying notes thereto included elsewhere herein. Unless otherwise noted, all dollar amounts in tables are in millions. Holdings, the indirect parent of Realogy, does not conduct any operations other than with respect to its indirect ownership of Realogy. Any expenses related to stock compensation issued by Holdings to the employees or directors of Realogy or franchise taxes incurred by Holdings are recorded in Realogy s financial statements. As a result, there are no material differences between Holdings and Realogy s financial statements for the years ended December 31, 2010, 2009 or 2008. This Management s Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements. See Forward-Looking Statements and Risk Factors for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those contained in any forward-looking statements.

Overview

We are a global provider of real estate and relocation services and report our operations in the following four segments:

Real Estate Franchise Services (known as Realogy Franchise Group or RFG) franchises the Century 21®, Coldwell Banker®, ERA®, Sotheby s International Realty®, Coldwell Banker Commercial® and Better Homes and Gardens® Real Estate brand names. We launched the Better Homes and Gardens® Real Estate brand in July 2008. As of December 31, 2010, our franchise system had approximately 14,700 franchised and company owned offices and 264,000 independent sales associates operating under our brands in the U.S. and 99 other countries and territories around the world, which included approximately 750 of our company owned and operated brokerage offices with approximately 44,000 independent sales associates. We franchise our real estate brokerage franchise systems to real estate brokerage businesses that are independently owned and operated. We provide operational and administrative services, tools and systems to franchisees, which are designed to assist franchisees in achieving increased revenue and profitability. Such services include national and local advertising programs, listing and agent-recruitment tools, including technology, training and purchasing discounts through our preferred vendor programs. Franchise revenue principally consists of royalty and marketing fees from our franchisees. The royalty received is primarily based on a percentage of the franchisee s commissions and/or gross commission income. Royalty fees are accrued as the underlying franchisee revenue is earned (upon closing of the homesale transaction). Annual volume incentives given to certain franchisees on royalty fees are recorded as a reduction to revenue and are accrued for in relative proportion to the recognition of the underlying gross franchise revenue. Franchise revenue also includes initial franchise fees, which are generally non-refundable and are recognized by us as revenue when all material services or conditions relating to the sale have been substantially performed (generally when a franchised unit opens for business). Royalty increases or decreases are recognized with little corresponding increase or decrease in expenses due to the significant operating efficiency within the franchise operations. In addition to royalties received from our independently owned franchisees, our Company Owned Real Estate Brokerage Services segment pays royalties to the Real Estate Franchise Services segment.

Company Owned Real Estate Brokerage Services (known as NRT) operates a full-service real estate brokerage business principally under the Coldwell Banker®, ERA®, Corcoran Group® and Sotheby s International Realty® brand names. As an owner-operator of real estate brokerages, we assist home buyers and sellers in listing, marketing, selling and finding homes. We earn commissions for these services, which are recorded upon the closing of a real estate transaction (i.e., purchase or sale of a home), which we refer to as gross commission income. We then pay commissions to real estate agents, which are recognized concurrently with associated revenues. We also operate a large

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independent residential REO asset manager. These REO operations facilitate the maintenance and sale of foreclosed homes on behalf of lenders. The profitability of the REO business is countercyclical to the overall state of the housing market and was a meaningful contributor to the 2010, 2009 and 2008 financial results of the Company Owned Real Estate Brokerage segment.

Relocation Services (known as Cartus) primarily offers clients employee relocation services such as homesale assistance, home finding and other destination services, expense processing, relocation policy counseling and other consulting services, arranging household goods moving services, visa and immigration support, intercultural and language training and group move management services. We provide relocation services to corporate and government clients for the transfer of their employees. Such services include the purchasing and/or selling of a transferee s home, providing home equity advances to transferees (generally guaranteed by the client), expense processing, arranging household goods moving services, home-finding and other related services. We earn revenues from fees charged to clients for the performance and/or facilitation of these services and recognize such revenue as services are provided. In the majority of relocation transactions, the gain or loss on the sale of a transferee s home is generally borne by the client. For all homesale transactions, the value paid to the transferee is either the value per the underlying third party buyer contract with the transferee, which results in no gain or loss to us, or the appraised value as determined by independent appraisers. We generally earn interest income on the funds we advance on behalf of the transferring employee, which is typically based on prime rate or LIBOR rate and recorded within other revenue (as is the corresponding interest expense on the securitization borrowings) in the Consolidated Statement of Operations as earned until the point of repayment by the client. Additionally, we earn revenue from real estate brokers and other third-party service providers. We recognize such fees from real estate brokers at the time the underlying property closes. For services where we pay a third-party provider on behalf of our clients, we generally earn a referral fee or commission, which is recognized at the time of completion of services.

Title and Settlement Services (known as Title Resource Group or TRG) provides full-service title, settlement and vendor management services to real estate companies, affinity groups, corporations and financial institutions with many of these services provided in connection with the Company s real estate brokerage and relocation services business. We provide title and closing services, which include title search procedures for title insurance policies, homesale escrow and other closing services. Title revenues, which are recorded net of amounts remitted to third party insurance underwriters, and title and closing service fees are recorded at the time a homesale transaction or refinancing closes. We provide many of these services to third party clients in connection with transactions generated by our Company Owned Real Estate Brokerage and Relocation Services segments as well as various financial institutions in the mortgage lending industry. We also serve as an underwriter of title insurance policies in connection with residential and commercial real estate transactions.

As discussed under the heading Current Industry Trends, the domestic residential real estate market has been in a significant and lengthy downturn. As a result, our results of operations have been, and may continue to be, materially adversely affected.

July 2006 Separation from Cendant

Realogy was incorporated on January 27, 2006 to facilitate a plan by Cendant to separate into four independent companies one for each of Cendant s real estate services, travel distribution services (Travelport), hospitality services (including timeshare resorts) (Wyndham Worldwide) and vehicle rental businesses (Avis Budget Group). Prior to July 31, 2006, the assets of the real estate services businesses of Cendant were transferred to Realogy and, on July 31, 2006, Cendant distributed all of the shares of Realogy s common stock held by it to the holders of Cendant common stock issued and outstanding on the record date for the distribution, which was July 21, 2006 (the Separation). The Separation was effective on July 31, 2006.

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Before the Separation, Realogy entered into a Separation and Distribution Agreement, a Tax Sharing Agreement and several other agreements with Cendant and Cendant s other businesses to effect the separation and distribution and provide a framework for Realogy s relationships with Cendant and Cendant s other businesses after the Separation. These agreements govern the relationships among Realogy, Cendant, Wyndham Worldwide and Travelport subsequent to the completion of the separation plan and provide for the allocation among Realogy, Cendant, Wyndham Worldwide and Travelport of Cendant s assets, liabilities and obligations attributable to periods prior to the Separation.

April 2007 Merger Agreement with Affiliates of Apollo

On December 15, 2006, Realogy entered into an agreement and plan of merger with Holdings and Domus Acquisition Corp. which are affiliates of Apollo Management VI, L.P., an entity affiliated with Apollo Management, L.P. Under the merger agreement, Holdings would acquire the outstanding shares of Realogy pursuant to the merger of Domus Acquisition Corp. with and into Realogy, with Realogy being the surviving entity. The Merger was consummated on April 10, 2007. All of Realogy s issued and outstanding common stock is currently owned by Intermediate.

Realogy incurred substantial indebtedness in connection with the transaction, the aggregate proceeds of which were sufficient to pay the aggregate merger consideration, repay a portion of Realogy s then outstanding indebtedness and pay fees and expenses related to the Merger. Specifically, Realogy entered into the senior secured credit facility, issued unsecured notes and refinanced the credit facilities governing Realogy s relocation securitization programs. See Liquidity and Capital Resources for additional information on the Merger Transactions. In addition, investment funds affiliated with, or co-investment vehicles managed by, Apollo, as well as members of management who purchased Common Stock with cash or through rollover equity, contributed $2,001 million to Realogy to complete the Merger Transactions, which was treated as a contribution to Realogy s equity.

Refinancing Transactions

During the past several months, Realogy has completed a series of transactions, referred to herein as the Refinancing Transactions, to refinance both its secured and unsecured indebtedness. The Refinancing Transactions, among other things, have:

- extended the maturities on more than 90% of the previously outstanding Existing Notes by at least three years;
- provided a mechanism for a potential deleveraging of Realogy s debt through the issuance of $2.1 billion aggregate principal amount of notes that mature in 2018 and that are convertible at any time, at the holder s option, into Common Stock;
- extended the maturities of a significant portion of its first lien senior secured indebtedness from 2013 to 2016 (including 79% of its $3.1 billion term loan facility);
- replaced $700 million of its first lien secured debt with secured indebtedness due in 2019 that is not included in the numerator of its senior secured leverage ratio, thereby significantly improving Realogy s operating cushion under such ratio and mitigating concerns regarding Realogy maintaining compliance with such ratio for at least the next twelve months; and
- maintained access to $650 million of borrowing under its senior secured revolving credit facilities.

We estimate that our annual cash interest will increase by approximately $55 million assuming current LIBOR rates and outstanding indebtedness after giving effect to the Refinancing Transactions.

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Debt Exchange Offering

On January 5, 2011, Realogy completed the Debt Exchange Offering relating to its outstanding 10.50% Senior Notes, Senior Toggle Notes and 12.375% Senior Subordinated Notes. Approximately $2,110 million aggregate principal amount of Existing Notes were tendered for Convertible Notes, which are convertible at the holder s option into Class A Common Stock and approximately $632 million aggregate principal amount of Existing Notes were tendered for Extended Maturity Notes.

On January 5, 2011, Realogy issued:

- $492 million aggregate principal amount of 11.50% Senior Notes and $1,144 million aggregate principal amount of Series A Convertible Notes in exchange for $1,636 million aggregate principal amount of outstanding 10.50% Senior Notes;

- $130 million aggregate principal amount of 12.00% Senior Notes and $291 million aggregate principal amount of Series B Convertible Notes in exchange for $421 million aggregate principal amount of outstanding Senior Toggle Notes; and

- $10 million aggregate principal amount of 13.375% Senior Subordinated Notes and $675 million aggregate principal amount of Series C Convertible Notes in exchange for $685 million aggregate principal amount of outstanding 12.375% Senior Subordinated Notes.

In addition, upon receipt of the requisite consents from the holders of the 10.50% Senior Notes and Senior Toggle Notes, Realogy amended the respective indentures governing the terms of such notes to remove substantially all of the restrictive covenants and certain other provisions previously contained in those indentures.

As a result of the Debt Exchange Offering, Realogy extended the maturity of approximately $2,742 million aggregate principal amount of the Unsecured Notes to 2017 and 2018, leaving approximately $303 million aggregate principal amount of Existing Notes that mature in 2014 and 2015. In addition, pursuant to the terms of the indenture, the notes are redeemable at Realogy s option at a price equal to 90% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption upon a Qualified Public Offering.

Realogy and Holdings have filed a registration statement with the SEC, with respect to a registered offer to exchange each series of Extended Maturity Notes for new registered notes having terms substantially identical in all material respects to the Extended Maturity Notes of the applicable series (except that the new registered notes will not contain terms with respect to additional interest or transfer restrictions).

Amendment to Senior Secured Credit Facility

Effective February 3, 2011, Realogy entered into the Senior Secured Credit Facility Amendment and an incremental assumption agreement, which resulted in the following:

- certain lenders extended the maturity of a significant portion of first lien term loans, revolving commitments and synthetic letter of credit commitments to October 10, 2016, April 10, 2016, and October 10, 2016, respectively, which extensions resulted in approximately $2,424 million aggregate principal amount of extended term loans, approximately $461 million aggregate principal amount of commitments in respect of extended revolving loans and approximately $171 million aggregate principal amount of extended synthetic letter of credit commitments;

- certain lenders simultaneously converted approximately $98 million aggregate principal amount of revolving commitments in respect of extended revolving loans to extended term loans, thereby reducing the commitments under the revolving credit facility to $652 million;

the net proceeds of the $700 million aggregate principal amount of First and a Half Lien Notes, together with cash on hand, were used to prepay $700 million of the outstanding extended term loans, thereby reducing the aggregate principal amount of extended term loans to $1,822 million;

- the interest rate with respect to the extended term loans was increased by 1.25% from the rate applicable to the non-extended term loans;
- the interest rate with respect to the extended revolving loans was increased by 1.0% from the rate applicable to the non-extended revolving loans; and
- the fee with respect to the synthetic letter of credit facility was increased by 1.25% from the fee applicable to the non-extended synthetic letter of credit facility.

The Senior Secured Credit Facility Amendment also provides for the following:

- allows for one or more future issuances of additional senior secured notes or unsecured notes or loans to prepay Realogy s first lien term loans, to be secured on either a *pari passu* basis with, or junior to, its first lien obligations under the senior secured credit facility;
- allows for one or more future issuances of additional senior secured or unsecured notes or loans to prepay Realogy s second lien loans, to be secured on a *pari passu* basis with, or junior to, its second lien loans under the senior secured credit facility;
- allows for the incurrence of additional incremental term loans that are secured on a junior basis to the second lien loans in an aggregate amount not to exceed $350 million; and
- provides that debt financing secured by a lien that is junior in priority to the first lien obligations under the senior secured credit facility (including, but not limited to, the First and a Half Lien Notes) will not, subject to certain exceptions, constitute senior secured debt for purposes of calculating the senior secured leverage ratio under the senior secured credit facility.

The extended term loans do not require any scheduled amortization of principal. The non-extended term loan facility will continue to provide for quarterly amortization payments totaling 1% per annum of the principal amount of the non-extended first lien term loans.

Issuance of First and a Half Lien Notes

On February 3, 2011, Realogy issued $700 million aggregate principal amount of First and a Half Lien Notes in a private offering exempt from the registration requirements of the Securities Act. The First and a Half Lien Notes are secured by substantially the same collateral as Realogy s existing secured obligations under the senior secured credit facility, but the priority of the collateral liens securing the First and a Half Lien Notes is (i) junior to the collateral liens securing Realogy s first lien obligations under the senior secured credit facility and (ii) senior to the collateral liens securing Realogy s second lien obligations under the senior secured credit facility.

As discussed above, the net proceeds from the offering of the First and a Half Lien Notes, along with cash on hand, were used to prepay $700 million of certain of Realogy s first lien term loans that were extended in connection with the Senior Secured Credit Facility Amendment.

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As used in this prospectus, the term Refinancing Transactions refers to, collectively, (1) the Debt Exchange Offering, (2) the Senior Secured Credit Facility Amendment, and (3) the issuance of First and a Half Lien Notes. After giving effect to the Refinancing Transactions, we estimate that our annual cash interest will increase by approximately $55 million assuming current LIBOR rates and outstanding indebtedness. For more information related to the Refinancing Transactions, see Note 20, Subsequent Events to the consolidated financial statements included in this prospectus as well as the debt table below which gives effect to the Refinancing Transactions as if they occurred on December 31, 2010.

	Expiration Date	Total Capacity	Outstanding Borrowings	Available Capacity
Senior Secured Credit Facility:				
Non-extended revolving credit facility (1)	April 2013	$ 289	$	$ 210
Extended revolving credit facility (1)	April 2016	363		263
Non-extended term loan facility	October 2013	635	635	
Extended term loan facility	October 2016	1,822	1,822	
First and a Half Lien Notes	February 2019	700	700	
Second Lien Loans	October 2017	650	650	
Other bank indebtedness (2)	Various	163	163	
Existing Notes				
10.50% Senior Notes	April 2014	64	64	
Senior Toggle Notes	April 2014	49	49	
12.375% Senior Subordinated Notes (3)	April 2015	190	187	
Extended Maturity Notes				
11.50% Senior Notes (4)	April 2017	492	488	
12.00% Senior Notes (5)	April 2017	130	129	
13.375% Senior Subordinated Notes	April 2018	10	10	
11.00% Convertible Notes	April 2018	2,110	2,110	
Securitization obligations: (6)				
Apple Ridge Funding LLC	April 2012	500	296	204
Cartus Financing Limited (7)	Various	62	35	27
		$ 8,229	$ 7,338	$ 704

(1) As of December 31, 2010, there were no outstanding borrowings under the revolving credit facility. The available capacity under this facility was reduced by $79 million and $100 million of outstanding letters of credit on the non-extended and the extended revolving credit facility, respectively, at December 31, 2010. As of March 1, 2011, we had $60 million outstanding on the revolving credit facility.

(2) Consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit facility, $5 million is due in April 2011, $50 million is due in June 2011, $50 million due November 2011, $50 million is due in January 2013 and $8 million due in May 2015. In February 2011, the Company repaid $55 million of outstanding borrowings under these revolving credit facilities that were due in April and June 2011.

(3) Consists of $190 million of 12.375% Senior Subordinated Notes, less a discount of $3 million.

(4) Consists of $492 million of 11.50% Senior Notes, less a discount of $4 million.

(5) Consists of $130 million of 12.00% Senior Notes, less a discount of $1 million.

(6) Available capacity is subject to maintaining sufficient relocation related assets to collateralize these securitization obligations.

(7) Consists of a £35 million facility which expires in August 2015 and a £5 million working capital facility which expires in August 2011.

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Impairment of Goodwill and Intangible Assets

2010 and 2009

During the fourth quarter, Realogy performed its annual impairment analysis of goodwill and unamortized intangible assets. This analysis resulted in no impairment charges for 2010 and 2009.

2008

The impairment analysis performed in the fourth quarter of 2008 resulted in an impairment charge for 2008 of $1,739 million ($1,523 million, net of income tax benefit). The impairment charge reduced intangible assets by $384 million and reduced goodwill by $1,355 million. The impairment charge impacted the Real Estate Franchise Services segment by $953 million, the Company Owned Real Estate Brokerage services segment by $162 million, the Relocation Services segment by $335 million and the Title and Settlement Services segment by $289 million. In addition, in 2008, the Company recorded impairment charges of $50 million related to investments in unconsolidated entities.

Current Industry Trends

Our businesses compete primarily in the domestic residential real estate market. This market is cyclical in nature and although it has shown strong growth over the past 37 years, it has been in a significant and prolonged downturn, which initially began in the second half of 2005. Prior to 2005, home prices and the number of homesale transactions rose rapidly in the first half of the decade due to a combination of factors, including (1) increased owner-occupant demand for larger and more expensive homes made possible by unusually favorable financing terms for both prime and sub-prime borrowers, (2) low interest rates, (3) record appreciation in housing prices driven partially by investment speculation, (4) the growth of the mortgage-backed securities market as an alternative source of capital to the mortgage market, and (5) high credit ratings for mortgage backed securities despite increasing inclusion of subprime loans made to buyers relying upon continuing home price appreciation rather than more traditional underwriting standards.

As housing prices rose even higher, the number of U.S. homesale transactions first slowed, then began decreasing in 2006. This declining trend continued from 2006 through the first half of 2009. In certain locations, the number of homesale transactions fell far more dramatically than for the country as a whole the hardest hit areas were those areas that had experienced the greatest speculation and/or year over year price appreciation. The overall slowdown in transaction activity caused a buildup of inventories of housing, particularly at the high end of the market, and an increase in short sale and foreclosure activity. These factors combined with the contraction in the mortgage financing market have contributed to heightened buyer caution regarding timing and pricing. The result has been downward pressure on home prices from 2007 through the present period.

Since the onset of the recession in the U.S. economy in December 2007, the housing market has been impacted by consumer sentiment about the overall state of the economy, particularly consumer anxiety over negative or weak economic growth and high unemployment. The deteriorating conditions in the job market, stock market and consumer confidence in the fourth quarter of 2008 caused a further decrease in homesale transactions through the first half of 2009 and more downward pressure on homesale prices for the full year. Based upon data published by NAR from 2005 to 2010, the number of annual U.S. existing homesale units has declined by 31% and the median price has declined by 21%.

In response to the housing downturn, the U.S. government implemented certain actions during the past several years to assist in a stabilization and/or a recovery of the residential real estate market. These measures have included: (1) the placement of Fannie Mae and Freddie Mac in conservatorship in September 2008 and the funding of over $130 billion to these entities to backstop shortfalls in their capital requirements; (2) the establishment, and subsequent expansion and extension, of a federal homebuyer tax credit for qualified buyers (that, as extended, required signed contracts on or before April 30, 2010); (3) as part of a broader plan to bring stability to credit markets and stimulate the housing market, the purchase of mortgage-backed securities by the Federal Reserve in an attempt to maintain low mortgage rates (the first phase of which ended on March 31, 2010); (4) the continuation of the 2008 higher loan limits for FHA, Freddie Mac and Fannie Mae loans through September 30, 2011; and (5) the availability of low-cost refinancing through Fannie Mae and Freddie Mac to certain homeowners negatively impacted by falling home prices, encouraging lenders, through government financial incentives, to modify loan terms with borrowers at risk of foreclosure or already in foreclosure.

The residential real estate market benefited from the federal homebuyer tax credit, which was included in the American Recovery and Reinvestment Act of 2009 (enacted in February 2009). The Act made available a tax credit equal to 10% of the home s purchase price up to a maximum of $8,000 to qualified first-time home buyers for the purchase of a principal residence on or after January 1, 2009 and before December 1, 2009. The homebuyer tax credit was extended and modified under The Worker, Homeownership and Business Assistance Act of 2009 (enacted in November 2009). The homebuyer tax credit available to qualified first-time home buyers was extended and the tax credit was expanded to provide a tax credit equal to 10% of the home s purchase price, up to a maximum of $6,500, for qualified move-up buyers. The program ended for homes under contract by April 30, 2010 and closed no later than September 30, 2010.

During the second half of 2009, homesale transactions increased on a year-over-year basis due in part to modest economic growth, an improvement in the stock market from its March 2009 lows, gradually improving consumer confidence (though it remained at relatively low levels) and the effect of government stimulus including the homebuyer tax credit and monetary policies. The increase in homesale transactions continued in the first half of 2010 and was positively impacted by the extension of the federal homebuyer tax credit, historically low mortgage rates and a high housing affordability index. After June 30, 2010, we saw a substantial decrease in consumer buying activity, particularly in the low and moderate price ranges. We believe this was due to the pull-forward of activity from the third quarter of 2010 into the second quarter and continuing economic uncertainty, high unemployment and relatively low levels of consumer confidence. These factors adversely impacted our results in both the third and fourth quarters of 2010.

Interest rates continue to be at low levels by historical standards, which we believe has helped stimulate demand in the residential real estate market, thereby reducing the rate of sales volume decline. According to Freddie Mac, interest rates on commitments for fixed-rate first mortgages have decreased from an annual average of 6.0% in 2008 to an annual average of 4.7% in 2010. Offsetting some of the favorable impact of lower interest rates are conservative mortgage underwriting standards, increased down payment requirements and limited or negative equity in homes in certain markets.

According to NAR, the inventory of existing homes for sale is 3.6 million homes at December 2010 compared to 3.3 million homes at December 2009. The December 2010 inventory level represents a seasonally adjusted 8.2 months supply. The supply remains higher than the historical average and could increase due to the release of homes for sale by financial institutions. These factors could continue to add downward pressure on the price of existing homesales.

Recently, banks and other lenders have come under investigations for alleged improper support for foreclosure actions. As a result, the foreclosure process in many areas has slowed and may face ongoing disruption. These foreclosure developments could reduce the level of homesales and could, once these homes reemerge on the market, add additional downward pressure on the price of existing homesales.

Recent Legislative and Regulatory Matters

Dodd-Frank Act. On July 21, 2010, the Dodd-Frank Act was signed into law for the express purpose of regulating the financial services industry. The Dodd-Frank Act establishes an independent federal bureau of consumer financial protection to enforce laws involving consumer financial products and services, including mortgage finance. The bureau is empowered with examination and enforcement authority. The Dodd-Frank Act

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also establishes new standards and practices for mortgage originators, including determining a prospective borrower s ability to repay their mortgage, removing incentives for higher cost mortgages, prohibiting prepayment penalties for non-qualified mortgages, prohibiting mandatory arbitration clauses, requiring additional disclosures to potential borrowers and restricting the fees that mortgage originators may collect. While we are continuing to evaluate all aspects of the Dodd-Frank Act, such legislation and regulations promulgated pursuant to such legislation as well as other legislation that may be enacted to reform the U.S. housing finance market could materially and adversely affect the mortgage and housing industries, result in heightened federal regulation and oversight of the mortgage and housing industries, increase mortgage costs and result in increased costs and potential litigation for housing market participants.

Certain provisions of the Dodd-Frank Act may impact the operation and practices of Fannie Mae, Freddie Mac and other government sponsored entities, or GSEs, and require sponsors of securitizations to retain a portion of the economic interest in the credit risk associated with the assets securitized by them. Federal regulators have been authorized to provide exceptions to the risk retention requirements for certain qualified mortgages and mortgages meeting certain underwriting standards prescribed in such regulations, however, it is unclear what types of mortgage loans will be encompassed by future regulations related to the definition of qualified mortgages. If mortgage loans originated for purchasers of homes are sold into GSE-sponsored mortgage-backed securities that do not meet the definition of a qualified mortgage, then the GSEs may be required to retain a portion of the risk of assets they securitize, which may in turn substantially reduce or eliminate the GSEs ability to issue mortgage-backed securities. Substantial reduction in, or the elimination of, GSE demand for mortgage loans could have a material adverse effect on the mortgage industry and the housing industry in general. It is also unclear what effect future laws or regulations may have on the ability of the GSEs to issue mortgage-backed securities.

Potential Reform of U.S. Housing Finance Market and Potential Wind-down of Freddie Mac and Fannie Mae. Congress has recently held hearings on the future of Freddie Mac and Fannie Mae and other government sponsored entities or GSEs with a view towards further legislative reform. On February 11, 2011, the Obama Administration issued a report to the U.S. Congress outlining proposals to reform the U.S. housing finance market, including, among other things, reform designed to reduce government support for housing finance and the winding down of Freddie Mac and Fannie Mae over a period of years. Numerous pieces of legislation seeking various types of reform for the GSEs have been introduced recently in Congress. Two significant questions that need to be addressed in any such reform are: (1) will banks and other private sources of capital be able to fill homebuyers needs as the government seeks to pull back some of the housing mortgage market support and (2) will these other sources of capital be available at rates which are reasonably attractive to potential homebuyers. Legislation, if enacted, which curtails Freddie Mac and/or Fannie Mae s activities and/or results in the wind down of these entities could increase mortgage costs and could result in more stringent underwriting guidelines imposed by lenders, either of which could materially adverse affect the housing market in general and our operations in particular. Given the current uncertainty with respect to the extent, if any, of such reform, it is difficult to predict either the long-term or short-term impact of government action that may be taken.

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We believe that long-term demand for housing and the growth of our industry is primarily driven by affordability, the economic health of the domestic economy, positive demographic trends such as population growth, increasing household formation, interest rate trends and locally based dynamics such as housing demand relative to housing supply. While the housing market in 2010 showed signs of stabilization, there remains substantial uncertainty with respect to the timing and scope of a housing recovery. Factors that may negatively affect a housing recovery include:

- higher mortgage rates as well as reduced availability of mortgage financing;
- lower unit sales, in the absence of the federal homebuyer tax credit and the current uncertainty with respect to foreclosures and limited or negative equity in homes;

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- lower average homesale price, particularly if banks and other mortgage servicers liquidate foreclosed properties that they are currently holding;
- continuing high levels of unemployment;
- unsustainable economic recovery in the U.S. or, if sustained, a recovery resulting in only modest economic growth;
- a lack of stability or improvement in home ownership levels in the U.S.; and
- legislative or regulatory reform, including but not limited to reform that materially adversely impacts the financing of the U.S. housing market.

Consequently, we cannot predict when the residential real estate industry will return to a period of stabilization and sustainable growth. Moreover, if the residential real estate market or the economy as a whole does not improve, we may experience further adverse effects on our business, financial condition and liquidity, including our ability to access capital.

Many of the trends impacting our businesses that derive revenue from homesales also impact our Relocation Services business, which is a global provider of outsourced employee relocation services. In addition to general residential housing trends, key drivers of our Relocation Services business are corporate spending and employment trends which have shown signs of stabilization in 2010; however, there can be no assurance that corporate spending on relocation services will return to previous levels following any economic recovery.

Homesales

Existing homesale transactions declined from 2006 through the first half of 2009. During the second half of 2009, the homebuyer tax credit positively impacted the number of transactions in many markets nationwide. We believe the third quarter of 2010 was challenged by the pull-forward of sales into the second quarter of 2010 due to the expiration of the 2010 tax credit as well as the continued weak economic conditions and high unemployment. Homesale transactions in the fourth quarter of 2010 continued to decline compared to the prior year fourth quarter as a result of the lapse of the 2010 federal homebuyer tax credit and due to increased transaction volume in late 2009 due to the 2009 federal homebuyer tax credit program.

	2010 vs. 2009			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Number of Homesales				
Industry				
NAR (a)	12%	17%	(21%)	(20%)
Fannie Mae (a)	12%	17%	(21%)	(20%)
Realogy				
Real Estate Franchise Services	8%	11%	(19%)	(20%)
Company Owned Real Estate Brokerage Services	11%	16%	(25%)	(20%)

(a) Existing homesale data is as of the most recent NAR and Fannie Mae press release.

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The annual year over year trend in homesale transactions is as follows:

	2010 vs. 2009	2009 vs. 2008	2008 vs. 2007
Number of Homesales			
Industry			
NAR	(5%) (a)	5%	(13%)
Fannie Mae	(5%) (a)	5%	(13%)
Realogy			
Real Estate Franchise Services	(6%)	(1%)	(18%)
Company Owned Real Estate Brokerage Services	(7%)	%	(16%)

(a) Existing homesale data is as of the most recent NAR and Fannie Mae press release.

Existing homesale transactions were reported by NAR to be down 5% in 2010, or approximately 4.9 million homes for 2010 compared to 5.2 million homes in 2009 and 4.9 million homes in 2008. Results for the Company were consistent with NAR s reported industry trend as our homesale activity improved in the first and second quarters and then declined in the third and fourth quarters of 2010.

As of their most recent releases, NAR is forecasting a 7% increase in existing homesale transactions for 2011 compared to 2010, and a 6% increase in existing homesale transactions for 2012 compared to 2011. Fannie Mae is forecasting a 6% increase in existing homesale transactions for 2011 compared to 2010 and a 7% increase in existing homesale transactions for 2012 compared to 2011.

The table below shows NAR and Fannie Mae s forecast of homesale transactions for the four quarters of 2011 compared to 2010. As shown in the quarterly trend noted below, the first and second quarters of 2011 are expected to reflect year over year declines, while the third and fourth quarters of 2011 are expected to show significant year over year improvements. This anomaly is the result of the expiration of the homebuyer tax credit in mid 2010, which resulted in an unusual pattern of homesale activity throughout 2010. Homesale activity was pulled forward into the first half of 2010. This unusual pattern of activity in 2010 creates atypical year over year comparisons in 2011 when we expect homesale transactions to return to a more normal seasonal pattern.

	2011 vs. 2010			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Number of Homesales				
NAR (a)	(2%)	(6%)	27%	14%
Fannie Mae (a)	(1%)	(7%)	26%	11%

(a) Existing homesale data is as of the most recent NAR and Fannie Mae press release.

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The table below shows NAR s estimate of seasonally adjusted annualized existing homesale transactions for the months of June 2010 through January 2011. As noted below, seasonally adjusted annualized existing homesale transactions dropped 26% from June to July, which we believe was based on the pull-forward of activity from the third quarter of 2010 to the second quarter of 2010 as a result of the federal homebuyer tax credit. However, the seasonally adjusted annualized existing homesale transactions increased an average of 3.6% per month from July 2010 (after the expiration of the tax credit) to February 2011.

	Seasonally Adjusted Annualized Unit Homesales	Sequential Month over Month Change
June 2010	5,230,000	(8%)
July 2010	3,860,000	(26%)
August 2010	4,240,000	10%
September 2010	4,410,000	4%
October 2010	4,380,000	(1%)
November 2010	4,640,000	6%
December 2010	5,220,000	13%
January 2011	5,400,000	3%
February 2011	4,880,000	(10%)

Homesale Price

Based upon information published by NAR, the national median price of existing homes sold increased from 2001 to 2005 at a compound annual growth rate, or CAGR, of 7.3% compared to a CAGR of 3.0% from 1972 to 2000. According to NAR, the rate of increase slowed significantly in 2006 and declined in 2007, 2008 and 2009. In 2009 the decrease in average homesale price for the Company Owned Real Estate Brokerage Services segment was impacted by a higher level of REO and short sale activity as well as a meaningful shift in the mix and volume of its overall homesale activity from higher price points to lower price points. In 2010, the percentage increase in the average price of homes brokered by our franchisees and company owned offices significantly outperformed the percentage change in median home price reported by NAR, due to the geographic areas they serve as well as a greater impact from increased activity in the mid and higher price point areas and less REO activity in our company owned offices compared to the prior year comparable quarters.

	2010 vs. 2009			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Price of Homes				
Industry				
NAR (a)	(1%)	1%	(1%)	(1%)
Fannie Mae (a)	(1%)	1%	(1%)	(1%)
Realogy				
Real Estate Franchise Services	3%	5%	4%	5%
Company Owned Real Estate Brokerage Services	17%	12%	12%	9%

(a) Existing homesale price data is for median price and is as of the most recent NAR and Fannie Mae press release.

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The annual year over year trend in the price of homes is as follows:

	2010 vs. 2009	2009 vs. 2008	2008 vs. 2007
Price of Homes			
Industry			
NAR	%(a)	(13%)	(10%)
Fannie Mae	%(a)	(13%)	(10%)
Realogy			
Real Estate Franchise Services	4%	(11%)	(7%)
Company Owned Real Estate Brokerage Services	11%	(18%)	(10%)

(a) Existing homesale price data is for median price and is as of the most recent NAR and Fannie Mae press release.

With respect to homesale prices, NAR s most recent release is forecasting median homesale prices for 2011 compared to 2010 to decrease 1% and increase 3% for 2012 compared to 2011. However, Fannie Mae s most recent forecast shows a 2% decrease in median homesale price for 2011 compared to 2010 followed by a 1% increase for 2012 compared to 2011.

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While NAR and Fannie Mae are two indicators of the direction of the residential housing market, we believe that homesale statistics will continue to vary between us and NAR and Fannie Mae because they use survey data in their historical reports and forecasting models whereas we use data based on actual reported results. In addition to the differences in calculation methodologies, there are geographical differences and concentrations in the markets in which we operate versus the national market. For instance, comparability is impaired due to NAR s utilization of seasonally adjusted annualized rates whereas we report actual period over period changes and their use of median price for their forecasts compared to our average price. Additionally, NAR data is subject to periodic review and revision. NAR has recently issued a press release disclosing that it is engaged in a review of its sampling and methodology processes with respect to existing homesale data to ensure accuracy. NAR expects to conclude this analysis and publish any revisions in the summer of 2011. Any such changes could result in downward revisions of NAR s historical survey data but would have no impact on our reported financial results or driver information. While we believe that the industry data presented herein are derived from the most widely recognized sources for reporting U.S. residential housing market statistical data, we do not endorse or suggest reliance on this data alone but provide the data as a benchmark for the industry. We also note that forecasts are inherently uncertain or speculative in nature and actual results for any period may materially differ. See Market and Industry Data and Forecasts for a further discussion of the industry data and forecasts used in this prospectus.

Housing Affordability Index

According to NAR, the housing affordability index has continued to improve as a result of the homesale price declines which began in 2007. An index above 100 signifies that a family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment. The housing affordability index improved to 174 for 2010 compared to 169 for 2009 and 138 for 2008. This housing affordability improvement could favorably impact a housing recovery.

Other Factors

During the downturn in the residential real estate market, certain of our franchisees have experienced operating difficulties. As a result, many of our franchisees with multiple offices have reduced overhead and consolidated offices in an attempt to remain competitive in the marketplace. In addition, we have had to terminate franchisees due to non-reporting and non-payment which could adversely impact reported transaction volumes in the future. Due to the factors noted above, we significantly increased our bad debt and note reserves in prior years and continue to actively monitor the collectability of receivables and notes from our franchisees.

The real estate industry generally benefits from rising home prices and increased volume of homesales and conversely is harmed by falling prices and falling volume of homesales. The housing industry is also affected by mortgage rate volatility as well as strict mortgage underwriting criteria which may limit certain customers ability to qualify for a mortgage. Typically, if mortgage rates fall or remain low, the number of homesale transactions increase as homeowners choose to move or renters decide to purchase a home because financing appears affordable. If inflation becomes more prevalent and mortgage rates rise, the number of homesale transactions may decrease as potential home sellers choose to stay with their current mortgage and potential home buyers choose to rent rather than pay these higher mortgage rates.

Key Drivers of Our Businesses

Within our Real Estate Franchise Services segment and our Company Owned Real Estate Brokerage Services segment, we measure operating performance using the following key operating statistics: (i) closed homesale sides, which represents either the buy side or the sell side of a homesale transaction, (ii) average homesale price, which represents the average selling price of closed homesale transactions and (iii) average homesale broker commission rate, which represents the average commission rate earned on either the buy side or sell side of a homesale transaction. Our Real Estate Franchise Services segment is also impacted by the net effective royalty rate which represents the average percentage of our franchisees commission revenues payable to our Real Estate Franchise Services segment, net of volume incentives achieved. The net effective royalty rate does not include the effect of non-standard incentives granted to some franchisees.

Prior to 2006, the average homesale broker commission rate was declining several basis points per year, the effect of which was more than offset by increases in homesale prices. From 2007 through 2010, the average broker commission rate remained fairly stable; however, we expect that, over the long term, the modestly declining trend in average brokerage commission rates will continue.

Our Company Owned Real Estate Brokerage Services segment has a significant concentration of real estate brokerage offices and transactions in geographic regions where home prices are at the higher end of the U.S. real estate market, particularly the east and west coasts, while our Real Estate Franchise Services segment has franchised offices that are more widely dispersed across the United States. Accordingly, operating results and homesale statistics may differ between our Company Owned Real Estate Brokerage Services segment and our Real Estate Franchise Services segment based upon geographic presence and the corresponding homesale activity in each geographic region.

Within our Relocation Services segment, we measure operating performance using the following key operating statistics: (i) initiations, which represent the total number of transferees we serve and (ii) referrals, which represent the number of referrals from which we earn revenue from real estate brokers. In our Title and Settlement Services segment, operating performance is evaluated using the following key metrics: (i) purchase title and closing units, which represent the number of title and closing units we process as a result of home purchases, (ii) refinance title and closing units, which represent the number of title and closing units we process as a result of homeowners refinancing their home loans, and (iii) average price per closing unit, which represents the average fee we earn on purchase title and refinancing title sides.

The decline in the number of homesale transactions and the decline in homesale prices has and could continue to adversely affect our results of operations by: (i) reducing the royalties we receive from our franchisees and company owned brokerages, (ii) reducing the commissions our company owned brokerage operations earn, (iii) reducing the demand for our title and settlement services, and (iv) reducing the referral fees we earn in our relocation services business. Our results could also be negatively affected by a decline in commission rates charged by brokers.

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The following table presents our drivers for the years ended December 31, 2010, 2009 and 2008. See Results of Operations below for a discussion as to how the material drivers affected our business for the periods presented.

	Year Ended December 31,			Year Ended December 31,		
	2010	2009	% Change	2009	2008	% Change
Real Estate Franchise Services (a)						
Closed homesale sides	922,341	983,516	(6%)	983,516	995,622	(1%)
Average homesale price	$ 198,076	$ 190,406	4%	$ 190,406	$ 214,271	(11%)
Average homesale broker commission rate	2.54%	2.55%	(1 bps)	2.55%	2.52%	3 bps
Net effective royalty rate	5.00%	5.10%	(10bps)	5.10%	5.12%	(2 bps)
Royalty per side	$ 262	$ 257	2%	$ 257	$ 287	(10%)
Company Owned Real Estate Brokerage Services						
Closed homesale sides	255,287	273,817	(7%)	273,817	275,090	%
Average homesale price	$ 435,500	$ 390,688	11%	$ 390,688	$ 479,301	(18%)
Average homesale broker commission rate	2.48%	2.51%	(3 bps)	2.51%	2.48%	3 bps
Gross commission income per side	$ 11,571	$ 10,519	10%	$ 10,519	$ 12,612	(17%)
Relocation Services						
Initiations (b)	148,304	114,684	29%	114,684	136,089	(16%)
Referrals (c)	69,605	64,995	7%	64,995	71,743	(9%)
Title and Settlement Services						
Purchase title and closing units	94,290	104,689	(10%)	104,689	110,462	(5%)
Refinance title and closing units	62,225	69,927	(11%)	69,927	35,893	95%
Average price per closing unit	$ 1,386	$ 1,317	5%	$ 1,317	$ 1,500	(12%)

(a) Includes all franchisees except for our Company Owned Real Estate Brokerage Services segment.

(b) Includes initiations of 26,087 for the year ended December 31, 2010, related to the Primacy acquisition in 2010.

(c) Includes referrals of 4,997 for the year ended December 31, 2010, related to the Primacy acquisition in 2010.

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The following table represents the impact of our revenue drivers on our business operations.

The following table sets forth the impact on segment EBITDA for the year ended December 31, 2010 assuming actual homesale sides and average selling price of closed homesale transactions, with all else being equal, increased or decreased by 1%, 3% and 5%.

	Homesale Sides/Average Price (1) (units and price in thousands)	Decline of 5%	Decline of 3%	Decline of 1%	Increase of 1%	Increase of 3%	Increase of 5%
		($ in millions)					
Homesale sides change impact on:							
Real Estate Franchise Services (2)	922 sides	($ 12)	($7)	($ 2)	$ 2	$ 7	$ 12
Company Owned Real Estate Brokerage Services (3)	255 sides	($ 45)	($27)	($ 9)	$ 9	$ 27	$ 45
Homesale average price change impact on:							
Real Estate Franchise Services (2)	$ 198	($ 12)	($7)	($ 2)	$ 2	$ 7	$ 12
Company Owned Real Estate Brokerage Services (3)	$ 436	($ 45)	($27)	($ 9)	$ 9	$ 27	$ 45

(1) Average price represents the average selling price of closed homesale transactions.
(2) Increase (decrease) relates to impact on non-company owned real estate brokerage operations only.
(3) Increase (decrease) represents impact on company owned real estate brokerage operations and related intercompany royalties to our real estate franchise services operations.

Results of Operations

Discussed below are our consolidated results of operations and the results of operations for each of our reportable segments. The reportable segments presented below represent our operating segments for which separate financial information is available and which is utilized on a regular basis by our chief operating decision maker to assess performance and to allocate resources. In identifying our reportable segments, we also consider the nature of services provided by our operating segments. Management evaluates the operating results of each of

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our reportable segments based upon revenue and EBITDA. EBITDA is defined as net income (loss) before depreciation and amortization, interest (income) expense, net (other than Relocation Services interest for securitization assets and securitization obligations) and income taxes, each of which is presented on our Consolidated Statements of Operations. Our presentation of EBITDA may not be comparable to similarly-titled measures used by other companies.

Year Ended December 31, 2010 vs. Year Ended December 31, 2009

Our consolidated results comprised the following:

	Year Ended December 31,		
	2010	2009	Change
Net revenues	$ 4,090	$ 3,932	$ 158
Total expenses (1)	4,084	4,266	(182)
Income (loss) before income taxes, equity in earnings and noncontrolling interests	6	(334)	340
Income tax expense (benefit)	133	(50)	183
Equity in earnings of unconsolidated entities	(30)	(24)	(6)
Net loss	(97)	(260)	163
Less: Net income attributable to noncontrolling interests	(2)	(2)	
Net loss attributable to Realogy and Holdings	$ (99)	$ (262)	$ 163

(1) Total expenses for the year ended December 31, 2010 include $21 million of restructuring costs and $1 million of merger costs, offset by a net benefit of $323 million of former parent legacy items primarily as a result of tax and other liability adjustments. Total expenses for the year ended December 31, 2009 include $70 million of restructuring costs and $1 million of merger costs offset by a benefit of $34 million of former parent legacy items (comprised of a benefit of $55 million recorded at Cartus related to WEX partially offset by $21 million of expenses recorded at Corporate) and a gain on the extinguishment of debt of $75 million.

Net revenues increased $158 million (4%) for the year ended December 31, 2010 compared with the year ended December 31, 2009 principally due to an increase in the average price of homes sold and the impact of the Primacy acquisition.

Total expenses decreased $182 million (4%) primarily due to a net benefit of $323 million of former parent legacy items primarily as a result of tax and other liability adjustments compared to a net benefit of $34 million of former parent legacy items during the same period in 2009 which was primarily comprised of $55 million of tax receivable payments from WEX, as well as a decrease in restructuring expenses of $49 million compared to the same period in 2009. The decrease in expenses was partially offset by an $82 million increase in commission expenses paid to real estate agents due to increased gross commission income, the absence of a $75 million gain on the extinguishment of debt included in expenses in 2009, as well as a $21 million increase in interest expense.

Our income tax expense for the year ended December 31, 2010 was $133 million and was comprised of the following:

- $109 million of income tax expense was recorded for the reduction of certain deferred tax assets as a result of our former parent company s IRS examination settlement of Cendant s taxable years 2003 through 2006;

- $22 million of income tax expense was recorded for an increase in deferred tax liabilities associated with indefinite-lived intangible assets; and

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$2 million of income tax expense was recognized primarily for foreign and state income taxes for certain jurisdictions. No federal income tax benefit was recognized for the current period due to the recognition of a full valuation allowance for domestic operations.

Following is a more detailed discussion of the results of each of our reportable segments for the year ended December 31:

	Revenues (a)			EBITDA (b)(c)			Margin		
	2010	2009	% Change	2010	2009	% Change	2010	2009	% Change
Real Estate Franchise Services	$ 560	$ 538	4%	$ 352	$ 323	9%	63%	60%	3
Company Owned Real Estate Brokerage Services	3,016	2,959	2	80	6	1,233	3		3
Relocation Services	405	320	27	109	122	(11)	27	38	(11)
Title and Settlement Services	325	328	(1)	25	20	25	8	6	2
Corporate and Other (d)	(216)	(213)	*	269	(6)	*			
Total Company	$ 4,090	$ 3,932	4%	$ 835	$ 465	80%	20%	12%	8
Less: Depreciation and amortization				197	194				
Interest expense, net				604	583				
Income tax expense (benefit)				133	(50)				
Net loss attributable to Realogy and Holdings				$ (99)	$ (262)				

* not meaningful

(a) Revenues include elimination of transactions between segments, which consists of intercompany royalties and marketing fees paid by our Company Owned Real Estate Brokerage Services segment of $216 million and $213 million during the year ended December 31, 2010 and 2009, respectively.

(b) EBITDA for the year ended December 31, 2010 includes $21 million of restructuring costs and $1 million of merger costs, offset by a net benefit of $323 million of former parent legacy items primarily as a result of tax and other liability adjustments.

(c) EBITDA for the year ended December 31, 2009 includes $70 million of restructuring costs and $1 million of merger costs offset by a benefit of $34 million of former parent legacy items (comprised of a benefit of $55 million recorded at Cartus related to WEX partially offset by $21 million of expenses recorded at Corporate).

(d) EBITDA includes unallocated corporate overhead and a gain on the extinguishment of debt of $75 million for the year ended December 31, 2009.

As described in the aforementioned table, EBITDA margin for Total Company expressed as a percentage of revenues increased 8 percentage points for the year ended December 31, 2010 compared to the same period in 2009 primarily due to a $289 million increase in former parent legacy benefits as well as improvements in operating results from our Real Estate Franchise Services and Company Owned Real Estate Brokerage Services segments.

On a segment basis, the Real Estate Franchise Services segment margin increased 3 percentage points to 63% from 60% in the prior period. The year ended December 31, 2010 reflected a decline in homesale transactions, primarily in the second half of the year, largely offset by higher average homesale prices. In addition, the segment had lower bad debt and notes reserve expense.

The Company Owned Real Estate Brokerage Services segment margin increased 3 percentage points to 3% from zero in the comparable prior period. The year ended December 31, 2010 reflected an increase in the average homesale price and lower operating expenses primarily as a result of restructuring and cost-saving activities partially offset by a decrease in the number of homesale transactions. Sales volume for the year ended December 31, 2010 benefited from the homebuyer tax credit in the first half of the year as well as a notable increase in activity at the mid and higher end of the housing market throughout the year.

The Relocation Services segment margin decreased 11 percentage points to 27% from 38% in the comparable prior period primarily due to the absence in 2010 of $55 million of tax receivable payments from WEX in 2009, partially offset by reduced employee costs and other cost saving initiatives.

The Title and Settlement Services segment margin increased 2 percentage points to 8% from 6% in the comparable prior period primarily due to cost reductions which more than offset the slight decrease in revenue.

Corporate and Other EBITDA for the year ended December 31, 2010 increased $275 million to $269 million due to a net benefit of $323 million of former parent legacy items primarily as a result of tax and other liability adjustments compared to a net cost of $21 million of former parent legacy items for the same period in 2009. The increase was also due to the absence in 2010 versus 2009 of a $14 million writedown of a cost method investment. The net increase was partially offset by the absence in 2010 versus 2009 of a $75 million gain on debt extinguishment and $11 million of proceeds from a legal settlement.

Real Estate Franchise Services

Revenues increased $22 million to $560 million and EBITDA increased $29 million to $352 million for the year ended December 31, 2010 compared with the same period in 2009.

Intercompany royalties from our Company Owned Real Estate Brokerage Services segment increased $4 million from $202 million in 2009 to $206 million in 2010. These intercompany royalties are eliminated in consolidation through the Corporate and Other segment and therefore have no impact on consolidated revenues and EBITDA, but do affect segment level revenues and EBITDA. See Company Owned Real Estate Brokerage Services for a discussion as to the drivers related to this period over period revenue increase for real estate franchise services.

International revenue increased $4 million during the year ended December 31, 2010, while third-party domestic franchisee royalty revenue decreased $11 million compared to the prior year due to a 6% decrease in the number of homesale transactions partially offset by a 4% increase in the average homesale price. In addition, marketing revenue and related marketing expenses increased $27 million and $22 million, respectively.

The $29 million increase in EBITDA was principally due to the increase in revenues discussed above, a $17 million decrease in bad debt and note reserves expense as a result of improved collection activities compared to the prior period and a $7 million decrease in expenses related to conferences and franchisee events. In 2011, we expect that bad debt expense will revert to a more normalized level and conference expenses will increase as we are holding conferences for all of our brands in 2011 which was not the case in 2010.

Company Owned Real Estate Brokerage Services

Revenues increased $57 million to $3,016 million and EBITDA increased $74 million to $80 million for the year ended December 31, 2010 compared with the same period in 2009.

Excluding REO revenues, revenues increased $87 million primarily due to increased commission income earned on homesale transactions which was driven by an 11% increase in the average price of homes sold, partially offset by a 7% decrease in the number of homesale transactions and a decrease in the average broker commission rate. The increase in the average homesale price and lower average broker commission rate are primarily the result of a shift in homesale activity from lower to higher price points. We believe the 7% decrease in homesale transactions is reflective of industry trends in the markets we serve and the decrease may have been higher if the housing market was not aided by the 2010 homebuyer tax credit program in the first half of 2010, particularly in locations which have lower average homesale prices. Separately, revenues from our REO asset management company decreased by $30 million to $36 million in the year ended December 31, 2010 compared to the same period in 2009 due to generally reduced inventory levels of foreclosed properties being made available for sale. Our REO operations facilitate the maintenance and sale of foreclosed homes on behalf of lenders.

EBITDA increased $74 million due to the $57 million increase in revenues discussed above as well as:

- a decrease in restructuring expense of $35 million for the year ended December 31, 2010 compared to the same period in the prior year;
- a decrease of $60 million in other operating expenses, net of inflation, primarily due to restructuring and cost-saving activities as well as reduced employee costs;
- an increase of $6 million in equity earnings related to our investment in PHH Home Loans; and
- a decrease of $5 million in marketing costs due to cost reduction initiatives;

partially offset by:

- an increase of $82 million in commission expenses paid to real estate agents as a result of the increase in revenues earned on homesale transactions; and
- an increase of $4 million in royalties paid to our Real Estate Franchise Services segment as a result of the increase in revenues earned on homesale transactions.

Relocation Services

Revenues increased $85 million to $405 million, including $75 million related to Primacy, and EBITDA decreased $13 million to $109 million, despite an increase of $14 million related to Primacy, for the year ended December 31, 2010 compared with the same period in 2009.

Relocation revenue, excluding the Primacy acquisition, increased $10 million and was primarily driven by a $7 million increase in international revenue due to higher transaction volume. The acquisition of Primacy in January 2010 contributed $75 million of revenue during the year ended December 31, 2010, which primarily consisted of $31 million of referral and domestic relocation service fee revenue, $25 million of government at-risk revenue and $14 million of international revenue.

EBITDA, excluding the Primacy acquisition, decreased $27 million for the year ended December 31, 2010 compared with the same period in 2009 due to the absence in 2010 of $55 million of tax receivable payments from WEX. Absent the impact of the WEX tax receivable payments and the Primacy results, EBITDA increased $28 million primarily as a result of a $12 million decrease in other operating expenses as a result of reduced employee costs and other cost-saving initiatives, a $9 million decrease in restructuring expenses, and a $4 million year over year reduction in legal expenses. EBITDA, excluding the impact of the WEX tax receivable payments, increased $42 million.

Title and Settlement Services

Revenues decreased $3 million to $325 million and EBITDA increased $5 million to $25 million for the year ended December 31, 2010 compared with the same period in 2009.

The decrease in revenues was primarily driven by an $11 million decrease in resale volume and a $7 million decrease in volume from refinancing transactions partially offset by a $13 million increase in underwriter revenue. The refinancing activity was weighted towards the second half of 2010 when mortgage rates fell below 5% for an extended period of time. EBITDA increased $5 million primarily due to $7 million of cost reductions offset by the decrease in revenues discussed above.

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2010 and 2009 Restructuring Programs

During the years ended December 31, 2010 and 2009, the Company committed to various initiatives targeted principally at reducing costs and enhancing organizational efficiencies while consolidating existing processes and facilities. The following are total restructuring charges by segment as of December 31:

	2010 Expense Recognized and Other Additions	2009 Expense Recognized and Other Additions (b)
Real Estate Franchise Services	$	$ 3
Company Owned Real Estate Brokerage Services	13	52
Relocation Services	4(a)	9
Title and Settlement Services	3	3
Corporate and Other	2	7
	$ 22	$ 74

(a) Includes $1 million of unfavorable lease liability recorded in purchase accounting for Primacy which was reclassified to restructuring liability as a result of the Company restructuring certain facilities after the acquisition date.

(b) During the year ended December 31, 2009, the Company reversed $4 million in the Consolidated Statement of Operations related to restructuring accruals established in 2006 through 2008.

Year Ended December 31, 2009 vs. Year Ended December 31, 2008

Our consolidated results comprised the following:

	Year Ended December 31,		
	2009	2008	Change
Net revenues	$ 3,932	$ 4,725	$ (793)
Total expenses (1)	4,266	6,988	(2,722)
Loss before income taxes, equity in earnings and noncontrolling interests	(334)	(2,263)	1,929
Income tax benefit	(50)	(380)	330
Equity in (earnings) losses of unconsolidated entities	(24)	28	(52)
Net loss	(260)	(1,911)	1,651
Less: Net income attributable to noncontrolling interests	(2)	(1)	(1)
Net loss attributable to Realogy and Holdings	$ (262)	$ (1,912)	$ 1,650

(1) Total expenses for the year ended December 31, 2009 include $70 million of restructuring costs and $1 million of merger costs offset by a benefit of $34 million of former parent legacy items (comprised of a benefit of $55 million recorded at Cartus related to WEX partially offset by $21 million of expenses recorded at Corporate) and a gain on the extinguishment of debt of $75 million. Total expenses for the year ended December 31, 2008 include impairment charges of $1,789 million, $58 million of restructuring costs and $2 million of merger costs offset by a benefit of $20 million of former parent legacy costs.

Net revenues decreased $793 million (17%) for the year ended December 31, 2009 compared with the year ended December 31, 2008 principally due to a decrease in revenues across most of our operating segments, primarily due to decreases in transaction side volume and the average price of homes sold as well as our 2008 exit from the at-risk relocation business.

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Total expenses decreased $2,722 million (39%) primarily due to the following:

- the absence in 2009 of an impairment charge of $1,789 million recorded in 2008 related to the Company s intangible assets, goodwill and investments in unconsolidated entities;
- a decrease of $425 million of commission expenses paid to real estate agents due to lower gross commission income and a higher portion of retained commissions;
- a decrease of $390 million in operating and marketing expenses primarily due to restructuring activities implemented in 2008 and throughout 2009 and the 2008 exit from the at-risk relocation business;
- a decrease in interest expense of $41 million as a result of decreasing interest rates;
- an incremental increase of $14 million in former parent legacy benefit items; and
- a gain on the extinguishment of debt of $75 million;

partially offset by:

- an incremental increase in restructuring expenses of $12 million.

Not including the impairment charge of $1,789 million recorded in 2008, we reduced total expenses by $933 million which more than offset the $793 million decrease in revenue.

Our income tax benefit for the year ended December 31, 2009 was $50 million. Our income tax benefit was comprised of the following:

- in assessing the valuation allowance at December 31, 2009, we determined that a full valuation allowance was required for our net definite-lived deferred tax asset balance. The result was a reduction to the recorded valuation allowance related to federal and state net operating loss carryforwards and foreign tax credit carryforwards;
- no additional U.S. federal income tax benefit was recognized for the current period loss due to the recognition of a full valuation allowance for domestic operations;
- income tax expense was recognized for foreign and state income taxes for certain jurisdictions; and
- income tax expense was recorded for an increase in deferred tax liabilities associated with indefinite-lived intangible assets.

Following is a more detailed discussion of the results of each of our reportable segments for the year ended December 31:

	Revenues (a)			EBITDA (b)(c)			Margin		
	2010	2009	% Change	2010	2009	% Change	2010	2009	% Change
Real Estate Franchise Services	$ 538	$ 642	(16%)	$ 323	$ (597)	154%	60%	(93%)	153
Company Owned Real Estate Brokerage Services	2,959	3,561	(17)	6	(269)	102		(8)	8
Relocation Services	320	451	(29)	122	(257)	147	38	(57)	95
Title and Settlement Services	328	322	2	20	(303)	107	6	(94)	100
Corporate and Other (d)	(213)	(251)	*	(6)	(23)	*			
Total Company	$ 3,932	$ 4,725	(17%)	$ 465	$ (1,449)	132%	12%	(31%)	43
Less: Depreciation and amortization				194	219				
Interest expense, net				583	624				
Income tax expense (benefit)				(50)	(380)				
Net loss attributable to Realogy and Holdings				$ (262)	$ (1,912)				

* Not meaningful.

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(a) Revenues include the elimination of transactions between segments, which consists of intercompany royalties and marketing fees paid by our Company Owned Real Estate Brokerage Services segment of $213 million and $251 million during the year ended December 31, 2009 and 2008, respectively.

(b) EBITDA for the year ended December 31, 2009 includes $70 million of restructuring costs and $1 million of merger costs offset by a benefit of $34 million of former parent legacy items (comprised of a benefit of $55 million recorded at Cartus related to WEX partially offset by $21 million of expenses recorded at Corporate).

(c) EBITDA for the year ended December 31, 2008 includes impairment charges of $1,789 million, $58 million of restructuring costs and $2 million of merger costs offset by a benefit of $20 million of former parent legacy costs.

(d) EBITDA includes unallocated corporate overhead and a gain on the extinguishment of debt of $75 million for the year ended December 31, 2009.

As described in the aforementioned table, EBITDA margin for Total Company expressed as a percentage of revenues increased 43 percentage points for the year ended December 31, 2009 compared to the same period in 2008 primarily due to the absence in 2009 of impairment charges related to our goodwill and intangible assets, cost-saving initiatives implemented at all of the business units and a gain on extinguishment of debt of $75 million.

On a segment basis, the Real Estate Franchise Services segment margin increased 153 percentage points to 60% versus a negative 93% in the comparable prior period in 2008. The year ended December 31, 2008 included a $953 million impairment of goodwill and intangible assets. Excluding the impairment charges, Real Estate Franchise Services segment margin would have been 55% in 2008. The year ended December 31, 2009 also reflected lower operating expense as a result of cost-savings initiatives as well as an increase in the average homesale broker commission rate partially offset by decreases in the average homesale price and the number of homesale transactions.

The Company Owned Real Estate Brokerage Services segment margin increased 8 percentage points to zero from a negative 8% for the year ended December 31, 2008. The segment margin was impacted by lower operating expenses in 2009 primarily as a result of restructuring and cost-saving activities partially offset by a decrease in the average homesale price. The year ended December 31, 2008 included impairment charges of $195 million. Excluding the 2008 impairment charges, Company Owned Real Estate Brokerage Services segment margin would have been negative 1% in 2008.

The Relocation Services segment margin increased 95 percentage points to 38% from a negative 57% in the comparable prior period. The segment margin was positively impacted by the receipt of $55 million in payments from WEX in settlement of remaining contingent tax obligations with the Company and lower operating expenses primarily as a result of restructuring and cost-saving activities partially offset by lower at risk homesale revenue due to the elimination of the government portion of our at-risk business. The year ended December 31, 2008 included a $335 million impairment of intangible assets and goodwill. Excluding the impairment charges, Relocation Services segment margin would have been 17% in 2008.

The Title and Settlement Services segment margin increased 100 percentage points to 6% from a negative 94% in the comparable prior period. The year ended December 31, 2008 included impairment charges of $306 million. Excluding the impairment charges, Title and Settlement Services segment margin would have been 1% in 2008. The segment margin was positively impacted by increased refinance volume partially offset by reduced homesale volume.

The Corporate and Other expense for the year ended December 31, 2009 was a negative $6 million compared to a negative $23 million in the same period in 2008. The decrease in expenses was primarily due to a gain on extinguishment of debt of $75 million and $11 million of litigation proceeds offset by a $41 million reduction in legacy benefits, a $14 million writedown of a cost method investment, a $5 million incremental increase in restructuring costs, the absence of $5 million of insurance proceeds received in 2008 and a $4 million increase in pension expense.

Real Estate Franchise Services

Revenues decreased $104 million to $538 million and EBITDA increased $920 million to $323 million for the year ended December 31, 2009 compared with the same period in 2008.

Intercompany royalties from our Company Owned Real Estate Brokerage Services segment decreased $35 million from $237 million in 2008 to $202 million in 2009. These intercompany royalties are eliminated in consolidation through the Corporate and Other segment and therefore have no impact on consolidated revenues and EBITDA, but do affect segment level revenues and EBITDA. See Company Owned Real Estate Brokerage Services for a discussion as to the drivers related to this period over period revenue decrease for real estate franchise services.

The decrease in revenue was also driven by a $38 million decrease in third-party domestic franchisees royalty revenue due to a 1% decrease in the number of homesale transactions from our third-party franchisees and an 11% decrease in the average homesale price partially offset by a higher average homesale broker commission rate. Revenue from foreign franchisees decreased $10 million. In addition, marketing revenue and related marketing expenses decreased $12 million and $11 million, respectively, due to lower royalty volume and cost-cutting initiatives completed prior to December 31, 2009.

The increase in EBITDA was principally due to the absence of a $953 million impairment of intangible assets recorded in 2008, a $21 million decrease in bad debt expense and note reserves expense in 2009 as a result of improving collection activity in 2009, an $18 million reduction in employee related costs and benefits, and a $14 million decrease in other operating expenses, primarily the result of cost-saving activities, partially offset by the reduction in revenues discussed above.

Company Owned Real Estate Brokerage Services

Revenues decreased $602 million to $2,959 million and EBITDA increased $275 million to $6 million for the year ended December 31, 2009 compared with the same period in 2008.

The decrease in revenues, excluding REO revenues, of $578 million was substantially comprised of reduced commission income earned on homesale transactions which was primarily driven by an 18% decrease in the average price of homes sold. The decrease was partially offset by an increase in the average homesale broker commission rate. The significant decrease in average homesale price of 18% is the result of a continuation of the shift in the mix and volume of its overall homesale activity from higher price point areas to lower price point areas as well as a significant level of foreclosure and short sale activity in certain markets. The number of homesale transactions remained flat in 2009 compared to 2008 and we believe this is reflective of industry trends in the markets we serve. Separately, revenues from our REO asset management company decreased by $24 million to $66 million for the year ended December 31, 2009 compared to the same period in 2008. Our REO operations facilitate the maintenance and sale of foreclosed homes on behalf of lenders and the profitability of this business tends to be countercyclical to the overall state of the housing market.

Despite the decrease in revenues discussed above, EBITDA increased for the year ended December 31, 2009 compared to the year ended December 31, 2008 primarily due to:

- the absence in 2009 of an impairment charge of $162 million related to intangible assets along with a $33 million incremental impairment charge related to the Company s investment in PHH Home Loans recorded in 2008;

- a decrease of $425 million in commission expenses paid to real estate agents as a result of the reduction in revenue and a higher portion of retained commissions;

- a decrease of $35 million in royalties paid to our real estate franchise business, principally as a result of the reduction in revenues earned on homesale transactions;
- a decrease in marketing costs of $37 million due to a shift to technology media marketing and other cost reduction initiatives;
- a $5 million reduction in certain estimated business acquisition liabilities;
- a decrease of $133 million of other operating expenses, net of inflation, primarily due to restructuring, cost-saving activities and reduced employee costs; and
- an increase of $52 million in equity in earnings of unconsolidated entities related to our investment in PHH Home Loans partially due to the absence in 2009 of a $31 million impairment charge recorded in equity (earnings) losses of unconsolidated entities in 2008.

To counteract the revenue decline, we have implemented significant cost-saving measures over the past three years which have reduced fixed costs associated with operating a full service real estate brokerage business. The realization of these cost-saving measures have more than offset the overall decline in revenues for the year ended December 31, 2009.

Relocation Services

Revenues decreased $131 million to $320 million and EBITDA increased $379 million to $122 million for the year ended December 31, 2009 compared with the same period in 2008.

The decrease in revenues was primarily driven by:

- a decrease of $75 million in at-risk homesale revenue mainly due to the elimination of the government portion of our at-risk business;
- a $35 million decrease in referral fee revenue primarily due to lower domestic transaction volume as a result of lower homesale authorization volume;
- $19 million decrease in relocation service fee revenues primarily due to lower domestic transaction volume; and
- a $6 million decrease in insurance premium revenue due to lower homesale and household goods service volume;

partially offset by:

- $6 million of incremental international revenue due to increased transaction volume.

EBITDA for the year ended December 31, 2009 increased primarily due to:

- the absence in 2009 of a $335 million impairment of intangible assets recorded in 2008;

$6 million of recurring tax receivable payments from WEX as well as a net $49 million tax receivable prepayment from WEX. The $49 million payment represented the payment in full of the remaining contingent obligations to Realogy;

the reduction in costs of $77 million for at-risk homesale transactions as a result of the elimination of the government portion of our at-risk business;

a decrease of $41 million of other operating expenses primarily as a result of cost-saving activities and reduced employee costs; and

$9 million related to favorable foreign exchange rate movement in 2009 compared to 2008.

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EBITDA was negatively impacted by the reduction in revenues discussed above as well as $6 million of incremental restructuring expenses.

Title and Settlement Services

Revenues increased $6 million to $328 million and EBITDA increased $323 million to $20 million for the year ended December 31, 2009 compared with the same period in 2008.

The increase in revenues is primarily driven by a $19 million increase in volume from refinance transactions and a $4 million increase related to acquisitions and joint ventures, partially offset by $19 million of reduced resale volume consistent with the decline in overall homesale transactions noted in our Company Owned Real Estate Brokerage Services segment.

The increase in EBITDA was primarily driven by:

- the increase in revenues discussed above;
- the absence in 2009 of a $289 million impairment of intangible assets and goodwill and a $17 million impairment of our investments in unconsolidated entities recorded in 2008; and
- $25 million of cost reductions as a result of lower transaction volume and cost-saving initiatives;

partially offset by:

- the absence in 2009 of a $5 million gain from the sale of joint venture arrangements in 2008; and
- an incremental increase of $3 million in restructuring expense.

2009 and 2008 Restructuring Programs

During the years ended December 31, 2009 and 2008, we committed to various initiatives targeted principally at reducing costs and enhancing organizational efficiencies while consolidating existing processes and facilities. The following are total restructuring charges by segment as of December 31:

	2009 Expense Recognized (a)	2008 Expense Recognized
Real Estate Franchise Services	$ 3	$ 3
Company Owned Real Estate Brokerage Services	52	45
Relocation Services	9	3
Title and Settlement Services	3	5
Corporate and Other	7	2
	$ 74	$ 58

(a)

During the year ended December 31, 2009, the Company reversed $4 million in the Consolidated Statement of Operations related to restructuring accruals established in 2006 through 2008.

Financial Condition, Liquidity and Capital Resources

Financial Condition

	December 31, 2010	December 31, 2009	Change
Total assets	$ 8,029	$ 8,041	$ (12)
Total liabilities	9,101	9,022	79
Total equity (deficit)	(1,072)	(981)	(91)

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For the year ended December 31, 2010, total assets decreased $12 million primarily as a result of $67 million of amortization related to franchise agreements, $25 million of depreciation related to property and equipment and a $9 million decrease in deferred income taxes. The decrease was partially offset by the impact of the Primacy acquisition in January 2010 which increased relocation properties held for sale by $21 million, goodwill by $16 million and intangible assets, net of amortization, by $56 million. In addition, relocation receivables increased $52 million and trade receivables increased $12 million for the year ended December 31, 2010.

Total liabilities increased $79 million principally due to an increase in indebtedness as a result of Realogy entering into $163 million of revolving letter of credit backed credit facilities, a $123 million increase in deferred income taxes, an increase of $107 million in accounts payable and an increase of $23 million in accrued expenses and other current liabilities, partially offset by a $401 million decrease in amounts due to former parent as a result of tax and other liability adjustments.

Total equity (deficit) decreased $91 million compared to the prior year primarily due to a net loss attributable to Realogy and Holdings of $99 million for the year ended December 31, 2010.

Liquidity and Capital Resources

Our liquidity position may be negatively affected by (i) unfavorable conditions in the real estate or relocation market, including adverse changes in interest rates, (ii) access to our relocation securitization programs and (iii) access to the capital markets.

While the housing market in 2010 showed signs of stabilization, there remains substantial uncertainty with respect to the timing and scope of a housing recovery. Factors that may negatively affect a housing recovery include:

- higher mortgage rates as well as reduced availability of mortgage financing;
- lower unit sales, following the expiration of the federal homebuyer tax credit and limited or negative equity in homes;
- lower average homesale price, particularly if banks and other mortgage servicers liquidate foreclosed properties that they are currently holding;
- continuing high levels of unemployment;
- unsustainable economic recovery in the U.S. or, if sustained, a recovery resulting in only modest economic growth;
- a lack of stability or improvement in home ownership levels in the U.S or less favorable consumer views of home ownership; and
- legislative or regulatory reform, including but not limited to reform that materially adversely impacts the financing of the U.S. housing market.

Consequently, we cannot predict when the residential real estate industry will return to a period of stabilization and sustainable growth. Moreover, if the residential real estate market or the economy as a whole does not improve, we may experience further adverse effects on our business, financial condition and liquidity, including our ability to access capital.

At December 31, 2010, our primary sources of liquidity are cash flows from operations and funds available under the revolving credit facility and our securitization facilities. Our primary liquidity needs will be to service our debt and finance our working capital and capital expenditures.

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Our ability to make payments to fund working capital, capital expenditures, debt service, and strategic acquisitions and to maintain compliance with the financial covenant in our credit facilities will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. Under the senior secured credit facility, our senior secured leverage ratio may not exceed 4.75 to 1.0 for the fiscal quarter ending March 31, 2011 and for each fiscal quarter thereafter.

Future indebtedness may impose various restrictions and covenants on us which could limit our ability to respond to market conditions, to provide for unanticipated capital investments or to take advantage of business opportunities. We cannot assure that financing will be available to us on acceptable terms or at all.

Cash Flows

Year ended December 31, 2010 vs. year ended December 31, 2009

At December 31, 2010, we had $192 million of cash and cash equivalents, a decrease of $63 million compared to the balance of $255 million at December 31, 2009. The following table summarizes our cash flows for the years ended December 31, 2010 and 2009:

	Year Ended December 31,		
	2010	**2009**	**Change**
Cash provided by (used in):			
Operating activities	$ (118)	$ 341	$ (459)
Investing activities	(70)	(47)	(23)
Financing activities	124	(479)	603
Effects of change in exchange rates on cash and cash equivalents	1	3	(2)
Net change in cash and cash equivalents	$ (63)	$ (182)	$ 119

For the year ended December 31, 2010, we used $459 million of additional cash in operations compared to the same period in 2009. For the year ended December 31, 2010, $118 million of cash was used in operating activities due to uses of cash related to trade receivables and relocation receivables of $9 million and $27 million, respectively, as well as by negative cash flows from operating results after $550 million of cash interest payments, partially offset by sources of cash related to accounts payable and relocation properties held for sale of $30 million and $43 million, respectively. For the year ended December 31, 2009, $341 million of cash was provided by operating activities and was comprised of sources of cash related to relocation receivables and relocation properties held for sale of $442 million and $22 million, respectively, and trade receivables and accounts payable of $40 million and $26 million, respectively, partially offset by a $48 million use of cash related to due from former parent and negative cash flows from operating results after $487 million of cash interest payments.

For the year ended December 31, 2010, we used $23 million more cash for investing activities compared to the same period in 2009. For the year ended December 31, 2010, $70 million of cash was used in investing activities and was primarily due to $49 million of property and equipment additions, $17 million related to acquisition related payments and the purchase of certificates of deposit for $9 million, partially offset by proceeds from the sale of assets of $5 million. For the year ended December 31, 2009, $47 million of cash was used in investing activities and was primarily comprised of $40 million of property and equipment additions and $5 million related to acquisition related payments.

For the year ended December 31, 2010 we provided $603 million more cash from financing activities compared to the same period in 2009. For the year ended December 31, 2010, $124 million of cash was provided by financing activities and was comprised of $142 million of proceeds from drawings on our unsecured revolving

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credit facilities and additional securitization obligations of $27 million, partially offset by $32 million of term loan facility repayments. For the year ended December 31, 2009, $479 million of cash was used in financing activities and was comprised of $410 million of securitization obligation repayments, a decrease in incremental revolver borrowings of $515 million and $32 million of term loan facility repayments, partially offset by proceeds of $500 million related to the issuance of the Second Lien Loans.

Year ended December 31, 2009 vs. year ended December 31, 2008

At December 31, 2009, we had $255 million of cash and cash equivalents, a decrease of $182 million compared to the balance of $437 million at December 31, 2008. The following table summarizes our cash flows for the year ended December 31, 2009 and 2008:

	Year Ended December 31,		
	2009	**2008**	**Change**
Cash provided by (used in):			
Operating activities	$ 341	$ 109	$ 232
Investing activities	(47)	(23)	(24)
Financing activities	(479)	199	(678)
Effects of change in exchange rates on cash and cash equivalents	3	(1)	4
Net change in cash and cash equivalents	$ (182)	$ 284	$ (466)

For the year ended December 31, 2009 we provided $232 million of additional cash from operations compared to the same period in 2008. For the year ended December 31, 2009, $341 million of cash was provided by operating activities and was comprised of sources of cash related to relocation receivables and relocation properties held for sale of $442 million and $22 million, respectively, and trade receivables and accounts payable of $40 million and $26 million, respectively, partially offset by a $48 million use of cash related to due from former parent and negative cash flows from operating results after $487 million of cash interest payments. For the year ended December 31, 2008, $109 million of cash was provided by operating activities and was comprised of sources of cash related to relocation receivables and relocation properties held for sale of $190 million and $161 million, respectively, and other assets of $45 million, partially offset by a $57 million use of cash related to accounts payable and negative cash flows from operating results after $635 million of cash interest payments.

For the year ended December 31, 2009 we used $24 million more cash for investing activities compared to the same period in 2008. For the year ended December 31, 2009, $47 million of cash was used in investing activities and was primarily comprised of $40 million of property and equipment additions and $5 million related to acquisition related payments. For the year ended December 31, 2008, $23 million of cash was used in investing activities and was primarily comprised of $52 million of property and equipment additions and $12 million related to acquisition related payments. The increases were partially offset by $12 million of proceeds from the corporate aircraft sale leaseback and termination, $12 million in proceeds from the sale of a joint venture, an increase in restricted cash of $10 million and $7 million in proceeds from the sale of property and equipment.

For the year ended December 31, 2009 we used $678 million more cash in financing activities compared to the same period in 2008. For the year ended December 31, 2009, $479 million of cash was used in financing activities and was comprised of $410 million of securitization obligation repayments, a decrease in incremental revolver borrowings of $515 million and $32 million of term loan facility repayments, partially offset by proceeds of $500 million related to the issuance of the Second Lien Loans. For the year ended December 31, 2008, $199 million of cash was provided by financing activities and was comprised of an increase in incremental revolver borrowings of $515 million, partially offset by securitization obligation repayments of $258 million and $32 million of term loan facility repayments.

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Financial Obligations

Senior Secured Credit Facility

In connection with the closing of the Merger Transactions on April 10, 2007, Realogy entered into the senior secured credit facility consisting of (i) a $3,170 million term loan facility, (ii) a $750 million revolving credit facility, (iii) a $525 million synthetic letter of credit facility (the facilities described in clauses (i), (ii) and (iii), as amended by the Senior Secured Credit Facility Amendment, collectively referred to as the First Lien Facilities), and (iv) a $650 million incremental (or accordion) loan facility, which was utilized in connection with the incurrence of Second Lien Loans described below.

Effective February 3, 2011, Realogy entered into the Senior Secured Credit Facility Amendment and an incremental assumption agreement, which resulted in the following:

- certain lenders extended the maturity of a significant portion of first lien term loans, revolving commitments and synthetic letter of credit commitments to October 10, 2016, April 10, 2016, and October 10, 2016, respectively, which extensions resulted in approximately $2,424 million aggregate principal amount of extended term loans, approximately $461 million aggregate principal amount of commitments in respect of extended revolving loans and approximately $171 million aggregate principal amount of extended synthetic letter of credit commitments;

- certain lenders simultaneously converted approximately $98 million aggregate principal amount of revolving commitments in respect of extended revolving loans to extended term loans, thereby reducing the commitments under the revolving credit facility to $652 million;

- the net proceeds of the $700 million aggregate principal amount of First and a Half Lien Notes together with cash on hand were used to prepay $700 million of the outstanding extended term loans, thereby reducing the aggregate principal amount of extended term loans to $1,822 million;

- the interest rate with respect to the extended term loans was increased by 1.25% from the rate applicable to the non-extended term loans;

- the interest rate with respect to the extended revolving loans was increased by 1.0% from the rate applicable to the non-extended revolving loans; and

- the fee with respect to the synthetic letter of credit facility was increased by 1.25% from the fee applicable to the non-extending synthetic letter of credit facility.

The Senior Secured Credit Facility Amendment also provides for the following:

- allows for one or more future issuances of additional senior secured notes or unsecured notes or loans to prepay Realogy s first lien term loans, to be secured on either a *pari passu* basis with, or junior to, its first lien obligations under the senior secured credit facility;

- allows for one or more future issuances of additional senior secured or unsecured notes or loans to prepay Realogy s second lien loans, to be secured on a *pari passu* basis with, or junior to, its second lien loans under the senior secured credit facility;

- allows for the incurrence of additional incremental term loans that are secured on a junior basis to the second lien loans in an aggregate amount not to exceed $350 million; and

- provides that debt financing secured by a lien that is junior in priority to the first lien obligations under the senior secured credit facility (including, but not limited to, the First and a Half Lien Notes) will not, subject to certain exceptions, constitute senior secured debt for purposes of calculating the senior secured leverage ratio under the senior secured credit facility.

The extended term loans do not require any scheduled amortization of principal. The non-extended term loan facility will continue to provide for quarterly amortization payments totaling 1% per annum of the principal amount of the non-extended first lien term loans.

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Interest rates with respect to term loans under the senior secured credit facility are based on, at Realogy s option, (a) adjusted LIBOR plus 3.0%, or with respect to the extended term loans, 4.25% or (b) the higher of the Federal Funds Effective Rate plus 0.5% and JPMorgan Chase Bank, N.A. s prime rate (ABR) plus 2.0% (or with respect to the extended term loans 3.25%). With respect to the portion of term loans that were not extended on February 3, 2011, the term loan facility provides for quarterly amortization payments totaling 1% per annum of the principal amount with the balance due upon the final maturity date. There is no amortization on the extended term loans.

The senior secured credit facility provides for a six-year, $652 million revolving credit facility, which includes a $200 million letter of credit sub-facility and a $50 million swingline loan sub-facility. We use the revolving credit facility for, among other things, working capital and other general corporate purposes, including permitted acquisitions and investments. Interest rates with respect to revolving loans under the senior secured credit facility are based on, at Realogy s option, adjusted LIBOR plus 2.25% (or with respect to the extended revolving loans, 3.25%) or ABR plus 1.25% (or with respect to the extended revolving loans, 2.25%) in each case subject to reductions based on the attainment of certain leverage ratios.

The senior secured credit facility initially provided for a six-and-a-half-year $525 million synthetic letter of credit facility which is for: (1) the support of Realogy s obligations with respect to Cendant contingent and other liabilities assumed under the Separation and Distribution Agreement and (2) general corporate purposes in an amount not to exceed $100 million. In light of the reduction in Cendant s contingent and other liabilities, we voluntarily reduced the capacity of the facility to $257 million during the third quarter of 2010. At December 31, 2010, the $257 million of capacity is being utilized by a $123 million letter of credit with Cendant for any remaining potential contingent obligations and $100 million of letters of credit for general corporate purposes. On January 5, 2011, we further reduced the capacity of the synthetic letter of credit facility to $223 million to remove the excess capacity above the outstanding letters of credit.

The loans under the First Lien Facilities (the First Lien Loans) are secured to the extent legally permissible by substantially all of the assets of Realogy, Intermediate and the subsidiary guarantors, including but not limited to (a) a first-priority pledge of substantially all capital stock held by Realogy or any subsidiary guarantor (which pledge, with respect to obligations in respect of the borrowings secured by a pledge of the stock of any first-tier foreign subsidiary, is limited to 100% of the non-voting stock (if any) and 65% of the voting stock of such foreign subsidiary), and (b) perfected first-priority security interests in substantially all tangible and intangible assets of Realogy and each subsidiary guarantor, subject to certain exceptions.

In late 2009, Realogy incurred $650 million of Second Lien Loans. The Second Lien Loans are secured by liens on the assets of Realogy and by the guarantors that secure the First Lien Loans. However, such liens are junior in priority to the First Lien Loans. The Second Lien Loans bear interest at a rate of 13.50% per year and interest payments are payable semi-annually in arrears with the first interest payment made on April 15, 2010. The Second Lien Loans mature on October 15, 2017 and there are no required amortization payments.

First and a Half Lien Notes

On February 3, 2011, Realogy issued $700 million aggregate principal amount of First and a Half Lien Notes in a private offering exempt from the registration requirements of the Securities Act. The First and a Half Lien Notes are secured by substantially the same collateral as Realogy s existing secured obligations under the senior secured credit facility, but the priority of the collateral liens securing the First and a Half Lien Notes is (i) junior to the collateral liens securing Realogy s first lien obligations under the senior secured credit facility and (ii) senior to the collateral liens securing Realogy s second lien obligations under the senior secured credit facility.

As discussed above, the net proceeds from the offering of the First and a Half Lien Notes, along with cash on hand, were used to prepay $700 million of certain of its first lien term loans that were extended in connection with the Senior Secured Credit Facility Amendment.

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Other Bank Indebtedness

During the first six months of 2010, Realogy entered into five separate revolving credit facilities to borrow up to $155 million. These facilities bear interest at a weighted average rate of LIBOR plus 1.6%, or 3% as of December 31, 2010. The facilities are subject to a minimum interest rate of LIBOR plus 1.4% and interest payments are payable either monthly or quarterly. In August 2010, Realogy entered into an additional revolving credit facility to borrow up to £5 million with an interest rate at the lender s base rate plus 2.0%, or 2.5% as of December 31, 2010. These facilities are not secured by assets of Realogy or any of its subsidiaries but are supported by letters of credit issued under the senior secured credit facility. The facilities generally have a one-year term with certain options for renewal, though one facility has a term expiring in January 2013. As of December 31, 2010, Realogy has borrowed $163 million which is the total capacity of these facilities, $40 million of which was used to finance the Primacy acquisition in January 2010. On February 4, 2011, Realogy repaid $55 million of outstanding borrowings under the revolving credit facilities.

Unsecured Notes

On April 10, 2007, Realogy issued $1,700 million aggregate principal amount of 10.50% Senior Notes, $550 million aggregate principal amount of Senior Toggle Notes and $875 million aggregate principal amount of 12.375% Senior Subordinated Notes.

On January 5, 2011, Realogy completed the Debt Exchange Offering relating to its Existing Notes. Approximately $2,110 million aggregate principal amount of the Existing Notes were tendered for Convertible Notes, which are convertible at the holder s option into Class A Common Stock, and approximately $632 million aggregate principal amount of the Existing Notes were tendered for the Extended Maturity Notes.

On January 5, 2011, Realogy issued:

- $492 million aggregate principal amount of 11.50% Senior Notes and $1,144 million aggregate principal amount of Series A Convertible Notes in exchange for $1,636 million aggregate principal amount of outstanding 10.50% Senior Notes;

- $130 million aggregate principal amount of 12.00% Senior Notes and $291 million aggregate principal amount of Series B Convertible Notes in exchange for $421 million aggregate principal amount of outstanding Senior Toggle Notes; and

- $10 million aggregate principal amount of 13.375% Senior Subordinated Notes and $675 million aggregate principal amount of Series C Convertible Notes in exchange for $685 million aggregate principal amount of outstanding 12.375% Senior Subordinated Notes.

As a result of the Debt Exchange Offering, Realogy extended the maturity of approximately $2,742 million aggregate principal amount of the Unsecured Notes to 2017 and 2018, leaving approximately $303 million aggregate principal amount of Existing Notes that mature in 2014 and 2015. In addition, pursuant to the terms of the indenture, the notes are redeemable at Realogy s option at a price equal to 90% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption upon a Qualified Public Offering.

Realogy and Holdings have filed a registration statement with the SEC, with respect to a registered offer to exchange each series of Extended Maturity Notes for new registered notes having terms substantially identical in all material respects to the Extended Maturity Notes of the applicable series (except that the new registered notes will not contain terms with respect to additional interest or transfer restrictions).

The 10.50% Senior Notes mature on April 15, 2014 and bear interest at a rate per annum of 10.50% payable semiannually to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment dates of April 15 and October 15 of each year. The 11.50% Senior Notes mature on April 15, 2017 and bear interest at a rate per annum of 11.50% payable semiannually to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment dates of April 15 and October 15 of each year.

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The Senior Toggle Notes mature on April 15, 2014. Interest is payable semiannually to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment date on April 15 and October 15 of each year. For any interest payment period after the initial interest payment period and through October 15, 2011, Realogy may, at its option, elect to pay interest on the Senior Toggle Notes (1) entirely in cash (Cash Interest), (2) entirely by increasing the principal amount of the outstanding Senior Toggle Notes or by issuing Senior Toggle Notes (PIK Interest), or (3) 50% as Cash Interest and 50% as PIK Interest. After October 15, 2011, Realogy is required to make all interest payments on the Senior Toggle Notes entirely in cash. Cash interest on the Senior Toggle Notes will accrue at a rate of 11.00% per annum. PIK Interest on the Senior Toggle Notes will accrue at the Cash Interest rate per annum plus 0.75%. In the absence of an election for any interest period, interest on the Senior Toggle Notes shall be payable according to the method of payment for the previous interest period.

Beginning with the interest period which ended October 2008, Realogy elected to satisfy its interest payment obligations by issuing additional Senior Toggle Notes. This PIK Interest election is now the default election for future interest periods through October 15, 2011 unless Realogy notifies otherwise prior to the commencement date of a future interest period.

Realogy would be subject to certain interest deduction limitations if the Senior Toggle Notes were treated as applicable high yield discount obligations (AHYDO) within the meaning of Section 163(i)(1) of the Internal Revenue Code, as amended. In order to avoid such treatment, Realogy is required to redeem for cash a portion of each Senior Toggle Note then outstanding at the end of the accrual period ending in April 2012. The portion of a Senior Toggle Note required to be redeemed is an amount equal to the excess of the accrued original issue discount as of the end of such accrual period, less the amount of interest paid in cash on or before such date, less the first-year yield (the issue price of the debt instrument multiplied by its yield to maturity). The redemption price for the portion of each Senior Toggle Note so redeemed would be 100% of the principal amount of such portion plus any accrued interest on the date of redemption. Assuming that Realogy continues to utilize the PIK Interest option election through October 2011 and as a result of the reduction in the amount of Senior Toggle Notes outstanding following the Debt Exchange Offering, Realogy would be required to repay approximately $14 million in April 2012 in accordance with the indentures governing the Senior Toggle Notes.

The 12.00% Senior Notes mature on April 15, 2017 and bear interest at a rate per annum of 12.00% payable semiannually to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment dates of April 15 and October 15 of each year.

The 12.375% Senior Subordinated Notes mature on April 15, 2015 and bear interest at a rate per annum of 12.375% payable semiannually to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment date on April 15 and October 15 of each year. The 13.375% Senior Subordinated Notes mature on April 15, 2018 and bear interest at a rate per annum of 13.375% payable semiannually to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment date on April 15 and October 15 of each year.

The 10.50% Senior Notes, the 11.50% Senior Notes, the Senior Toggle Notes and the 12.00% Senior Notes (collectively, the Senior Notes) are guaranteed on an unsecured senior basis, and the 12.375% Senior Subordinated Notes and the 13.375% Senior Subordinated Notes (collectively, the Senior Subordinated Notes) are guaranteed on an unsecured senior subordinated basis, in each case, by each of Realogy s existing and future U.S. subsidiaries that is a guarantor under the senior secured credit facility or that guarantees certain other indebtedness in the future, subject to certain exceptions. The Senior Notes are guaranteed by Holdings on an unsecured senior subordinated basis and the Senior Subordinated Notes are guaranteed by Holdings on an unsecured junior subordinated basis.

Senior Toggle Note Exchange

On September 24, 2009, Realogy and certain affiliates of Apollo entered into an agreement with a third party pursuant to which we exchanged approximately $221 million aggregate principal amount of Senior Toggle

Notes held by it for $150 million aggregate principal amount of Second Lien Loans. The third party also sold the balance of the Senior Toggle Notes it held for cash to an affiliate of Apollo in a privately negotiated transaction and used a portion of the cash proceeds to participate as a lender in the Second Lien Loan transaction. The transaction with the third party closed concurrently with the initial closing of the Second Lien Loans. As a result of the exchange, we recorded a gain on the extinguishment of debt of $75 million.

Convertible Notes

The Series A Convertible Notes, Series B Convertible Notes and Series C Convertible Notes mature on April 15, 2018 and bear interest at a rate per annum of 11.00% payable semiannually to holders of record at the close of business on April 1 or October 1 immediately preceding the interest payment dates of April 15 and October 15 of each year. The notes are convertible into Class A Common Stock at any time prior to April 15, 2018. The Series A Convertible Notes and Series B Convertible Notes are initially convertible into 975.6098 shares of Class A Common Stock per $1,000 aggregate principal amount of Series A Convertible Notes and Series B Convertible Notes, which is equivalent to an initial conversion price of approximately $1.025 per share, and the Series C Convertible Notes are initially convertible into 926.7841 shares of Class A Common Stock per $1,000 aggregate principal amount of Series C Convertible Notes, which is equivalent to an initial conversion price of approximately $1.079 per share, in each case subject to adjustment if specified distributions to holders of the Class A Common Stock are made or specified corporate transactions occur, in each case as set forth in the indenture.

Following a Qualified Public Offering, Realogy may, at its option, redeem the notes, in whole or in part, at a redemption price, payable in cash, equal to 90% of the principal amount of the notes to be redeemed plus accrued and unpaid interest thereon to, but excluding, the redemption date.

Securitization Obligations

The Company has secured obligations through Apple Ridge Funding LLC and Cartus Financing Limited. These entities are consolidated special purpose entities that are utilized to securitize relocation receivables and related assets. These assets are generated from advancing funds on behalf of clients of the Company s relocation business in order to facilitate the relocation of their employees. Assets of these special purpose entities are not available to pay the Company s general obligations. Under the Apple Ridge program, provided no termination or amortization event has occurred, any new receivables generated under the designated relocation management agreements are sold into the securitization program, and as new relocation management agreements are entered into, the new agreements may also be designated to the program.

Certain of the funds that the Company receives from relocation receivables and related assets must be utilized to repay securitization obligations. These obligations are collateralized by $393 million and $364 million of underlying relocation receivables and other related relocation assets at December 31, 2010 and 2009, respectively. Substantially all relocation related assets are realized in less than twelve months from the transaction date. Accordingly, all of the Company s securitization obligations are classified as current in the accompanying Consolidated Balance Sheets.

Interest incurred in connection with borrowings under these facilities amounted to $7 million for the year ended December 31, 2010, $12 million for the year ended December 31, 2009 and $46 million for the year ended December 31, 2008. This interest is recorded within net revenues in the accompanying Consolidated Statements of Operations as related borrowings are utilized to fund the Company s relocation business where interest is generally earned on such assets. These securitization obligations represent floating rate debt for which the average weighted interest rate was 2.4%, 2.3% and 4.9% for the year ended December 31, 2010, 2009 and 2008, respectively.

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Apple Ridge Funding LLC

The Apple Ridge Funding LLC securitization program is a revolving program with a five-year term expiring in April 2012. This bankruptcy remote vehicle borrows from one or more commercial paper conduits and uses the proceeds to purchase the relocation assets. This asset-backed commercial paper program is guaranteed by the sponsoring financial institutions. This program is subject to termination at the end of the five-year agreement and, if not renewed, would amortize. The program has restrictive covenants and trigger events, including performance triggers linked to the age and quality of the underlying assets, limits on net credit losses incurred, financial reporting requirements, restrictions on mergers and change of control, and cross defaults under the senior secured credit facility, the Unsecured Notes and other material indebtedness. Given the current economic conditions, there is an associated risk relating to compliance with the Apple Ridge securitization performance trigger relating to limits on net credit losses (the estimated losses incurred on securitization receivables that have been written off, net of recoveries of such receivables), as net credit losses may not exceed $750 thousand in any one month or $1.5 million in any trailing 12-month period. The Company has not incurred any net credit losses in excess of these thresholds. These trigger events could result in an early amortization of this securitization obligation and termination of any further advances under the program.

Cartus Financing Limited

On August 19, 2010, the Company through a special purpose entity, Cartus Financing Limited, entered into new agreements that provide for a £35 million revolving loan facility and a £5 million working capital facility. These facilities are secured by relocation assets of a U.K. government contract in a special purpose entity and are therefore classified as permitted securitization financings as defined in the senior secured credit facility and the indentures governing the Unsecured Notes. The £35 million facility has a term of five years and the £5 million working capital facility has a term of one year.

U.K. Relocation Receivables Funding Limited

On August 23, 2010, the Company terminated the U.K. Relocation Receivables Funding Limited securitization program in its entirety. Historically, the U.K. Relocation Receivables Funding Limited securitization program was utilized to finance relocation receivables and related assets with certain U.K. government and corporate clients.

Debt Table

As of December 31, 2010, the total capacity, outstanding borrowings and available capacity under the Company s borrowing arrangements was as follows:

	Expiration Date	Total Capacity	Outstanding Borrowings	Available Capacity
Senior Secured Credit Facility:				
Revolving credit facility (1)	April 2013	$ 750	$	$ 571
Term loan facility (2)	October 2013	3,059	3,059	
Second Lien Loans	October 2017	650	650	
Other bank indebtedness (3)	Various	163	163	
Senior Notes (4)	April 2014	1,700	1,688	
Senior Toggle Notes (5)	April 2014	470	468	
Senior Subordinated Notes (6)	April 2015	875	864	
Securitization obligations: (7)				
Apple Ridge Funding LLC	April 2012	500	296	204
Cartus Financing Limited (8)	Various	62	35	27
		$ 8,229	$ 7,223	$ 802

(1) The available capacity under this facility was reduced by $179 million of outstanding letters of credit at December 31, 2010.

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(2) Total capacity has been reduced by the quarterly principal payments of 0.25% of the loan balance as required under this facility. The interest rate on the term loan facility was 3.29% at December 31, 2010.
(3) Consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit facility, $5 million is due in April 2011, $50 million is due in June 2011, $50 million is due in November 2011, $50 million is due in January 2013 and $8 million due in May 2015. In February 2011, the Company repaid $55 million of outstanding borrowings under these revolving credit facilities that were due in April and June 2011.
(4) Consists of $1,700 million of 10.50% Senior Notes, less a discount of $12 million.
(5) Consists of $470 million of Senior Toggle Notes, less a discount of $2 million.
(6) Consists of $875 million of 12.375% Senior Subordinated Notes, less a discount of $11 million.
(7) Available capacity is subject to maintaining sufficient relocation related assets to collateralize these securitization obligations.
(8) Consists of a £35 million facility which expires in August 2015 and a £5 million working capital facility which expires in August 2011.

Pro Forma Debt Table

The debt table below gives effect to the Refinancing Transactions as if they had occurred on December 31, 2010.

	Expiration Date	Total Capacity	Outstanding Borrowings	Available Capacity
Senior Secured Credit Facility:				
Non-extended revolving credit facility (1)	April 2013	$ 289	$	$ 210
Extended revolving credit facility (1)	April 2016	$ 363	$	$ 263
Non-extended term loan facility	October 2013	635	635	
Extended term loan facility	October 2016	1,822	1,822	
First and a Half Lien Notes	February 2019	700	700	
Second Lien Loans	October 2017	650	650	
Other bank indebtedness (2)	Various	163	163	
Existing Notes				
10.50% Senior Notes	April 2014	64	64	
Senior Toggle Notes	April 2014	49	49	
12.375% Senior Subordinated Notes (3)	April 2015	190	187	
Extended Maturity Notes				
11.50% Senior Notes (4)	April 2017	492	488	
12.00% Senior Notes (5)	April 2017	130	129	
13.375% Senior Subordinated Notes	April 2018	10	10	
11.00% Convertible Notes	April 2018	2,110	2,110	
Securitization obligations: (6)				
Apple Ridge Funding LLC	April 2012	500	296	204
Cartus Financing Limited (7)	Various	62	35	27
		$ 8,229	$ 7,338	$ 704

(1) As of December 31, 2010, there were no outstanding borrowings under the revolving credit facility. The available capacity under this facility was reduced by $79 million and $100 million of outstanding letters of credit on the non-extended and the extended revolving credit facility, respectively, at December 31, 2010. On March 1, 2011, we had $60 million outstanding on the revolving credit facility.
(2) Consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit facility, $5 million is due in April 2011, $50 million is due in June 2011, $50 million due November 2011, $50 million is due in January 2013 and $8 million due in May 2015. In February 2011, we repaid $55 million of outstanding borrowings under these revolving credit facilities that were due in April and June 2011.

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(3) Consists of $190 million of 12.375% Senior Subordinated Notes, less a discount of $3 million.
(4) Consists of $492 million of 11.50% Senior Notes, less a discount of $4 million.
(5) Consists of $130 million of 12.00% Senior Notes, less a discount of $1 million.
(6) Available capacity is subject to maintaining sufficient relocation related assets to collateralize these securitization obligations.
(7) Consists of a £35 million facility which expires in August 2015 and a £5 million working capital facility which expires in August 2011.

Covenants under the Senior Secured Credit Facility and certain Indentures

The senior secured credit facility and the indentures governing the First and a Half Lien Notes, the Extended Maturity Notes and the 12.375% Senior Subordinated Notes contain various covenants that limit Realogy s ability to, among other things:

- incur or guarantee additional debt;
- incur debt that is junior to senior indebtedness and senior to the 12.375% Senior Subordinated Notes and 13.375% Senior Subordinated Notes;
- pay dividends or make distributions to Realogy s stockholders;
- repurchase or redeem capital stock or subordinated indebtedness;
- make loans, investments or acquisitions;
- incur restrictions on the ability of certain of our subsidiaries to pay dividends or to make other payments to Realogy;
- enter into transactions with affiliates;
- create liens;
- merge or consolidate with other companies or transfer all or substantially all of our assets;
- transfer or sell assets, including capital stock of subsidiaries; and
- prepay, redeem or repurchase the Unsecured Notes and First and a Half Lien Notes and debt that is junior in right of payment to the Unsecured Notes and the First and a Half Lien Notes.

In connection with our Debt Exchange Offering, Realogy received consents from the holders of the 10.50% Senior Notes and Senior Toggle Notes to amend the respective indentures governing the terms of such Existing Notes to remove substantially all of the restrictive covenants and certain other provisions previously contained in such indentures.

As a result of the covenants to which we remain subject, we are limited in the manner in which we conduct our business and we may be unable to engage in favorable business activities or finance future operations or capital needs. In addition, on the last day of each fiscal quarter, the financial covenant in the senior secured credit facility requires us to maintain on a quarterly basis a senior secured leverage ratio not to exceed a maximum amount. Specifically, our total senior secured net debt to trailing twelve-month EBITDA (as such terms are defined in the senior secured credit facility), calculated on a pro forma basis pursuant to the senior secured credit facility, may not exceed 5.0 to 1.0 at December 31, 2010. The ratio steps down to 4.75 to 1.0 on March 31, 2011 and thereafter. Total senior secured net debt does not include the Second Lien Loans, other bank indebtedness not secured by a first lien on our assets, securitization obligations, the First and a Half Lien Notes or the Unsecured Notes. EBITDA, as defined in the senior secured credit facility, includes certain adjustments and also is calculated on a pro forma basis for purposes of calculating the senior secured leverage ratio. In this prospectus, we refer to the term Adjusted EBITDA to mean EBITDA as so defined and calculated for purposes of determining compliance with the senior secured leverage ratio maintenance covenant.

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Based upon the Company s financial forecast, the Company believes that it will continue to be in compliance with, or be able to avoid an event of default under, the senior secured leverage ratio and meet its cash flow needs during the next twelve months. While the housing market in 2010 showed signs of stabilization, there remains substantial uncertainty with respect to the timing and scope of a housing recovery and if a housing recovery is delayed or is weak, we may be subject to additional pressure in maintaining compliance with our senior secured leverage ratio.

The Company has the right to cure an event of default of the senior secured leverage ratio in three of any of the four consecutive quarters through the issuance of additional Holdings equity for cash, which would be infused as capital into the Company. The effect of such infusion would be to increase Adjusted EBITDA for purposes of calculating the senior secured leverage ratio for the applicable twelve-month period and reduce net senior secured indebtedness upon actual receipt of such capital. If we are unable to maintain compliance with the senior secured leverage ratio and we fail to remedy a default through an equity cure as described above, there would be an event of default under the senior secured credit agreement. Other events of default under the senior secured credit facility include, without limitation, nonpayment, material misrepresentations, insolvency, bankruptcy, certain material judgments, change of control and cross-events of default on material indebtedness.

If an event of default occurs under the senior secured credit facility and we fail to obtain a waiver from our lenders, our financial condition, results of operations and business would be materially adversely affected. Upon the occurrence of an event of default under the senior secured credit facility, the lenders:

- would not be required to lend any additional amounts to us;
- could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable;
- could require us to apply all of our available cash to repay these borrowings; or
- could prevent us from making payments on the First and a Half Lien Notes or the Unsecured Notes;

any of which could result in an event of default under the First and a Half Lien Notes or the Unsecured Notes or our Apple Ridge Funding LLC securitization program.

If we were unable to repay those amounts, the lenders under the senior secured credit facility could proceed against the collateral granted to them to secure that indebtedness. We have pledged the majority of our assets as collateral under the senior secured credit facility. If the lenders under the senior secured credit facility were to accelerate the repayment of borrowings thereunder, then we may not have sufficient assets to repay the senior secured credit facility and our other indebtedness, including the Unsecured Notes, or be able to borrow sufficient funds to refinance such indebtedness. Even if we are able to obtain new financing, it may not be on commercially reasonable terms, or terms that are acceptable to us.

EBITDA and Adjusted EBITDA

EBITDA is defined by the Company as net income (loss) before depreciation and amortization, interest (income) expense, net (other than relocation services interest for securitization assets and securitization obligations) and income taxes. Adjusted EBITDA is presented to demonstrate our compliance with the senior secured leverage ratio covenant in the senior secured credit facility. We present EBITDA because we believe EBITDA is a useful supplemental measure in evaluating the performance of our operating businesses and provides greater transparency into our results of operations. The EBITDA measure is used by our management, including our chief operating decision maker, to perform such evaluation. Adjusted EBITDA is used in measuring compliance with debt covenants relating to certain of our borrowing arrangements. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for net income or other statement of operations data prepared in accordance with GAAP.

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We believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, the age and book depreciation of facilities (affecting relative depreciation expense) and the amortization of intangibles, which may vary for different companies for reasons unrelated to operating performance. We further believe that EBITDA is frequently used by securities analysts, investors and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their results.

EBITDA has limitations as an analytical tool, and you should not consider EBITDA either in isolation or as a substitute for analyzing our results as reported under GAAP. Some of these limitations are:

- EBITDA does not reflect changes in, or cash requirement for, our working capital needs;
- EBITDA does not reflect our interest expense (except for interest related to our securitization obligations), or the cash requirements necessary to service interest or principal payments on our debt;
- EBITDA does not reflect our income tax expense or the cash requirements to pay our taxes;
- EBITDA does not reflect historical cash expenditures or future requirements for capital expenditures or contractual commitments;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often require replacement in the future, and these EBITDA measures do not reflect any cash requirements for such replacements; and
- other companies in our industry may calculate these EBITDA measures differently so they may not be comparable.

Adjusted EBITDA as used in this prospectus corresponds to the definition of "EBITDA," calculated on a "pro forma basis," used in the senior secured credit facility to calculate the senior secured leverage ratio.

Like EBITDA, Adjusted EBITDA has limitations as an analytical tool, and you should not consider Adjusted EBITDA either in isolation or as a substitute for analyzing our results as reported under GAAP. In addition to the limitations described above with respect to EBITDA, Adjusted EBITDA includes pro forma cost savings, the pro forma effect of business optimization initiatives and the pro forma full year effect of acquisitions and new franchisees. These adjustments may not reflect the actual cost-savings or pro forma effect recognized in future periods.

EBITDA and Adjusted EBITDA are not necessarily comparable to other similarly titled financial measures of other companies due to the potential inconsistencies in the method of calculation.

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A reconciliation of net loss attributable to Realogy and Holdings to EBITDA and Adjusted EBITDA for the year ended December 31, 2010 is set forth in the following table:

	For the Year Ended December 31, 2010
Net loss attributable to Realogy and Holdings	$ (99)
Income tax expense (benefit)	133
Income before income taxes	34
Interest expense (income), net	604
Depreciation and amortization	197
EBITDA	835
Covenant calculation adjustments:	
Restructuring costs, merger costs and former parent legacy costs (benefit), net (a)	(301)
Pro forma cost savings for 2010 restructuring initiatives (b)	20
Pro forma effect of business optimization initiatives (c)	49
Non-cash charges (d)	(4)
Non-recurring fair value adjustments for purchase accounting (e)	4
Pro forma effect of acquisitions and new franchisees (f)	13
Apollo management fees (g)	15
Incremental securitization interest costs (h)	2
Adjusted EBITDA	$ 633
Total senior secured net debt (i)	$ 2,905
Senior secured leverage ratio	**4.59x**
Pro forma total senior secured net debt (j)	$ 2,219
Pro forma senior secured leverage ratio	**3.51x**

(a) Consists of $21 million of restructuring costs and $1 million of merger costs offset by a benefit of $323 million of former parent legacy items.

(b) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during 2010. From this restructuring, we expect to reduce our operating costs by approximately $34 million on a twelve-month run-rate basis and estimate that $14 million of such savings were realized from the time they were put in place. The adjustment shown represents the impact the savings would have had on the period from January 1, 2010 through the time they were put in place, had those actions been effected on January 1, 2010.

(c) Represents the twelve-month pro forma effect of business optimization initiatives that have been completed to reduce costs, including $12 million related to our Relocation Services new business start-ups, integration costs and acquisition related non-cash adjustments, $6 million related to vendor renegotiations, $23 million for employee retention accruals and $8 million of other initiatives. The employee retention accruals reflect the employee retention plans that have been implemented in lieu of our customary bonus plan, due to the ongoing and prolonged downturn in the housing market in order to ensure the retention of executive officers and other key personnel, principally within our corporate services unit and the corporate offices of our four business units.

(d) Represents the elimination of non-cash expenses, including $6 million of stock-based compensation expense, less $8 million for the change in the allowance for doubtful accounts and notes reserves from January 1, 2010 through December 31, 2010 and $2 million of other non-cash items.

(e) Reflects the adjustment for the negative impact of fair value adjustments for purchase accounting at the operating business segments primarily related to deferred rent for the twelve months ended December 31, 2010.

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(f) Represents the estimated impact of acquisitions and new franchisees as if they had been acquired or signed on January 1, 2010. We have made a number of assumptions in calculating such estimate and there can be no assurance that we would have generated the projected levels of EBITDA had we owned the acquired entities or entered into the franchise contracts as of January 1, 2010.
(g) Represents the elimination of annual management fees payable to Apollo for the twelve months ended December 31, 2010.
(h) Reflects the incremental borrowing costs incurred as a result of the securitization facilities refinancing for the twelve months ended December 31, 2010.
(i) Represents total borrowings under the senior secured credit facility, including the revolving credit facility, of $3,059 million plus $12 million of capital lease obligations less $166 million of readily available cash as of December 31, 2010.
(j) Reflects the prepayment of $700 million of outstanding extended term loans from proceeds from the First and a Half Lien Notes less $14 million of estimated expenses related to the issuance of the First and a Half Lien Notes.

Liquidity Risk

Our liquidity position may be negatively affected as a result of the following specific liquidity risks.

Senior Secured Credit Facility Covenant Compliance

On the last day of each fiscal quarter, the financial covenant in the senior secured credit facility requires us to maintain on a quarterly basis a senior secured leverage ratio not to exceed a maximum amount. Specifically, our total senior secured net debt to trailing twelve month Adjusted EBITDA may not exceed 5.0 to 1 at December 31, 2010. The ratio steps down to 4.75 to 1 on March 31, 2011 and thereafter.

For the fiscal year ended December 31, 2010, we were in compliance with the senior secured leverage ratio covenant with a ratio of 4.59 to 1.0. After giving effect to the Refinancing Transactions, our senior secured leverage ratio would have been 3.51 to 1.0 at December 31, 2010. Notwithstanding the reduction in our senior secured net debt for purposes of calculating the senior secured leverage ratio, a delayed or weak housing recovery may materially adversely affect our ability to maintain compliance with our senior secured leverage ratio given our highly leveraged capital structure.

Former Parent Contingent Liabilities

In accordance with the Separation and Distribution Agreement, Realogy entered into certain guarantee commitments with Cendant (pursuant to the assumption of certain liabilities and the obligation to indemnify Cendant, Wyndham Worldwide and Travelport for such liabilities). These guarantee arrangements primarily relate to certain contingent litigation liabilities, contingent tax liabilities, and other corporate liabilities, of which the Company assumed and is generally responsible for 62.5%.

At December 31, 2010, the remaining due to former parent balance of $104 million is comprised of the Company s portion of the following: (i) Cendant s remaining state and foreign contingent tax liabilities, (ii) accrued interest on contingent tax liabilities, (iii) potential liabilities related to Cendant s terminated or divested businesses, and (iv) potential liabilities related to the residual portion of accruals for Cendant operations.

Adverse outcomes from the unresolved due to former parent liabilities for which Realogy has assumed partial liability could be material with respect to our earnings or cash flows in any given reporting period.

Interest Rate Risk

Certain of our borrowings, primarily borrowings under the senior secured credit facility, borrowings under our other bank indebtedness and borrowings under our securitization arrangements, are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net loss would increase further. We have entered into interest rate swaps, involving the exchange of floating for fixed rate interest payments, to reduce interest rate volatility for a portion of our floating interest rate debt facilities.

Securitization Programs

Funding requirements of our relocation business are primarily satisfied through the issuance of securitization obligations to finance relocation receivables and advances. The Apple Ridge securitization facility under which securitization obligations are issued has restrictive covenants and trigger events, including performance triggers linked to the age and quality of the underlying assets, limits on net credit losses incurred, financial reporting requirements, restrictions on mergers and change of control, and cross defaults under the senior secured credit facility, Unsecured Notes and other material indebtedness.

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We may need to incur additional debt or issue equity. Future indebtedness may impose various restrictions and covenants on us which could limit our ability to respond to market conditions, to provide for unanticipated capital investments or to take advantage of business opportunities. We cannot assure that financing will be available to us on acceptable terms or at all. Our ability to make payments to fund working capital, capital expenditures, debt service, strategic acquisitions, joint ventures and investments will depend on our ability to generate cash in the future, which is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

Seasonality

Our businesses are subject to seasonal fluctuations. Historically, operating statistics and revenues for all of our businesses have been strongest in the second and third quarters of the calendar year. A significant portion of the expenses we incur in our real estate brokerage operations are related to marketing activities and commissions and are, therefore, variable. However, many of our other expenses, such as facilities costs and certain personnel-related costs, are fixed and cannot be reduced during a seasonal slowdown.

Contractual Obligations

The following table summarizes our future contractual obligations as of December 31, 2010:

	2011	2012	2013	2014	2015	Thereafter	Total
Term loan facility (a)	$ 32	$ 31	$ 2,996	$	$	$	$ 3,059
Second Lien Loans (b)						650	650
Other bank indebtedness (c)	105		50		8		163
10.50% Senior Notes (d)				1,700			1,700
Senior Toggle Notes (d)(e)				470			470
12.375% Senior Subordinated Notes (d)					875		875
Securitized obligations (f)	331						331
Operating leases (g)	143	101	64	37	25	24	394
Capital leases	6	5	2	1			14
Purchase commitments (h)	43	22	14	8	8	256	351
Total (i)(j)	$ 660	$ 159	$ 3,126	$ 2,216	$ 916	$ 930	$ 8,007

(a) The term loan facility provides for quarterly amortization payments totaling 1% per annum of the principal amount with the balance due on the final maturity date of October 2013. The Company has entered into derivative instruments to fix the interest rate for $425 million of the variable rate debt, which will result in interest payments of $27 million annually. The interest rate for the remaining portion of the variable rate debt of $2,634 million will be determined by the interest rates in effect during each period.

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(b) The $650 million of Second Lien Loans bear interest at a rate of 13.50% per year and interest payments are payable semi-annually. The annual interest expense is approximately $88 million. The Second Lien Loans mature on October 15, 2017 and there is no scheduled amortization.

(c) Consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit facility, $5 million is due in April 2011, $50 million is due in June 2011, $50 million due November 2011, $50 million is due in January 2013 and $8 million is due in May 2015. The interest rate for the revolving credit facilities is variable and will be determined by the interest rates in effect during each period. The obligations are classified as current due to the revolving nature of the facilities. In February 2011, Realogy repaid $55 million of outstanding borrowings under these revolving credit facilities that were due in April and June 2011.

(d) Realogy utilized the PIK Interest option to satisfy interest payment obligations for the Senior Toggle Notes which increased the principal amount of the Senior Toggle Notes by $51 million in 2010. The PIK Interest election is the default election for the Senior Toggle Notes for future interest periods through October 15, 2011. Interest on the Senior Toggle Notes will compound semi-annually at 11.75% which will increase the principal amount accordingly. Starting April 2012, the annual interest payment on the Senior Toggle Notes will be approximately $58 million. The annual interest expense on the 10.50% Fixed Rate Senior Notes and 12.375% Senior Subordinated Notes is approximately $287 million.

(e) Realogy would be subject to certain interest deduction limitations if the Senior Toggle Notes were treated as AHYDO within the meaning of Section 163(i)(1) of the Internal Revenue Code. In order to avoid such treatment, Realogy is required to redeem for cash a portion of each Senior Toggle Note then outstanding at the end of the accrual period ending in April 2012.

(f) Excludes future cash payments related to interest expense as the underlying debt instruments are variable rate and the interest payments will be determined by the interest rates in effect during each period. These agreements expire in 2012 and 2015, however, the obligations are classified as current due to the current classification of the underlying assets that collateralize the obligations.

(g) The operating lease amounts included in the above table do not include variable costs such as maintenance, insurance and real estate taxes.

(h) Purchase commitments include a minimum licensing fee that the Company is required to pay to Sotheby s that began in 2009 and will continue through 2054. The Company expects the annual minimum licensing fee to be approximately $2 million. The purchase commitments also include the minimum licensing fee to be paid to Meredith which began in 2009 and continue through 2057. The annual minimum fee began at $0.5 million in 2009 and increases to $4 million by 2014 and generally remains the same thereafter.

(i) On April 26, 2007, Realogy established a $500 million standby irrevocable letter of credit for the benefit of Avis Budget Group Inc. in accordance with the Separation and Distribution Agreement. Realogy utilized the synthetic letter of credit to satisfy the obligations to post the standby irrevocable letter of credit. The standby irrevocable letter of credit backstops Realogy s payment obligations with respect to its share of Cendant contingent and other corporate liabilities under the Separation and Distribution Agreement. The stated amount of the standby irrevocable letter of credit is subject to periodic adjustment to reflect the then current estimate of Cendant contingent and other liabilities. On August 11, 2009, the letter of credit with Avis Budget Group Inc. was reduced from $500 million to $446 million primarily as a result of a reduction in contingent legal liabilities. In late 2010, Realogy further reduced the letter of credit from $446 million to $123 million due to the IRS tax settlement and other liability adjustments. This letter of credit is not included in the contractual obligations table above.

(j) The contractual obligations table does not include the annual Apollo management fee which is equal to the greater of $15 million or 2% of Adjusted EBITDA and does not include other non-current liabilities such as pension liabilities of $49 million and unrecognized tax benefits of $34 million as the Company is not able to estimate the year in which these liabilities will be paid.

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Pro Forma Contractual Obligations

The following table summarizes our future contractual obligations as of December 31, 2010, after giving effect to the Refinancing Transactions:

	2011	2012	2013	2014	2015	Thereafter	Total
Non-extended term loan facility (a)	$ 6	$ 6	$ 623	$	$	$	$ 635
Extended term loan facility (b)						1,822	1,822
First and a Half Lien Notes (c)						700	700
Second Lien Loans (d)						650	650
Other bank indebtedness (e)	105		50		8		163
10.50% Senior Notes (f)(h)				64			64
11.50% Senior Notes (h)						492	492
Senior Toggle Notes (f)(g)(h)				49			49
12.00% Senior Notes (h)						130	130
12.375% Senior Subordinated Notes (f)(h)					190		190
13.375% Senior Subordinated Notes (h)						10	10
11.00% Convertible Notes (h)						2,110	2,110
Securitized obligations (i)	331						331
Operating leases (j)	143	101	64	37	25	24	394
Capital leases	6	5	2	1			14
Purchase commitments (k)	43	22	14	8	8	256	351
Total (l)(m)	$ 634	$ 134	$ 753	$ 159	$ 231	$ 6,194	$ 8,105

(a) The non-extended term loan facility provides for quarterly amortization payments totaling 1% per annum of the principal amount with the balance due on the final maturity date of October 2013. The Company has entered into derivative instruments to fix the interest rate for $425 million of the variable rate debt, which will result in interest payments of $27 million annually. The interest rate for the remaining portion of the variable rate debt of $210 million will be determined by the interest rates in effect during each period.

(b) The extended term loan facility matures in October 2016. The interest rate for the variable rate debt of $1,822 million will be determined by the interest rates in effect during each period. There is no scheduled amortization of principal.

(c) The First and a Half Lien Notes bear interest at a rate of 7.875% per year and interest payments are due semi-annually in February and August. The first interest payment will be made in August 2011 and the annual interest expense is approximately $55 million. The First and a Half Lien Notes mature on February 15, 2019 and there is no scheduled amortization.

(d) The $650 million of Second Lien Loans bear interest at a rate of 13.50% per year and interest payments are payable semi-annually. The annual interest expense is approximately $88 million. The Second Lien Loans mature on October 15, 2017 and there is no scheduled amortization.

(e) Consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit facility, $5 million is due in April 2011, $50 million is due in June 2011, $50 million is due in November 2011, $50 million is due in January 2013 and $8 million is due in May 2015. The interest rate for the revolving credit facilities is variable and will be determined by the interest rates in effect during each period. The obligations are classified as current due to the revolving nature of the facilities. In February 2011, Realogy repaid $55 million of outstanding borrowings under these revolving credit facilities that were due in April and June 2011.

(f) Realogy utilized the PIK Interest option to satisfy interest payment obligations for the Senior Toggle Notes which increased the principal amount of the Senior Toggle Notes by $51 million in 2010. The PIK Interest election is the default election for the Senior Toggle Notes for future interest periods through October 15, 2011. Interest on the Senior Toggle Notes will compound semi-annually at 11.75% which will increase the principal amount accordingly. After the Debt Exchange Offering as described in (h) below, the annual interest payment on the Senior Toggle Notes will be approximately $6 million starting April 2012. The annual interest expense on the 10.50% Senior Notes and 12.375% Senior Subordinated Notes will be approximately $30 million.

(g) Realogy would be subject to certain interest deduction limitations if the Senior Toggle Notes were treated as AHYDO within the meaning of Section 163(i)(1) of the Internal Revenue Code. In order to avoid such treatment, Realogy is required to redeem for cash a portion of each Senior Toggle Note then outstanding at the end of the accrual period ending in April 2012. Assuming that Realogy continues to utilize the PIK Interest option election through October 2011 for the remaining Senior Toggle Notes, after the Debt Exchange Offering, Realogy would be required to repay approximately $14 million in April 2012. This payment is not reflected in the table above.

(h) In January 2011, Realogy completed the Debt Exchange Offering. The results of the Debt Exchange Offering are as follows: $1,636 million of the 10.50% Senior Notes were exchanged for $492 million of the 11.50% Senior Notes which matures in April 2017 and $1,144 million of the Series A Convertible Notes which matures in April 2018; $421 million of the Senior Toggle Notes were exchanged for $130 million of the 12.00% Senior Notes which matures in April 2017 and $291 million of the Series B Convertible Notes which matures in April 2018; and $685 million of the 12.375% Senior Subordinated Notes were exchanged for $10 million of the 13.375% Senior Subordinated Notes and $675 million of the Series C Convertible Notes, both of which mature in April 2018.

After the completion of the Debt Exchange Offering, Realogy has $303 million of 10.50% Senior Notes, Senior Toggle Notes and 12.375% Senior Subordinated Notes which remain outstanding. The annual interest expense for the three tranches of the Extended Maturity Notes is approximately $73 million, and the annual interest expense for the notes is approximately $232 million. The annual interest payment on the Senior Toggle Notes will be approximately $6 million starting April 2012. The annual interest expense on the 10.50% Senior Notes and 12.375% Senior Subordinated Notes will be approximately $30 million.

(i) Excludes future cash payments related to interest expense as the underlying debt instruments are variable rate and the interest payments will be determined by the interest rates in effect during each period. These agreements expire in 2012 and 2015, however, the obligations are classified as current due to the current classification of the underlying assets that collateralize the obligations.

(j) The operating lease amounts included in the above table do not include variable costs such as maintenance, insurance and real estate taxes.

(k) Purchase commitments include a minimum licensing fee that the Company is required to pay to Sotheby s that began in 2009 and will continue through 2054. The Company expects the annual minimum licensing fee to be approximately $2 million. The purchase commitments also include the minimum licensing fee to be paid to Meredith which began in 2009 and continue through 2057. The annual minimum fee began at $0.5 million in 2009 and increases to $4 million by 2014 and generally remains the same thereafter.

(l) On April 26, 2007, Realogy established a $500 million standby irrevocable letter of credit for the benefit of Avis Budget Group Inc. in accordance with the Separation and Distribution Agreement. Realogy utilized the synthetic letter of credit to satisfy the obligations to post the standby irrevocable letter of credit. The standby irrevocable letter of credit backstops Realogy s payment obligations with respect to its share of Cendant contingent and other corporate liabilities under the Separation and Distribution Agreement. The stated amount of the standby irrevocable letter of credit is subject to periodic adjustment to reflect the then current estimate of Cendant contingent and other liabilities. On August 11, 2009, the letter of credit with Avis Budget Group Inc. was reduced from $500 million to $446 million primarily as a result of a reduction in contingent legal liabilities. In late 2010, Realogy further reduced the letter of credit from $446 million to $123 million due to the IRS tax settlement and other liability adjustments. This letter of credit is not included in the contractual obligations table above.

(m) The contractual obligations table does not include the annual Apollo management fee which is equal to the greater of $15 million or 2% of Adjusted EBITDA and does not include other non-current liabilities such as pension liabilities of $49 million and unrecognized tax benefits of $34 million as the Company is not able to estimate the year in which these liabilities will be paid.

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Potential Debt Purchases or Sales

Our affiliates have purchased a portion of our indebtedness and we or our affiliates from time to time may sell such indebtedness or purchase additional portions of our indebtedness. Any such future purchases or sales may be made through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices as well as with such consideration as we or any such affiliates may determine. Affiliates who own portions of our indebtedness earn interest on a consistent basis with third party owners.

Critical Accounting Policies

In presenting our financial statements in conformity with generally accepted accounting principles, we are required to make estimates and assumptions that affect the amounts reported therein. Several of the estimates and assumptions we are required to make relate to matters that are inherently uncertain as they pertain to future events. However, events that are outside of our control cannot be predicted and, as such, they cannot be contemplated in evaluating such estimates and assumptions. If there is a significant unfavorable change to current conditions, it could result in a material adverse impact to our results of operations, financial position and liquidity. We believe that the estimates and assumptions we used when preparing our financial statements were the most appropriate at that time. Presented below are those accounting policies that we believe require subjective and complex judgments that could potentially affect reported results. However, the majority of our businesses operate in environments where we are paid a fee for a service performed, and therefore the results of the majority of our recurring operations are recorded in our financial statements using accounting policies that are not particularly subjective, nor complex.

Allowance for doubtful accounts

We estimate the allowance necessary to provide for uncollectible accounts receivable. The estimate is based on historical experience, combined with a review of current developments, and includes specific accounts for which payment has become unlikely. The process by which we calculate the allowance begins in the individual business units where specific problem accounts are identified and reserved and an additional reserve is recorded driven by the age profile of the receivables. Our allowance for doubtful accounts was $67 million and $66 million at December 31, 2010 and 2009, respectively.

Impairment of goodwill and other indefinite-lived intangible assets

With regard to the goodwill and other indefinite-lived intangible assets recorded in connection with business combinations, we annually, or more frequently if circumstances indicate impairment may have occurred, analyze their carrying values to determine if an impairment exists. In performing this analysis, we are required to make an assessment of fair value for our goodwill and other indefinite-lived intangible assets. We determine the fair value of our reporting units utilizing our best estimate of future revenues, operating expenses, cash flows, market and general economic conditions as well as assumptions that we believe marketplace participants would utilize including discount rates, cost of capital, and long term growth rates. Although we believe our assumptions are reasonable, actual results may vary significantly. A change in these underlying assumptions could cause a change in the results of the tests and, as such, could cause the fair value to be less than the respective carrying amount. In such an event, we would be required to record a charge, which would impact earnings.

The aggregate carrying value of our goodwill and other indefinite-lived intangible assets was $2,611 million and $1,887 million, respectively, at December 31, 2010. It is difficult to quantify the impact of an adverse change in financial results and related cash flows, as certain changes may be isolated to one of our four reporting units or spread across our entire organization. Based upon the impairment analysis performed in the fourth quarter of 2010, there was no impairment for 2010. Management did evaluate the effect of lowering the estimated fair value for each of the reporting units by 10% and determined that no impairment of goodwill would have been recognized under this evaluation.

Income taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities. We regularly review our deferred tax balances to assess their potential realization and establish a valuation allowance for amounts that we believe will not be ultimately realized. In performing this review, we make estimates and assumptions regarding projected future taxable income, the expected timing of the reversals of existing temporary differences and the identification of tax planning strategies. A change in these assumptions could cause an increase or decrease to our valuation allowance resulting in an increase or decrease in our effective tax rate, which could materially impact our results of operations.

Recently Issued Accounting Pronouncements

In October 2009, the FASB issued an amendment to the accounting and disclosure for revenue recognition. The amendment modifies the criteria for recognizing revenue in multiple element arrangements. Under the guidance, in the absence of vendor-specific objective evidence (VSOE) or other third party evidence (TPE) of the selling price for the deliverables in a multiple-element arrangement, this amendment requires companies to use the best estimated selling price (BESP) for the individual deliverables. Companies shall apply the relative-selling price model for allocating an arrangement s total consideration to its individual deliverables. Under this model, the BESP is used for both the delivered and undelivered elements that do not have VSOE or TPE of the selling price. The guidance is effective for the fiscal year beginning on or after June 15, 2010, and will be applied prospectively to revenue arrangements entered into or materially modified after the effective date. The Company intends to adopt the new guidance prospectively beginning January 1, 2011 and does not believe that the guidance will have a significant impact on the consolidated financial statements.

In January 2010, the FASB expanded the disclosure requirements for fair value measurements relating to the transfers in and out of Level 2 measurements and amended the disclosures for the Level 3 activity reconciliation to be presented on a gross basis. In addition, valuation techniques and inputs should be disclosed for both Levels 2 and 3 recurring and nonrecurring measurements. The new requirements are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about the Level 3 activity reconciliation which are effective for fiscal years beginning after December 15, 2010. The Company adopted the new disclosure requirements on January 1, 2010 except for the disclosure related to the Level 3 reconciliation, which will be adopted on January 1, 2011. The adoption will not have an impact on the consolidated financial statements.

In December 2010, the FASB issued guidance to clarify when to perform step two of the goodwill impairment test for reporting units with zero or negative carrying amounts. In certain situation, a reporting unit may have a negative carrying amount, particularly for companies that only have a single reporting unit and have significant debt. In that case, since the first step is passed, the negative carrying amount may shield a potential impairment. The guidance requires that reporting units with a zero or negative carrying value should proceed to step two of the impairment test if there are qualitative factors indicating that it is more likely than not that a goodwill impairment exists. This guidance is effective for all interim and annual reporting periods beginning after December 15, 2010. The Company intends to adopt the guidance beginning January 1, 2011 and does not believe that the adoption will have a significant impact on its consolidated financial statements.

In December 2010, the FASB issued guidance to clarify the disclosure of supplementary pro forma information for business combinations. Current guidance on Business Combinations requires disclosure of revenue and earnings of the combined entity as if the acquisition had occurred as of the beginning of both the current period and the comparable prior year reporting period. However, presenting pro forma results as if the acquisition occurred at the beginning of each annual period inappropriately results in certain adjustments, like amortization expense of intangible assets with useful lives of less than two years, being included in the pro forma results of both reporting periods. The new guidance therefore requires the pro forma information to be prepared as if the acquisition occurred as of the beginning of the comparable prior period and is applied prospectively for

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acquisitions consummated after the beginning of the fiscal year beginning on or after December 15, 2010. The Company intends to adopt the guidance beginning January 1, 2011 and does not believe that the adoption will have a significant impact on its consolidated financial statements.

Qualitative and Quantitative Disclosures about Market Risk

Our principal market exposure is interest rate risk. At December 31, 2010, our primary interest rate exposure was to interest rate fluctuations in the United States, specifically LIBOR, due to its impact on our variable rate borrowings. Due to the senior secured credit facility which is benchmarked to U.S. LIBOR, this rate will be the primary market risk exposure for the foreseeable future. We do not have significant exposure to foreign currency risk nor do we expect to have significant exposure to foreign currency risk in the foreseeable future.

We assess our market risk based on changes in interest rates utilizing a sensitivity analysis. The sensitivity analysis measures the potential impact on earnings, fair values and cash flows based on a hypothetical 10% change (increase and decrease) in interest rates. In performing the sensitivity analysis, we are required to make assumptions regarding the fair values of relocation receivables and advances and securitization borrowings, which approximate their carrying values due to the short-term nature of these items. We believe our interest rate risk is further mitigated as the rate we incur on our securitization borrowings and the rate we earn on relocation receivables and advances are generally based on similar variable indices.

Our total market risk is influenced by various factors, including the volatility present within the markets and the liquidity of the markets. There are certain limitations inherent in the sensitivity analyses presented. While these are probably the most meaningful analyses, they are constrained by several factors, including the necessity to be conducted based on a single point in time and the inability to include the complex market reactions that normally would arise from the market shifts modeled.

At December 31, 2010, we had total long-term debt of $6,892 million, excluding $331 million of securitization obligations. Of the $6,892 million of long-term debt, the Company has $3,222 million of variable interest rate debt primarily based on 3-month LIBOR. We have entered into floating to fixed interest rate swap agreements with varying expiration dates with an aggregate notional value of $425 million and effectively fixed our interest rate on that portion of variable interest rate debt. The variable interest rate debt is subject to market rate risk such that our interest payments will fluctuate as underlying interest rates change as a result of market changes. We have determined that the impact of a 100 bps (1% change in the rate) change in LIBOR on our term loan facility variable rate borrowings would affect our interest expense by approximately $28 million. While these results may be used as benchmarks, they should not be viewed as forecasts.

At December 31, 2010, the fair value of our long-term debt approximated $6,697 million, which was determined based on quoted market prices. Since considerable judgment is required in interpreting market information, the fair value of the long-term debt is not necessarily indicative of the amount that could be realized in a current market exchange. A 10% change in market rates would have a $141 million impact on the fair value of our long-term debt, although the amount owed cannot exceed the par value of our debt.

CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On April 22, 2009, the Audit Committee of the Board of Directors of Realogy, approved the appointment of PricewaterhouseCoopers LLP (PwC) to act as Realogy s independent registered public accounting firm for fiscal year 2009. During the fiscal years ended December 31, 2007 and 2008, and during any subsequent period through May 12, 2009, the date on which PwC s engagement became effective, neither Realogy, nor any person on its behalf, consulted with PwC with respect to either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on Realogy s consolidated financial statements, and no written report or oral advice was provided by PwC to Realogy that PwC concluded was an important factor considered by Realogy in reaching a decision as to the accounting, auditing, or financial reporting issue, or (ii) any matter that was the subject of either a disagreement as defined in Item 304(a)(1)(iv) of Regulation S-K or a reportable event as described in Item 304(a)(1)(v) of Regulation S-K.

On April 22, 2009, Realogy, upon the approval of the Realogy Audit Committee, notified Deloitte & Touche LLP (D&T) that it would be dismissed as the independent registered public accounting firm of Realogy effective after the completion of D&T s review of Realogy s interim consolidated financial statements. Effective May 12, 2009, PwC was engaged as Realogy s independent registered public accounting firm.

D&T s reports on Realogy s consolidated financial statements for the year ended December 31, 2008 did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During periods covered by such reports and from January 1, 2009 to May 12, 2009, the date on which D&T s dismissal became effective, (i) there were no disagreements between Realogy and D&T on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to D&T s satisfaction, would have caused D&T to make reference to the subject matter of the disagreements in connection with its reports and (ii) there were no reportable events as such term is defined in Item 304(a)(1)(v) of Regulation S-K.

In connection with the filing of the registration statement, of which this prospectus forms a part, (i) the consolidated statements of operations, equity (deficit) and cash flows of Holdings for the year ended December 31, 2008, included elsewhere in this prospectus, have been audited by D&T and (ii) the financial statements of Holdings as of December 31, 2010 and 2009 and for the years ended December 31, 2010 and 2009, and management s assessment of the effectiveness of internal control over financial reporting as of December 31, 2010 included elsewhere in this prospectus, have been audited by PwC.

D&T was engaged from March 15, 2011 to April 1, 2011, on a one-time basis to audit the consolidated statements of operations, equity (deficit) and cash flows of Holdings for the year ended December 31, 2008 and D&T s report with respect to such period did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. In addition, during the course of D&T s engagement, (i) there were no disagreements between Holdings and D&T on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to D&T s satisfaction, would have caused D&T to make reference to the subject matter of the disagreements in connection with its reports and (ii) there were no reportable events as such term is defined in Item 304(a)(1)(v) of Regulation S-K. As discussed above, Holdings does not conduct any operations other than with respect to its indirect ownership of Realogy. Any expenses related to stock compensation issued by Holdings to the employees or directors of Realogy or franchise taxes incurred by Holdings are recorded in Realogy s financial statements. As a result, there were no material differences between Holdings and Realogy s financial statements for the year ended December 31, 2008. D&T has been provided with a copy of the foregoing disclosures prior to the filing of the registration statement of which this prospectus forms a part, and D&T has furnished a letter addressed to the SEC stating whether or not it agrees with the above statements, which letter is attached as Exhibit 16.1 to the registration statement of which this prospectus forms a part.

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MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Realogy s and Holdings management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Realogy s and Holdings internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Realogy s and Holdings internal control over financial reporting includes those policies and procedures that:

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Realogy s and Holdings internal control over financial reporting as of December 31, 2010. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its Internal Control-Integrated Framework. Based on this assessment, management determined that Realogy and Holdings maintained effective internal control over financial reporting as of December 31, 2010.

PricewaterhouseCoopers LLP, the independent registered public accounting firm that audited the financial statements included in this prospectus, has issued an attestation report on the effectiveness of Realogy s and Holdings internal control over financial reporting, which is included within their audit opinion on page F-2.

BUSINESS

Our Company

We are one of the preeminent and most integrated providers of real estate and relocation services. We are the world s largest real estate brokerage franchisor, the largest U.S. residential real estate brokerage firm, the largest U.S. provider and a leading global provider of outsourced employee relocation services and a provider of title and settlement services. Through our portfolio of leading brands and the broad range of services we offer, we have established our company as a leader in the residential real estate industry, with operations that are dispersed throughout the U.S. and in various locations worldwide. We derive the vast majority of our revenues from serving the needs of buyers and sellers of existing homes, rather than serving the needs of builders and developers of new homes. Realogy was incorporated on January 27, 2006 in the State of Delaware. Holdings was incorporated on December 14, 2006 in the State of Delaware.

We report our operations in four segments: Real Estate Franchise Services, Company Owned Real Estate Brokerage Services, Relocation Services and Title and Settlement Services.

Segment Overview

Real Estate Franchise Services: Through our Real Estate Franchise Services segment, or RFG, we are a franchisor of some of the most recognized brands in the real estate industry. As of December 31, 2010, our franchise system had approximately 14,700 offices (which included approximately 750 of our company owned and operated brokerage offices) and 264,000 independent sales associates operating under our franchise and proprietary brands in the U.S. and 99 other countries and territories around the world (internationally, generally through master franchise agreements). In 2010, based on NAR s historical survey data and our own results, we were involved, either through our franchise operations of our franchisees or our company owned brokerages, in approximately 23% of all existing homesale transaction volume (sides times average sales price) for domestic transactions involving a real estate brokerage firm. As of December 31, 2010, we had approximately 3,600 domestic franchisees, none of which individually represented more than 1% of our franchise royalties (other than our subsidiary, NRT LLC, or NRT, which operates our company owned brokerage business). We believe this reduces our exposure to any one franchisee. On average, our franchisee s tenure with our brands is 18 years as of December 31, 2010. Our franchise revenues in 2010 included $206 million of royalties paid by our company owned brokerage operations, or approximately 37% of total franchise revenues, which eliminates in consolidation. As of December 31, 2010, our real estate franchise brands were:

Century 21® One of the world s largest residential real estate brokerage franchisors, with approximately 8,000 franchise offices and approximately 121,000 independent sales associates located in the U.S. and 71 other countries and territories;

Coldwell Banker® One of the largest residential real estate brokerage franchisors, with approximately 3,300 franchise and company owned offices and approximately 89,700 independent sales associates located in the U.S. and 49 other countries and territories;

ERA® A residential real estate brokerage franchisor, with approximately 2,500 franchise and company owned offices and approximately 30,100 independent sales associates located in the U.S. and 41 other countries and territories;

Sotheby s International Realty® A luxury real estate brokerage brand. In February 2004, we acquired Sotheby s company owned offices and the exclusive license for the rights to the Sotheby s Realty and Sotheby s International Realty® trademarks. Since that time, we have grown the brand from 15 company owned offices to approximately 550 franchise and company owned offices and approximately 11,800 independent sales associates located in the U.S. and 43 other countries and territories;

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Better Homes and Gardens® Real Estate We launched the Better Homes and Gardens® Real Estate brand in July 2008 under an exclusive long-term license from Meredith and have approximately 200 franchise offices and approximately 7,000 independent sales associates located in the U.S.; and

Coldwell Banker Commercial® A commercial real estate brokerage franchisor. Our commercial franchise system has approximately 160 franchise offices and approximately 2,100 independent sales associates worldwide. The number of offices and independent sales associates in our commercial franchise system does not include our residential franchise and company owned brokerage offices and the independent sales associates who work out of those brokerage offices that also conduct commercial real estate brokerage business using the Coldwell Banker Commercial® trademarks.

We derive substantially all of our real estate franchising revenues from royalty fees received under long-term franchise agreements with our franchisees (typically ten years in duration for domestic agreements). The royalty fee is based on a percentage of the franchisees sales commission earned from real estate transactions, which we refer to as gross commission income. Our franchisees pay us royalty fees for the right to operate under one of our trademarks and to utilize the benefits of the systems and tools provided by our real estate franchise operations. These royalty fees enable us to have recurring revenue streams. In exchange, we provide our franchisees with support that is designed to facilitate our franchisees in growing their business, attracting new independent sales associates and increasing their revenue and profitability. We support our franchisees with dedicated branding-related national marketing and servicing programs, technology, training and education. We believe that one of our strengths is the strong relationships that we have with our franchisees, as evidenced by our franchisee retention rate of 95% in 2010. Our retention rate represents the annual gross commission income as of December 31 of the previous year generated by our franchisees that remain in the franchise system on an annual basis, measured against the annual gross commission income of all franchisees as of December 31 of the previous year.

Company Owned Real Estate Brokerage Services: Through our subsidiary, NRT, we own and operate a full-service real estate brokerage business in more than 35 of the largest metropolitan areas of the U.S. Our company owned real estate brokerage business operates principally under our Coldwell Banker® brand as well as under the ERA® and Sotheby s International Realty® franchised brands, and proprietary brands that we own, but do not currently franchise to third parties, such as The Corcoran Group®. In addition, under NRT, we operate a large independent REO residential asset manager, which focuses on bank-owned properties. At December 31, 2010, we had approximately 750 company owned brokerage offices, approximately 5,000 employees and approximately 44,000 independent sales associates working with these company owned offices. Acquisitions have been, and will continue to be, part of our strategy and a contributor to the growth of our company owned brokerage business.

Our company owned real estate brokerage business derives revenues primarily from gross commission income received serving as the broker at the closing of real estate transactions. For the year ended December 31, 2010, our average homesale broker commission rate was 2.48% which represents the average commission rate earned on either the buy side or the sell side of a homesale transaction. Generally in U.S. homesale transactions, the broker for the home seller instructs the closing agent to pay a portion of the sales commission to the broker for the buyer and keeps the remaining portion of the homesale commission. In addition, as a full-service real estate brokerage company, in compliance with applicable laws and regulations, including RESPA, we actively promote the services of our relocation and title and settlement services businesses, as well as the products offered by PHH Home Loans, our home mortgage venture with PHH that is the exclusive recommended provider of mortgages for our real estate brokerage and relocation service customers. All mortgage loans originated by PHH Home Loans are sold to PHH or other third party investors, and PHH Home Loans does not hold any mortgage loans for investment purposes or perform servicing functions for any loans it originates. Accordingly, our home mortgage venture structure insulates us from mortgage servicing risk. We own 49.9% of PHH Home Loans and PHH owns the remaining 50.1%. The Company is not the primary beneficiary and therefore our financial results only reflect our proportionate share of the venture s results of operations which are recorded using the equity method.

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Relocation Services: Through our subsidiary, Cartus, we are a leading global provider of outsourced employee relocation services and the largest provider in the U.S. We offer a broad range of world-class employee relocation services designed to manage all aspects of an employee s move to facilitate a smooth transition in what otherwise may be a difficult process for both the employee and the employer.

Our relocation services business primarily offers its clients employee relocation services such as homesale assistance, home finding and other destination services, expense processing, relocation policy counseling and other consulting services, arranging household moving services, visa and immigration support, intercultural and language training and group move management services. In addition to general residential housing trends, key drivers of our relocation services business are corporate spending and employment trends.

In January 2010, our relocation business acquired Primacy, a relocation and global assignment management services company headquartered in Memphis, Tennessee with international locations in Canada, Europe and Asia. The acquisition enabled Cartus to re-enter the U.S. government relocation business, increase its domestic operations, as well as expand the Company s global relocation capabilities. Effective January 1, 2011, the Primacy business operates under the Cartus name.

In 2010, we assisted in over 148,000 relocations in over 160 countries for approximately 1,500 active clients, including over 60% of the Fortune 50 companies as well as affinity organizations. Cartus has offices in the U.S. as well as internationally in Swindon and Richmond, United Kingdom, Canada, Hong Kong, Singapore, China, Germany, France, Switzerland and The Netherlands.

Clients pay a fee for the services performed and we also receive commissions from third-party service providers, such as real estate brokers and household goods moving service providers. The majority of our clients pay interest on home equity advances and nearly all clients reimburse all other costs associated with our services, including, where required, repayment of home equity advances and reimbursement of losses on the sale of homes purchased. We believe we provide our relocation clients with exceptional service which leads to client retention. As of December 31, 2010, our top 25 relocation clients had an average tenure of 18 years with us. In addition, our relocation services business generates revenue for our other businesses because the clients of our relocation services business often utilize the services of our franchisees and company owned brokerage offices as well as our title and settlement services.

Title and Settlement Services: In most real estate transactions, a buyer will choose, or will be required, to purchase title insurance that will protect the purchaser and/or the mortgage lender against loss or damage in the event that title is not transferred properly and to insure free and clear ownership of the property to the buyer. Our title and settlement services business, which we refer to as TRG, assists with the closing of a real estate transaction by providing full-service title and settlement (i.e., closing and escrow) services to customers, real estate companies, including our company owned real estate brokerage and relocation services businesses as well as a targeted channel of large financial institution clients including PHH. In addition to our own title settlement services, we also coordinate a nationwide network of attorneys, title agents and notaries to service financial institution clients on a national basis.

Our title and settlement services business earns revenues through fees charged in real estate transactions for rendering title and other settlement and non-settlement related services. We provide many of these services in connection with transactions in which our company owned real estate brokerage and relocation services businesses are participating. During 2010, approximately 39% of the customers of our company owned brokerage offices where we offer title coverage also utilized our title and settlement services. Fees for escrow and closing services are generally separate and distinct from premiums paid for title insurance and other real estate services. We also derive revenues by providing our title and settlement services to various financial institutions in the mortgage lending industry. Such revenues are primarily derived from providing our services to their customers who are refinancing their mortgage loans.

We also serve as an underwriter of title insurance policies in connection with residential and commercial real estate transactions. Our title insurance underwriter is licensed in 25 states and Washington, D.C. Our title underwriting operation generally earns revenues through the collection of premiums on policies that it issues.

Industry Trends

Industry definition: We primarily operate in the U.S. residential real estate industry and derive the majority of our revenues from serving the needs of buyers and sellers of existing homes rather than those of new homes. Residential real estate brokerage companies typically realize revenues in the form of a commission that is based on a percentage of the price of each home sold. As a result, the real estate industry generally benefits from rising home prices and increased volume of homesales (and conversely is harmed by falling prices and decreased volume of homesales). We believe that existing home transactions and the services associated with these transactions, such as mortgage origination, title services and relocation services, represent the most attractive segment of the residential real estate industry for the following reasons:

- The existing homesales segment represents a significantly larger addressable market than new homesales. Of the approximately 5.2 million homesales in the U.S. in 2010, NAR estimates that approximately 4.9 million were existing homesales, representing approximately 94% of the overall sales as measured in units; and

- Existing homesales afford us the opportunity to represent either the buyer or the seller and in some cases both sides.

We also believe that the traditional broker-assisted business model compares favorably to alternative channels of the residential brokerage industry, such as discount brokers and for sale by owner for the following reasons:

- A real estate transaction has certain characteristics that we believe are best-suited for full-service brokerages, including large monetary value, low transaction frequency, wide cost differential among choices, high buyers subjectivity regarding styles, tastes and preferences, and the consumer s need for a high level of personalized advice, specific marketing and technology services and support given the complexity of the transaction; and

- We believe that the enhanced service and value offered by a traditional agent or broker is such that using a traditional agent or broker will continue to be the primary method of buying and selling a home in the long term.

Cyclical nature of industry: The existing homesale real estate industry is cyclical in nature and has historically shown strong growth though it has been in a significant and lengthy downturn since the second half of 2005. According to NAR, the existing homesale transaction volume (the product of the median homesale price and existing homesale transactions) was approximately $849 billion in 2010 and grew at a compound annual growth rate, or CAGR, of 7.2% over the 1972-2010 period. In addition, based on information published by NAR:

- With the exception of the price declines in 2007-2009, median existing homesale prices did not decline from the prior year in any year since 1973, including during four economic recessions, and from 1972 through 2010 median prices have increased at a CAGR of 5.0% (not adjusted for inflation);

- Existing homesale units increased at a CAGR of 2.1% over the 1972-2010 period, during which period units increased 23 times on an annual basis, versus 15 annual decreases;

- There have been three instances since 1972 when existing homesale transaction volume declined for at least two consecutive years. The first period was from 1980 through 1982, when existing homesale transaction volume declined by more than 13% per year for three years. The second period was from 1989 through 1990 when existing homesale transaction volume declined by 1% in 1989 and 1990. More recently home sale transaction volume has been down every year since 2006 although the severity of the declines moderated in 2009 and 2010; and

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Existing homesale transaction volume (based on median prices) has historically experienced significant growth following prior national economic and housing corrections.

The industry has been in a significant and lengthy downturn that initially began in 2005 after having experienced significant growth in the first half of the decade. Based upon data published by NAR, from December 2005 through December 2010, annual U.S. existing homesale units declined by 31% and the median price of U.S. existing homesale units declined by 21%. In response to the housing downturn, the U.S. government implemented certain actions during the past several years to assist in a stabilization and/or a recovery of the residential real estate market. These measures have included: (1) the placement of Fannie Mae and Freddie Mac in conservatorship in September 2008 and the funding of over $130 billion to these entities to backstop shortfalls in their capital requirements; (2) the establishment, and subsequent expansion and extension, of a federal homebuyer tax credit for qualified buyers (that, as extended, required signed contracts on or before April 30, 2010); (3) as part of a broader plan to bring stability to credit markets and stimulate the housing market, the purchase of mortgage-backed securities by the Federal Reserve in an attempt to maintain low mortgage rates; (4) the continuation of the 2008 higher loan limits for FHA, Freddie Mac and Fannie Mae loans through September 30, 2011; and (5) the availability of low-cost refinancing through Fannie Mae and Freddie Mac to certain homeowners negatively impacted by falling home prices, encouraging lenders to modify loan terms with borrowers at risk of foreclosure or already in foreclosure.

Based in part on these measures, during 2010, the residential real estate market has shown signs of stabilization although the second half of 2010 was weaker than the second half of 2009 and the first half of 2010 due to the expiration of the federal homebuyer tax credits. As of January 2011, NAR reported that existing annual homesale transactions decreased 5% in 2010 to 4.9 million units while the median price of U.S. existing homesale units remained flat.

2011/2012 Industry outlook: As of their most recent releases, NAR is forecasting an 7% increase in existing homesale transactions for 2011 compared to 2010, and a 6% increase in existing homesale transactions for 2012 compared to 2011; and Fannie Mae is forecasting a 6% increase in existing homesale transactions for 2011 compared to 2010, and a 7% increase in existing homesale transactions for 2012 compared to 2011.

The table below shows NAR s and Fannie Mae s forecast of homesale transactions for the four quarters of 2011 compared to 2010. As the table indicates, the first half of 2011 is expected to compare unfavorably to the first half of 2010, due largely to the stimulus provided in the first half of 2010 by the 2010 homebuyer tax credit.

	2011 vs. 2010			
	First Quarter	**Second Quarter**	**Third Quarter**	**Fourth Quarter**
Number of Homesales				
Industry				
NAR (a)	(2%)	(6%)	27%	14%
Fannie Mae (a)	(1%)	(7%)	26%	11%

(a) Existing homesale data is as of the most recent NAR and Fannie Mae press releases.

With respect to homesale prices, NAR s most recent release is forecasting median homesale prices for 2011 compared to 2010 to decrease 1% and increase 3% for 2012 compared to 2011. Fannie Mae s most recent forecast shows a 2% decrease in median homesale price for 2011 compared to 2010 followed by a 1% increase for 2012 compared to 2011.

Recent industry indicators: Consistent with the industry outlook for 2011, we believe that recent indicators point to some positive signs for the residential real estate market:

NAR reported that sequential existing homesale transactions (on a seasonally adjusted month-over-month basis) increased an average of 5.7% per month from July 2010 to January 2011.

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- According to NAR, the median price of existing homes appears to have stabilized with a median price of $164,700 in January 2009, which increased to $170,500 in December 2009, and was $168,800 in December 2010.

- Interest rates continue to be at low levels, albeit at slightly higher rates than the historically low levels seen during the second half of 2010. According to Freddie Mac, interest rates on commitments for fixed-rate first mortgages have decreased from 6.0% in 2008 to 4.7% in 2010.

- The housing affordability index has improved as a result of homesale price declines and lower mortgage interest rates. The housing affordability index has increased from 115 in 2007 to 138 in 2008, to 169 in 2009 to 174 in 2010. An index above 100 signifies that a family earning the median income has more than enough income to qualify for a mortgage loan on a median-priced home, assuming a 20 percent down payment.

We are not certain whether these signs of stabilization will lead to a housing recovery. Factors that may affect a recovery include:

- higher mortgage rates as well as reduced availability of mortgage financing;

- the potential for increased home inventory from banks that are currently holding foreclosed properties;

- homeowners unable or unwilling to enter into homesale transactions due to negative equity in their existing homes;

- continuing high levels of unemployment and relatively low level of consumer confidence;

- the economic recovery in the U.S. not being sustained or, if sustained, resulting in only modest economic growth;

- home ownership levels in the U.S. not stabilizing or improving; and

- the impact of legislative or regulatory reform, including but not limited to reform that materially adversely impacts the financing of the U.S. housing market.

(See Management s Discussion and Analysis of Financial Condition and Results of Operations Current Industry Trends for a discussion of recent and potential new legislation affecting the financing of the U.S. housing market.) Consequently, we cannot predict when the residential real estate industry will return to a period of sustainable growth.

Favorable long-term demographics: We believe that long-term demand for housing and the growth of our industry is primarily driven by affordability, the economic health of the domestic economy, positive demographic trends such as population growth, increases in the number of U.S. households, low interest rates, increases in renters that qualify as homebuyers and locally based dynamics such as demand relative to supply. We believe that the housing market will benefit over the long term from expected positive fundamentals, including the following demographic factors:

- the number of U.S. households grew from 94 million in 1991 to 118 million in 2010, increasing at a rate of 1% per year on a CAGR basis. According to the Joint Center for Housing Studies at Harvard University, such annual growth trend is expected to continue through 2020 with an average of 1.2 to 1.4 million households projected to be formed annually from 2010 to 2020 (assumes expanded immigration);

aging echo boomers (i.e., children born to baby boomers) are expected to drive most of the next U.S. household growth; and

according to NAR, the number of renters that qualify to buy a median priced home increased from 11 million in 2000 to 14 million in 2010.

Participation in Multiple Aspects of the Residential Real Estate Market

We participate in services associated with many aspects of the residential real estate market. Our four complementary businesses and mortgage joint venture allow us to generate revenue at various points in the transactional process, including listing of homes, assisting buyers in home searches, corporate relocation services, settlement and title services, and franchising of our brands. The businesses each benefit from our deep understanding of the industry, strong relationships with real estate brokers, sale associates and other real estate professionals and expertise across the transactional process. Unlike other industry participants who offer only one or two services, we can offer homeowners, our franchisees and our corporate and government clients ready access to numerous associated services that facilitate and simplify the home purchase and sale process. These services provide further revenue opportunities for the Company s owned businesses and those of our franchisees. Specifically, our brokerage offices and those of our franchisees participate in purchases and sales of homes involving relocations of corporate transferees using Cartus relocation services and we offer customers (purchasers and sellers) of both our owned and franchised brokerage businesses convenient title and settlement services. These services produce incremental revenues for our businesses and franchisees. In addition, we participate in the mortgage process through our 49.9% ownership of PHH Home Loans. In some instances, all four of our businesses can derive revenue from the same real estate transaction.

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Our Brands

Our brands are among the most well known and established real estate brokerage brands in the real estate industry. As of December 31, 2010, our franchise system had approximately 14,700 franchised and company owned offices and 264,000 independent sales associates operating under our franchise and proprietary brands in the U.S. and other countries and territories around the world, which includes approximately 750 of our company owned and operated brokerage offices. In 2010, based on NAR s historical survey data and our own results, we were involved, either through our franchise operations of our franchisees or our company owned brokerages, in approximately 23% of all existing homesale transaction volume (sides times price) for domestic transactions involving a real estate brokerage firm.

Our real estate franchise brands, excluding proprietary brands that we own, are listed in the following chart, which includes information as of December 31, 2010 for both our franchised and company owned offices:

Worldwide Offices (1)	200	8,000	3,300	2,500	550	160
Worldwide Brokers and Sales Associates (1)	7,000	121,000	89,700	30,100	11,800	2,100
U.S. Annual Sides	19,820	394,521	609,266	104,114	39,846	N/A
# Countries with Owned or Franchised Operations	1	72	50	42	44	26
Characteristics	Fast-growing real estate brand launched in July 2008 Unique relationship with a leading media company, including largest magazine in the U.S.	World s largest residential real estate sales organization Identified by consumers as the most recognized name in real estate Significant international office footprint	Longest running national real estate brand in the U.S. (104 years) Known for innovative consumer services, marketing and technology	Driving value through innovation and collaboration Highest percentage of international offices among Realogy brands	Synonymous with luxury Strong ties to auction house established in 1744 Rapid international growth	A leading commercial real estate franchise organization Serves wide range of clients from corporations to small businesses to individual clients and investors

(1) Includes offices and related brokers and sales associates of franchisees of master franchisors.

Real Estate Franchise Services

Our primary objectives as the largest franchisor of residential real estate brokerages in the world are to sell new franchises, retain existing franchises, create or acquire new brands and, most importantly, provide support to our franchisees in a way that enables them to manage their business more effectively. At December 31, 2010, our real estate franchise system had approximately 14,700 offices worldwide in 100 countries and territories in North and South America, Europe, Asia, Africa, the Middle East and Australia, including approximately 6,700 brokerage offices in the U.S.

While 2010 was a year in which our total number of offices and franchisees remained constant and followed a year in which we experienced some contraction due to the housing downturn, we have generated significant growth over the years in our real estate franchise business by new franchise sales, increasing the number of international master franchise agreements and increasing the geographic footprint of our franchisees. The broad geographic distribution of our franchisees mitigates the risk of extreme local or regional economic downturns. During 2010, none of our franchisees (other than our company owned brokerage operations) generated more than 1% of our real estate franchise business revenues.

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We derive substantially all of our real estate franchising revenues from royalty fees received under long-term franchise agreements with our franchisees (typically ten years in duration for domestic agreements). The royalty fee is based on a percentage of the franchisees gross commission income earned from real estate transactions. In general, we provide our franchisees with a license to use the brands service marks, tools and systems in connection with their business, educational materials which contain recommended methods, specifications and procedures for operating the franchise, extensive training programs and assistance, and a national marketing program and related services. We operate and maintain an Internet-based reporting system for our domestic franchisees which allows them to electronically transmit listing information, transactions, reporting information and other relevant reporting data. We also own and operate websites for each of our brands for the benefit of our franchisees. We believe that one of our strengths is the strong relationships that we have with our franchisees as evidenced by the franchisee retention rate of 95% in 2010. Our retention rate represents the annual gross commission income as of December 31 of the previous year generated by our franchisees that remain in the franchise system on an annual basis, measured against the annual gross commission income of all franchisees as of December 31 of the previous year. On average, our franchisees tenure with our brands is approximately 18 years as of December 31, 2010.

The franchise agreements impose restrictions on the business and operations of the franchisees and require them to comply with the operating and identity standards set forth in each brand s policy and procedures manuals. A franchisee s failure to comply with these restrictions and standards could result in a termination of the franchise agreement. The franchisees generally are not permitted to terminate the franchise agreements under any circumstances, and in those cases where termination rights do exist, they are very limited (e.g., if the franchisee retires, becomes disabled or dies). Generally, the domestic franchise agreements have a term of ten years and require the franchisees to pay us an initial franchise fee of up to $35,000 for the franchisee s principal office, plus, upon the receipt of any commission income, a royalty fee, in most cases, equal to 6% of such income. Each of our franchise systems (other than Coldwell Banker Commercial®) offers a volume incentive program, whereby each franchisee is eligible to receive a portion of the royalties paid upon the satisfaction of certain conditions. The amount of the volume incentive varies depending upon the franchisee s annual gross revenue subject to royalty payments for the prior calendar year. Under the current form of franchise agreements, the volume incentive varies for each franchise system, and ranges from zero to 3% of gross revenues. We provide a detailed table to each franchisee that describes the gross revenue thresholds required to achieve a volume incentive and the corresponding incentive amounts. We reserve the right to increase or decrease the percentage and/or dollar amounts in the table, subject to certain limitations. Our company owned brokerage offices do not participate in the volume incentive program. Franchisees and company owned offices are also required to make monthly contributions to national advertising funds maintained by each brand for the creation and development of advertising, public relations and other marketing programs.

Under certain circumstances, we extend conversion notes (development advance notes were issued prior to 2009) to eligible franchisees for the purpose of providing an incentive to join the brand, to renew their franchise agreements, or to facilitate their growth opportunities. Growth opportunities include the expansion of franchisees existing businesses by opening additional offices through the consolidation of operations of other franchisees as well as through the acquisition of offices operated by independent brokerages. Many franchisees use the proceeds from the conversion notes to change stationery, signage, business cards and marketing materials or to assist in acquiring companies. The notes are not funded until appropriate credit checks and other due diligence matters are completed and the business is opened and operating under one of our brands. Upon satisfaction of certain performance based thresholds, the loans are forgiven over the term of the franchise agreement.

In addition to offices owned and operated by our franchisees, we, through our NRT subsidiary, own and operate approximately 750 offices under the following names: Coldwell Banker®, ERA®, Sotheby s International Realty®, The Corcoran Group® and Citihabitats. NRT pays intercompany royalty fees and marketing fees to our real estate franchise business in connection with its operation of these offices. These fees are recognized as income or expense by the applicable segment level and eliminated in the consolidation of our businesses. NRT is not eligible for any volume incentives.

In the U.S. and generally in Canada, we employ a direct franchising model whereby we contract with and provide services directly to independent owner-operators. In other parts of the world, we employ either a master franchise model, whereby we contract with a qualified, experienced third party to build a franchise enterprise in such third party s country or region, or a direct franchising model. Under the master franchise model, we typically enter into long term franchise agreements (often 25 years in duration) and receive an initial area development fee and ongoing royalties. The ongoing royalties are generally a percentage of the royalties received by the master franchisor from its franchisees with which it contracts.

We also offer service providers an opportunity to market their products to our franchisees and their independent sales associates and customers through our Preferred Alliance Program. To participate in this program, service providers generally pay us an initial licensing fee, subsequent commissions based upon our franchisees or independent sales associates usage of the preferred alliance vendors, or both. In connection with the spin-off of PHH, Cendant s former mortgage business, PHH Mortgage, the subsidiary of PHH that conducts mortgage financing, is the only provider of mortgages for customers of our franchisees that we endorse. We receive a fee for licensing our brands and for allowing the vendors promotional opportunities on websites and in offices and at periodic group events.

We own the trademarks Century 21®, Coldwell Banker®, Coldwell Banker Commercial®, ERA® and related trademarks and logos, and such trademarks and logos are material to the businesses that are part of our real estate business. Our franchisees and our subsidiaries actively use these trademarks, and all of the material trademarks are registered (or have applications pending) with the United States Patent and Trademark Office as well as with corresponding trademark offices in major countries worldwide where these businesses have significant operations.

We have an exclusive license to own, operate and franchise the Sotheby s International Realty® brand to qualified residential real estate brokerage offices and individuals operating in eligible markets pursuant to a license agreement with SPTC Delaware LLC, a subsidiary of Sotheby s (Sotheby s). Such license agreement has a 100-year term, which consists of an initial 50-year term and a 50-year renewal option. In connection with our acquisition of such license, we also acquired the domestic residential real estate brokerage operations of Sotheby s which are now operated by NRT. We pay a licensing fee to Sotheby s for the use of the Sotheby s International Realty® name equal to 9.5% of the royalties earned by our Real Estate Franchise Services Segment attributable to franchisees affiliated with the Sotheby s International Realty® brand, including brokers in our company owned offices.

In October 2007, we entered into a long-term license agreement to own, operate and franchise the Better Homes and Gardens® Real Estate brand from Meredith. The license agreement between Realogy and Meredith became operational on July 1, 2008 and is for a 50-year term, with a renewal option for another 50 years at our option. At December, 31, 2010, we had approximately 200 offices with 7,000 independent sales associates operating under the Better Homes and Gardens® Real Estate brand name.

Each of our brands has a consumer web site that offers real estate listings, contacts and services. Century21.com, coldwellbanker.com, coldwellbankercommercial.com, sothebysrealty.com, era.com and bhgrealestate.com are the official websites for the Century 21®, Coldwell Banker®, Coldwell Banker Commercial®, Sotheby s International Realty®, ERA® and Better Homes and Gardens® real estate franchise systems, respectively.

Company Owned Real Estate Brokerage Services

Through our subsidiary, NRT, we own and operate a full-service real estate brokerage business in more than 35 of the largest metropolitan areas in the U.S. Our company owned real estate brokerage business operates under the Coldwell Banker®, ERA® and Sotheby s International Realty® franchised brands as well as proprietary brands that we own, but do not currently franchise, such as The Corcoran Group® and Citihabitats. In addition, under NRT, we operate a large independent REO residential asset manager, which focuses on bank-owned properties. Our REO operations facilitate the maintenance and sale of foreclosed homes on behalf of lenders and the profitability of this business is historically countercyclical to the overall state of the housing market. As of December 31, 2010, we had approximately 750 company owned brokerage offices, approximately 5,000 employees and approximately 44,000 independent sales associates working with these company owned offices

Our real estate brokerage business derives revenue primarily from sales commissions received at the closing of real estate transactions, which we refer to as gross commission income. For the year ended December 31, 2010, our average homesale broker commission rate was 2.48% which represents the average commission rate earned on either the buy side or the sell side of a homesale transaction. Generally in U.S. homesale transactions, the broker for the home seller instructs the closing agent to pay a portion of the sales commission to the broker for the buyer and keeps the remaining portion of the homesale commission. In addition, as a full-service real estate brokerage company, we promote the complementary services of our relocation and title and settlement services businesses, in addition to PHH Home Loans. We believe we provide integrated services that enhance the customer experience.

When we assist the seller in a real estate transaction, our independent sales associates generally provide the seller with a full service marketing program, which may include developing a direct marketing plan for the property, assisting the seller in pricing the property and preparing it for sale, listing it on multiple listing services, advertising the property (including on websites), showing the property to prospective buyers, assisting the seller in sale negotiations, and assisting the seller in preparing for closing the transaction. When we assist the buyer in a real estate transaction, our independent sales associates generally help the buyer in locating specific properties that meet the buyer s personal and financial specifications, show properties to the buyer, assist the buyer in negotiating (where permissible) and in preparing for closing the transaction.

At December 31, 2010, we operated approximately: 90% of our offices under the Coldwell Banker® brand name, 5% of our offices under The Corcoran Group® and Citihabitats brand names, 4% of our offices under the Sotheby s International Realty® brand name, and 1% of our offices under the ERA® brand name. Our offices are geographically diverse with a strong presence in the east and west coast areas, where home prices are generally higher. We operate our Coldwell Banker® offices in numerous regions throughout the U.S., our Sotheby s International Realty® offices in several regions throughout the U.S, our Corcoran® Group offices in New York City, the Hamptons (New York), and Palm Beach, Florida and our ERA® offices in Pennsylvania.

We intend to grow our business both organically and through strategic acquisitions. To grow organically, we will focus on working with office managers to recruit, retain and develop effective independent sales associates that can successfully engage and earn fees from new clients. We will continue to shift a portion of our traditional print media marketing to technology media marketing. We also intend to actively monitor expenses to increase efficiencies and perform restructuring activities to streamline operations as deemed necessary.

We have a dedicated group of professionals whose function is to identify, evaluate and complete acquisitions. We are continuously evaluating acquisitions that will allow us to enter into new markets and to expand our market share in existing markets through smaller tuck-in acquisitions. Following completion of an acquisition, we consolidate the newly acquired operations with our existing operations. By consolidating operations, we reduce or eliminate duplicative costs, such as advertising, rent and administrative support. By utilizing our existing infrastructure to support a broader network of independent sales associates and revenue base, we can enhance the profitability of our operations. We also seek to enhance the profitability of newly acquired operations by increasing the productivity of the acquired brokerages independent sales associates. We provide these independent sales associates with specialized tools, training and resources that are often unavailable at smaller firms, such as access to sophisticated information technology and ongoing technical support, increased advertising and marketing support, relocation referrals, and a wide offering of brokerage-related services.

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Our real estate brokerage business has a contract with Cartus under which the brokerage business provides brokerage services to relocating employees of the clients of Cartus. When receiving a referral from Cartus, our brokerage business seeks to assist the buyer in completing a homesale or home purchase. Upon completion of a homesale or home purchase, our brokerage business receives a commission on the purchase or sale of the property and is obligated to pay Cartus a portion of such commission as a referral fee. We believe that these fees are comparable to the fees charged by other relocation companies.

PHH Home Loans, our home mortgage venture with PHH, a publicly traded company, has a 50-year term, subject to earlier termination upon the occurrence of certain events or at our election at any time after January 31, 2015 by providing two years notice to PHH. We own 49.9% of PHH Home Loans and PHH owns the remaining 50.1%. PHH may terminate the venture upon the occurrence of certain events or, at its option, after January 31, 2030. Such earlier termination would result in (i) PHH selling its interest to a buyer designated by us or (ii) requiring PHH to buy our interest. In either case, the purchase price would be the fair market value of the interest sold. All mortgage loans originated by the venture are sold to PHH or other third party investors, and PHH Home Loans does not hold any mortgage loans for investment purposes or perform servicing functions for any loans it originates. Accordingly, we have no mortgage servicing rights asset risk. PHH Home Loans is the exclusive recommended provider of mortgages for our company owned real estate brokerage business (unless exclusivity is waived by PHH).

Relocation Services

Through our subsidiary, Cartus, we are a leading global provider of outsourced employee relocation services.

We primarily offer corporate clients employee relocation services, such as:

- homesale assistance, including the evaluation, inspection, purchasing and selling of a transferee s home; the issuance of home equity advances to transferees permitting them to purchase a new home before selling their current home (these advances are generally guaranteed by the client); certain home management services; assistance in locating a new home; and closing on the sale of the old home, generally at the instruction of the client;

- expense processing, relocation policy counseling, relocation-related accounting, including international assignment compensation services, and other consulting services;

- arranging household goods moving services, with approximately 66,000 domestic and international shipments in 2010, and providing support for all aspects of moving a transferee s household goods, including the handling of insurance and claim assistance, invoice auditing and quality control;

- visa and immigration support, intercultural and language training, and expatriation/repatriation counseling and destination services; and

- group move management services providing coordination for moves involving a large number of transferees to or from a specific regional area over a short period of time.

The wide range of our services allows our clients to outsource their entire relocation programs to us.

In January 2010, our relocation business acquired Primacy, a relocation and global assignment management services company headquartered in Memphis, Tennessee with international locations in Canada, Europe and Asia. The acquisition enabled Cartus to re-enter the U.S. government relocation business, increase its domestic operations, as well as expand the Company s global relocation capabilities. Effective January 1, 2011, the Primacy business operates under the Cartus name.

In 2010, we assisted in over 148,000 relocations in over 160 countries for approximately 1,500 active clients, including over 60% of the Fortune 50 companies as well as affinity organizations. Cartus has offices in

the U.S. as well as internationally in Swindon and Richmond, United Kingdom, Canada, Hong Kong, Singapore, China, Germany, France, Switzerland and The Netherlands.

Under relocation services contracts with our clients, homesale services have historically been classified into two types, at risk and no risk. Under at risk contracts, our relocation business enters into homesale transactions whereby we acquire the home being sold by relocating employees and bear the risk of all expenses associated with acquiring, carrying and selling the home, including potential loss on sale. In early 2008, the Company exited most of its at risk contracts as a result of the at risk business becoming unprofitable in 2007 due to the continued downturn in the U.S. residential real estate market and the losses incurred on the sale of at risk homes. We believe the terms of the at risk government contracts we acquired in the Primacy acquisition are structured in a manner that mitigates risks associated with a downturn in the residential real estate market in contrast to the at risk government business that we exited. As of December 31, 2010, at risk client contracts represented less than 1% of Cartus total client contracts.

Under no risk contracts, which at December 31, 2010 accounted for greater than 99% of our clients, the client is responsible for payment of all direct expenses associated with the homesale. Such expenses include, but are not limited to, appraisal, inspection and real estate brokerage commissions. The client also bears the risk of loss on the re-sale of the transferee s home. Clients are responsible for payment of all other direct costs associated with the relocation, including, but not limited to, costs to move household goods, mortgage origination points, temporary living and travel expenses. Generally we fund the direct expenses associated with the homesale as well as those associated with the relocation on behalf of the client and the client then reimburses us for these costs plus interest charges on the advanced money. This limits our exposure on no risk homesale services to the credit risk of our clients rather than to the potential fluctuations in the real estate market or to the creditworthiness of the individual transferring employee. Historically, due to the credit quality of our clients, we have had minimal losses with respect to no risk homesale services.

Under at risk contracts, we pay for all direct expenses (acquisition, carrying and selling costs) associated with the homesale and bear any loss on the sale of the home. As with the no-risk contracts, clients with at risk contracts bear the non-homesale related direct costs associated with the relocation though we generally advance these expenses and the client reimburses us inclusive of interest charges on the advanced money.

Substantially all of our contracts with our relocation clients are terminable at any time at the option of the client. If a client terminates its contract, we will be compensated for all services performed up to the time of termination and reimbursed for all expenses incurred to the time of termination.

We earn commissions primarily from real estate brokers and van lines that provide services to the transferee. The commissions earned allow us pricing flexibility for the fees we charge our clients. We have created the Cartus Broker Network, which is a network of real estate brokers consisting of our company owned brokerage operations, select franchisees and independent real estate brokers who have been approved to become members. Member brokers of the Cartus Broker Network receive referrals from our relocation services business in exchange for a referral fee. The Cartus Broker Network closed approximately 57,000 properties in 2010 and accounted for approximately 6% of our relocation revenue.

About 7% of our relocation revenue in 2010 was derived from our affinity services, which provide real estate and relocation services, including home buying and selling assistance, as well as mortgage assistance and moving services, to organizations such as insurance companies, credit unions and airline companies that have established members. Often these organizations offer our affinity services to their members at no cost and, where permitted, provide their members with a financial incentive for using these services. This service helps the organizations attract new members and retain current members.

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Title and Settlement Services

Our title and settlement services business, TRG, provides full-service title and settlement (i.e., closing and escrow) services to real estate companies and financial institutions. We act in the capacity of a title agent and sell title insurance to property buyers and mortgage lenders. We issue title insurance policies on behalf of large national underwriters and through our wholly-owned underwriter, Title Resources Guaranty Company (TRGC), which we acquired in January 2006. We are licensed as a title agent in 37 states and Washington, D.C., and have physical locations in 25 states and Washington, D.C. We operate mostly in major metropolitan areas. As of December 31, 2010, we had approximately 361 offices, 238 of which are co-located within one of our company owned brokerage offices.

Virtually all lenders require their borrowers to obtain title insurance policies at the time mortgage loans are made on real property. For policies issued through our agency operations, assuming no negligence on our part, we typically are liable only for the first $5,000 of loss for such policies on a per claim basis, with the title insurer being liable for any remaining loss. Title insurance policies state the terms and conditions upon which a title underwriter will insure title to real property. Such policies are issued on the basis of a preliminary report or commitment. Such reports are prepared after, among others, a search of public records, maps and other relevant documents to ascertain title ownership and the existence of easements, restrictions, rights of way, conditions, encumbrances or other matters affecting the title to, or use of, real property. To facilitate the preparation of preliminary reports, copies of public records, maps and other relevant historical documents are compiled and indexed in a title plant. We subscribe to title information services provided by title plants owned and operated by independent entities to assist us in the preparation of preliminary title reports. In addition, we own, lease or participate with other title insurance companies or agents in the cooperative operation of such plants.

The terms and conditions upon which the real property will be insured are determined in accordance with the standard policies and procedures of the title underwriter. When our title agencies sell title insurance, the title search and examination function is performed by the agent. The title agent and underwriter split the premium. The amount of such premium split is determined by agreement between the agency and underwriter, or is promulgated by state law. We have entered into underwriting agreements with various underwriters, which state the conditions under which we may issue a title insurance policy on their behalf.

Our company owned brokerage operations are the principal source of our title and settlement services business for resale transactions. Other sources of our title and settlement services resale business include our real estate franchise business and Cartus. Many of our offices have subleased space from, and are co-located within, our company owned brokerage offices, a strategy that is compliant with RESPA and any analogous state laws. The capture rate of our title and settlement services business from co-located company owned brokerage operations was approximately 39% in 2010. For refinance transactions, we generate revenues from PHH and other financial institutions throughout the mortgage lending industry.

Certain states in which we operate have controlled business statutes which impose limitations on affiliations between providers of title and settlement services, on the one hand, and real estate brokers, mortgage lenders and other real estate service providers, on the other hand. For example, in California, a title insurer/agent cannot rely on more than 50% of its title orders from controlled business sources, which is defined as sources controlled by, or which control, directly or indirectly, the title insurer/agent, which would include leads generated by our company owned brokerage business. In those states in which we operate our title and settlement services business that have controlled business statutes, we comply with such statutes by ensuring that we generate sufficient business from sources we do not control.

We engage in a title insurance underwriting business through our Dallas-based subsidiary, TRGC. TRGC is a title insurance underwriter licensed in 25 states and Washington, D.C. TRGC underwrites a portion of the title insurance policies issued by our agency businesses.

We also derive revenues by providing our title and settlement services to various financial institutions in the mortgage lending industry. Such revenues are primarily derived from providing our services to customers who are refinancing their mortgage loans.

We also coordinate a national network of escrow and closing agents (some of whom are our employees, while others are attorneys in private practice and independent title companies) to provide full-service title and settlement services to a broad-based group that includes lenders, home buyers and sellers, developers, and independent real estate sales associates. Our role is generally that of an intermediary managing the completion of all the necessary documentation and services required to complete a real estate transaction.

We derive revenue through fees charged in real estate transactions for rendering the services described above as well as a percentage of the title premium on each title insurance policy sold. We provide many of these services in connection with our residential and commercial real estate brokerage and relocation operations. Fees for escrow and closing services are separate and distinct from premiums paid for title insurance and other real-estate services.

We intend to grow our title and settlement services business through the completion of acquisitions in new markets as well as those that complement existing operations. We also intend to grow by leveraging our existing geographic coverage, scale, capabilities and reputation into new offices not directly connected with our company owned brokerage offices and through continuing to enter into contracts and ventures with our franchisees that will allow them to participate in the title and settlement services business. We also plan to expand our underwriting operations into other states. We intend to continue our expansion of our lender channel by working with national lenders as their provider of settlement services.

Competition

Real Estate Franchise Business. Competition among the national real estate brokerage brand franchisors to grow their franchise systems is intense. Our largest national competitors in this industry include, but are not limited to, Prudential Real Estate Affiliates, Inc., Real Living (which includes the franchise business that had been conducted by GMAC Real Estate, LLC), RE/MAX International, Inc. and Keller Williams Realty, Inc. In addition, a real estate broker may choose to affiliate with a regional chain or choose not to affiliate with a franchisor but to remain unaffiliated. We believe that competition for the sale of franchises in the real estate brokerage industry is based principally upon the perceived value and quality of the brand and services, the nature of those services offered to franchisees, including the availability of financing, and the fees the franchisees must pay.

The ability of our real estate brokerage franchisees to compete with other real estate brokerages is important to our prospects for growth. Their ability to compete may be affected by the quality of independent sales associates, the location of offices, the services provided to independent sales associates, the number of competing offices in the vicinity, affiliation with a recognized brand name, community reputation and other factors. A franchisee s success may also be affected by general, regional and local economic conditions. The potential negative effect of these conditions on our results of operations is generally reduced by virtue of the diverse geographical locations of our franchisees.

Real Estate Brokerage Business. The real estate brokerage industry is highly competitive, particularly in the metropolitan areas in which our owned brokerage businesses operate. In addition, the industry has relatively low barriers to entry for new participants, including participants pursuing non-traditional methods of marketing real estate, such as Internet-based listing services. Companies compete for sales and marketing business primarily on the basis of services offered, reputation, personal contacts, and brokerage commissions. We compete with other national independent real estate organizations, including Home Services of America, franchisees of our brands and of other national real estate franchisors, franchisees of local and regional real estate franchisors, regional independent real estate organizations such as Weichert Realtors and Long & Foster Real Estate, discount brokerages; and smaller niche companies competing in local areas.

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Relocation Business. Competition in our relocation business is based on service, quality and price. We compete primarily with global and regional outsourced relocation services providers. The larger outsourced relocation services providers that we compete with include SIRVA, Inc., Weichert Relocation Resources, Inc. and Prudential Real Estate and Relocation Services Inc.

Title and Settlement Business. The title and settlement business is highly competitive and fragmented. The number and size of competing companies vary in the different areas in which we conduct business. We compete with other title insurers, title agents and vendor management companies. The title and settlement business competes with a large, fragmented group of smaller underwriters and agencies. In addition, we compete with national competitors, including Fidelity National Title Insurance Company, First American Title Insurance Company, Stewart Title Guaranty Company and Old Republic Title Company.

Marketing

Franchise Operations

Each of our residential franchise brands operates a national advertising fund and our commercial brand operates a commercial marketing fund that is funded by our franchisees and our owned real estate brokerage operations. Either through our contracts with our franchisees or via contributions made by our company owned real estate brokerage operations, we are the largest contributor to each of these funds. The primary focus of each national advertising fund is to build and maintain brand awareness, which is accomplished through a variety of media, including increased use of Internet promotion. Our Internet presence, for the most part, features our entire listing inventory in our regional and national markets, plus community profiles, home buying and selling advice, relocation tips and mortgage financing information. Each brand manages a comprehensive system of marketing tools, systems and sales information and data that can be accessed through free standing brand intranet sites to assist independent sales associates in becoming the best marketer of their listings. In addition to the Sotheby s International Realty® brand, a leading luxury brand, our franchisees and our company owned brokerages also participate in luxury marketing programs, such as Century 21® Fine Homes & EstatesSM, Coldwell Banker Previews®, and ERA International Collection®.

According to NAR, 89% of homebuyers used the Internet in their search for a new home in 2010. Our marketing and technology strategies focus on capturing this consumer and assisting in their purchase. Advertising is used by the brands to drive consumers to their respective websites. Significant focus is placed on developing each website to create value to the real estate consumer. Each website focuses on streamlined, easy search processes for listing inventory and rich descriptive details and multiple photos to market the listing on the brand website. Additionally, each brand website serves as a national distribution point for independent sales associates to market themselves to consumers to enhance the customer experience.

In order to improve our response times to buyers and sellers seeking real estate services, we developed LeadRouter, our proprietary lead management system. We believe LeadRouter provides a competitive advantage by improving the speed at which a brokerage can begin working with a customer. The system converts text to voice and transfers the lead to our agents within a matter of seconds providing our agents with the ability to quickly respond to the needs of a potential home buyer or seller. Additionally, LeadRouter provides the broker with an accountability tool to manage their agents and evaluate productivity.

Company Owned Brokerage Operations

Our company owned real estate brokerage business markets our real estate services and specific real estate listings primarily through individual property signage, the Internet, and by hosting open houses of our listings for potential buyers to view in person during an appointed time period. In addition, contacts and communication with other real estate sales associates, targeted direct mailings, and local print media, including newspapers and real estate publications, are effective for certain price points and geographical locations.

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Our independent sales associates at times choose to supplement our marketing with specialized programs they fund on their own. We provide our independent sales associates with promotional templates and materials which may be customized for this opportunity.

In addition to our Sotheby s International Realty® offices, we also participate in luxury marketing programs established by our franchisors, such as Coldwell Banker Previews® and the ERA International Collection®. The programs provide special services for buyers and sellers of luxury homes, with attached logos to differentiate the properties. Our independent sales associates are offered the opportunity to receive specific training and certification in their respective luxury properties marketing program. Properties listed in the program are highlighted through specific:

- signage displaying the appropriate logo;
- features in the appropriate section on the Company s Internet site;
- targeted mailings to prospective purchasers using specific mailing lists; and
- collateral marketing material, magazines and brochures highlighting the property.

The utilization of information technology as a marketing tool has become increasingly effective in our industry, and we believe that trend will continue to increase. Accordingly, we have sought to become a leader among residential real estate brokerage firms in the use and application of technology. The key features of our approach are as follows:

- The integration of our information systems with multiple listing services to:
  - provide property information on a substantial number of listings, including those of our competitors when possible to do so; and
  - integrate with our systems to provide current data for other proprietary technology within NRT, such as contact management technology.
- The placement of our company listings on multiple websites.

The majority of these websites provide the opportunity for the customer to utilize different features, allowing them to investigate community information, view property information and print feature sheets on those properties, receive on-line updates, obtain mapping and property tours for open houses, qualify for financing, review the qualifications of our independent sales associates, receive home buying and selling tips, and view information on our local sales offices. The process usually begins with the browsing consumer providing search parameters to narrow their property viewing experience. Wherever possible, we provide at least six photographs of the property and/or a virtual tour in order to make the selection process as complete as possible. To make readily available the robust experience on our websites, we utilize paid web search engine advertising as a source for our consumers.

Most importantly, the browsing customer has the ability to contact us regarding their particular interest and receive a rapid response through our proprietary lead management system, LeadRouter.

Our independent sales associates have the ability to access professional support and information through various extranet sites in order to perform their tasks more efficiently. An example of this is the nationwide availability of a current Do Not Call List to assist them in the proper telemarketing of their services.

Employees

At December 31, 2010, we had approximately 10,500 employees, including approximately 700 employees outside of the U.S. None of our employees are subject to collective bargaining agreements governing their employment with us. We believe that our employee relations are good.

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Sales Associate Recruiting and Training

Each real estate franchise system encourages, and provides some assistance and training with respect to, independent sales associate recruiting by franchisees. Each system separately develops its own branded recruiting programs that are tailored to the needs of its franchisees.

Each real estate brand provides training and marketing-related materials to its franchisees to assist them in the recruiting process. Each system s recruiting program contains different materials and delivery methods. The marketing materials range from a detailed description of the services offered by our franchise system (which will be available to the independent sales associate) in brochure or poster format to audio tape lectures from industry experts. Live instructors at conventions and orientation seminars deliver some recruiting modules while other modules can be viewed by brokers anywhere in the world through virtual classrooms over the Internet. Most of the programs and materials are then made available in electronic form to franchisees over the respective system s private intranet site. Many of the materials are customizable to allow franchisees to achieve a personalized look and feel and make modifications to certain content as appropriate for their business and marketplace.

Government Regulation

Franchise Regulation. The sale of franchises is regulated by various state laws, as well as by the Federal Trade Commission (the FTC). The FTC requires that franchisors make extensive disclosure to prospective franchisees but does not require registration. A number of states require registration or disclosure in connection with franchise offers and sales. In addition, several states have franchise relationship laws or business opportunity laws that limit the ability of the franchisor to terminate franchise agreements or to withhold consent to the renewal or transfer of these agreements. The states with relationship or other statutes governing the termination of franchises include Arkansas, California, Connecticut, Delaware, Hawaii, Illinois, Indiana, Iowa, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Jersey, Virginia, Washington, and Wisconsin. Puerto Rico and the Virgin Islands also have statutes governing termination of franchises. Some franchise relationship statutes require a mandated notice period for termination; some require a notice and cure period. In addition, some require that the franchisor demonstrate good cause for termination. These statutes do not have a substantial effect on our operations because our franchise agreements generally comport with the statutory requirements for cause for termination, and they provide notice and cure periods for most defaults. Where the franchisee is granted a statutory period longer than permitted under the franchise agreement, we extend our notice and/or cure periods to match the statutory requirements. In some states, case law requires a franchisor to renew a franchise agreement unless a franchisee has given cause for non-renewal. Failure to comply with these laws could result in civil liability to any affected franchisees. While our franchising operations have not been materially adversely affected by such existing regulation, we cannot predict the effect of any future federal or state legislation or regulation.

Real Estate Regulation. RESPA and state real estate brokerage laws restrict payments which real estate brokers, title agencies, mortgage brokers and other settlement service providers may receive or pay in connection with the sales of residences and referral of settlement services (e.g., mortgages, homeowners insurance and title insurance). Such laws may to some extent restrict preferred alliance and other arrangements involving our real estate franchise, real estate brokerage, settlement services and relocation businesses. Currently, several states prohibit the sharing of referral fees with a principal to a transaction. In addition, with respect to our company owned real estate brokerage, relocation and title and settlement services businesses, RESPA and similar state laws require timely disclosure of certain relationships or financial interests with providers of real estate settlement services.

On November 17, 2008, the Department of Housing and Urban Development (HUD) published a new final rule that seeks to simplify and improve disclosures regarding mortgage settlement services and encourage consumers to compare prices for such services by consumers. Parts of the new rule became effective on January 16, 2009 but the majority of the rule had a mandatory effective date of January 1, 2010. The material provisions of the new rule include: new Good Faith Estimate (GFE) and HUD-1 forms, permissibility of average cost pricing by settlement service providers, implementation of tolerance limits on various fees from the issuance of the GFE and the HUD-1 provided at closing, and disclosure of the title agent and title underwriter premium splits. TRG revised its systems and processes to be compliant with the new rule effective January 1, 2010 and conducted training for each of its applicable employees. To date there has not been any material impact (financial or otherwise) to the Company arising out of compliance with these new rules nor do we anticipate any future impact now that all processes and procedures have been fully implemented.

Our company owned real estate brokerage business is also subject to numerous federal, state and local laws and regulations that contain general standards for and prohibitions on the conduct of real estate brokers and sales associates, including those relating to the licensing of brokers and sales associates, fiduciary and agency duties, administration of trust funds, collection of commissions, and advertising and consumer disclosures. Under state law, our real estate brokers have the duty to supervise and are responsible for the conduct of their brokerage businesses.

Regulation of Title Insurance and Settlement Services. Many states license and regulate title agencies/settlement service providers or certain employees and underwriters through their Departments of Insurance or other regulatory body. In many states, title insurance rates are either promulgated by the state or are required to be filed with each state by the agent or underwriter, and some states promulgate the split of title insurance premiums between the agent and underwriter. States sometimes unilaterally lower the insurance rates relative to loss experience and other relevant factors. States also require title agencies and title underwriters to meet certain minimum financial requirements for net worth and working capital. In addition, the insurance laws and regulations of Texas, the jurisdiction in which our title insurance underwriter subsidiary, TRGC, is domiciled, generally provide that no person may acquire control, directly or indirectly, of a Texas domiciled insurer, unless the person has provided required information to, and the acquisition is approved or not disapproved by, the Texas Department of Insurance. Generally, any person acquiring beneficial ownership of 10% or more of our voting securities, including the notes , the Class A Common Stock, or a combination thereof, would be presumed to have acquired indirect control of our title insurance underwriter subsidiary unless the Texas Department of Insurance upon application determines otherwise. Each of our insurance underwriters is also subject to a holding company act in its state of domicile, which regulates, among other matters, investment policies and the ability to pay dividends.

Certain states in which we operate have controlled business statutes which impose limitations on affiliations between providers of title and settlement services, on the one hand, and real estate brokers, mortgage lenders and other real estate service providers, on the other hand. We are aware of the states imposing such limits and monitor the others to ensure that if they implement such a limit that we will be prepared to comply with any such rule. Controlled business typically is defined as sources controlled by, or which control, directly or indirectly, the title insurer or agent. We are not aware of any pending controlled business legislation. A company s failure to comply with such statutes could result in the non-renewal of the Company s license to provide title and settlement services. We provide our services not only to our affiliates but also to third-party businesses in the geographic areas in which we operate. Accordingly, we manage our business in a manner to comply with any applicable controlled business statutes by ensuring that we generate sufficient business from sources we do not control. We have never been cited for failing to comply with a controlled business statute.

Properties

Corporate headquarters. Our corporate headquarters is located in leased offices at One Campus Drive in Parsippany, New Jersey. The lease expires in 2013 and can be renewed at our option for an additional five or ten years.

Real estate franchise services. Our real estate franchise business conducts its main operations at our leased offices at One Campus Drive in Parsippany, New Jersey.

Company owned real estate brokerage services. As of December 31, 2010, our company owned real estate brokerage segment leases approximately 5.5 million square feet of domestic office space under approximately 1,100 leases. Its corporate headquarters and one regional headquarters are located in leased offices at One Campus Drive, Parsippany, New Jersey. As of December 31, 2010, NRT leased seven facilities serving as regional headquarters, 22 facilities serving as local administration, training facilities or storage, and approximately 750 brokerage sales offices under approximately 931 leases. These offices are generally located in shopping centers and small office parks, generally with lease terms of one to five years. In addition, there are 67 leases representing vacant and/or subleased offices, principally relating to brokerage sales office consolidations.

Relocation services. Our relocation business has its main corporate operations in a leased building in Danbury, Connecticut with a lease term expiring in 2015. There are also four leased regional offices in the US, located in Lisle, Illinois; Irving, Texas; Omaha, Nebraska and Memphis, Tennessee which provide operation support services. Sales, Account Management and some operational support is provided out of Folsom, California; Irvine, California; and St. Louis Park, Minnesota. International offices include leased facilities in the United Kingdom, Hong Kong, Singapore, China, Germany, France, Switzerland, Canada and The Netherlands.

Title and settlement services. Our title and settlement services business conducts its main operations at a leased facility in Mount Laurel, New Jersey pursuant to a lease expiring in 2014. This business also has leased regional and branch offices in 25 states and Washington, D.C.

We believe that all of our properties and facilities are well maintained.

Legal Proceedings

Legal Real Estate Business

The following litigation relates to Cendant s Real Estate business, and pursuant to the Separation and Distribution Agreement, we have agreed to be responsible for all of the related costs and expenses.

Frank K. Cooper Real Estate #1, Inc. v. Cendant Corp. and Century 21 Real Estate Corporation (N.J. Super. Ct. L. Div., Morris County, New Jersey). In 2002, Frank K. Cooper Real Estate #1, Inc. filed the Cooper Litigation against Cendant and Cendant s subsidiary, Century 21. The complaint alleges breach of certain provisions of the Real Estate Franchise Agreement entered into between Century 21 and the plaintiffs, breach of the implied duty of good faith and fair dealing, violation of the New Jersey Consumer Fraud Act and breach of certain express and implied fiduciary duties. The complaint alleges, among other things, that Cendant diverted money and resources from Century 21 franchisees and allotted them to NRT owned brokerages or otherwise improperly charged expenses to the Century 21 advertising fund. The complaint seeks unspecified compensatory and punitive damages, injunctive relief, interest, attorney s fees and costs. The New Jersey Consumer Fraud Act provides for treble damages, attorney s fees and costs as remedies for violation of the Act. On August 17, 2010, the court granted plaintiffs renewed motion to certify a class. The certified class includes Century 21 franchisees at any time between August 1, 1995 and April 17, 2002 whose franchise agreements contain New Jersey choice of law and venue provisions and who have not executed releases releasing the claim (unless the release was a provision of a franchise renewal agreement).

A case management order was entered on November 29, 2010 that includes, among other deadlines, a trial date of April 16, 2012. On December 20, 2010, the court held a status conference to address plaintiffs motion regarding notice to be issued to the class, the language of the notice, publication of the notice and how class members can opt out of the class. As directed by a court order, Century 21 has delivered to plaintiffs counsel and the Notice Administrator lists of the names and contact information for (1) franchisees that meet the class definition and (2) franchisees that would have met the class definition but for the fact that they signed a waiver of claims against Century 21. Pursuant to the court order, the Notice Administrator has advised us that the notice of pendency of the action was mailed to possible class members on March 4, 2011, and a summary of that notice will be published in various print and online media. This case remains in its very early stages, with most of the effort in the past six months directed at class identification. Discovery on the merits is ongoing. This class action involves substantial, complex litigation. Class action litigation is inherently unpredictable and subject to significant uncertainties. The resolution of the Cooper Litigation could result in substantial losses and we cannot assure you that such resolution will not have a material adverse effect on our results of operations, financial condition or liquidity.

Realogy Corporation v. Triomphe Partners and Triomphe Immobilien (AAA/District New York). Realogy initiated binding arbitration proceedings to collect sums due to it, plus attorneys fees and costs, from the former master franchisor of the Coldwell Banker brand for 28 countries in Eastern and Western Europe. Realogy also seeks a declaration that it properly terminated the international franchise contracts because Triomphe failed to properly cure pending defaults. Triomphe has asserted a counterclaim alleging that the contracts were not properly terminated and that the contracts were terminated in violation of the Illinois Franchise Practices Act. Triomphe seeks damages for lost profits, as well as attorneys fees and costs. Arbitration proceedings were held in July and November 2009, and in January and March 2010. By decision dated August 4, 2010, the arbitrators found that Realogy properly terminated the franchise contracts for failing to meet minimum office requirements but denied Realogy s monetary claim. All of the former master franchisor s counterclaims were denied. All parties are to bear their own attorneys fees and costs, and to share equally the costs of the arbitration. On November 5, 2010, Triomphe appealed the arbitrators decision. Briefs have been filed by both parties and a ruling on Realogy s motion to dismiss the appeal is pending.

We are involved in certain other claims and legal actions arising in the ordinary course of our business. While the results of such claims and legal actions cannot be predicted with certainty, we do not believe based on information currently available to us that the final outcome of these proceedings will have a material adverse effect on our consolidated financial position, results of operations or cash flows.

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The Company also monitors litigation and claims asserted against other industry participants together with new statutory and regulatory enactments for potential impacts to its business. Two key areas that the Company is currently monitoring are RESPA compliance and rules concerning use of customer information with affiliates. Although the Company responds, as appropriate, to these developments, such developments may impose costs or obligations that adversely affect the Company s business operations or financial results.

Legal Cendant Corporate Litigation

Pursuant to the Separation and Distribution Agreement dated as of July 27, 2006 among Cendant, Realogy, Wyndham Worldwide and Travelport, each of Realogy, Wyndham Worldwide and Travelport have assumed certain contingent and other corporate liabilities (and related costs and expenses), which are primarily related to each of their respective businesses. In addition, Realogy has assumed 62.5% and Wyndham Worldwide has assumed 37.5% of certain contingent and other corporate liabilities (and related costs and expenses) of Cendant or its subsidiaries, which are not primarily related to any of the respective businesses of Realogy, Wyndham Worldwide, Travelport and/or Cendant s vehicle rental operations, in each case incurred or allegedly incurred on or prior to the date of the separation of Travelport from Cendant. Such litigation includes the litigation described below.

CSI Investment et. al. v. Cendant et. al., (Case No. 1:00-CV-01422 (DAB-DFE) (S.D.N.Y.)) is a decade-old legacy Cendant litigation matter not related to real estate (Credentials Litigation). In July 2009, the trial court entered a satisfaction of judgment with respect to the entire Credentials Litigation subject to plaintiffs right to petition the Court for reasonable attorneys fees. In September 2009, the plaintiffs filed a motion requesting an aggregate of $33 million in attorneys fees and costs, comprised of $6 million in hourly fees and costs, a $25 million success fee and $2 million in pre-judgment interest. In January 2010, the Court issued a summary order referring the matter to a Magistrate for a determination of the proper amount of attorneys fees. In December 2010 the parties settled the attorneys fee dispute and Cendant agreed to pay plaintiffs $8 million (62.5% of which was paid by Realogy to satisfy its percentage of the settlement amount). The Court entered a stipulation and order of dismissal of the matter on January 11, 2011.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding individuals who currently serve as the executive officers and directors of Realogy and Holdings. The age of each individual in the table below is as of December 31, 2010.

Name	Age	Position(s)
Henry R. Silverman	70	Non-Executive Chairman of the Board
Richard A. Smith	57	President, Chief Executive Officer and Director
Anthony E. Hull	52	Executive Vice President, Chief Financial Officer and Treasurer
Marilyn J. Wasser	55	Executive Vice President, General Counsel and Corporate Secretary
David J. Weaving	44	Executive Vice President and Chief Administrative Officer
Kevin J. Kelleher	56	President and Chief Executive Officer, Cartus Corporation
Alexander E. Perriello, III	63	President and Chief Executive Officer, Realogy Franchise Group
Bruce Zipf	54	President and Chief Executive Officer, NRT LLC
Donald J. Casey	49	President and Chief Executive Officer, Title Resource Group
Dea Benson	55	Senior Vice President, Chief Accounting Officer and Controller
Marc E. Becker	38	Director
V. Ann Hailey	59	Director
Scott M. Kleinman	37	Director
M. Ali Rashid	34	Director

Henry R. Silverman has served as our Non-Executive Chairman of the Board since November 2007 and from February 2009 to February 2011, he served as Chief Operating Officer of Apollo Global Management, LLC. Mr. Silverman serves as a director and Vice Chairman of the Board, and a member of the Executive Committee of the manager, of Apollo Global Management, LLC. From November 2007 until February 2009, Mr. Silverman served as a consultant to Apollo. He served as our Chairman of the Board, Chief Executive Officer and a director since our separation from Cendant in July 2006 until November 13, 2007. Mr. Silverman was Chief Executive Officer and a director of Cendant from December 1997 until the completion of Cendant s separation plan in August 2006, as well as Chairman of the Board of Directors and the Executive Committee from July 1998 until August 2006. Mr. Silverman was President of Cendant from December 1997 until October 2004. Mr. Silverman was Chairman of the Board, Chairman of the Executive Committee and Chief Executive Officer of HFS Incorporated from May 1990 until December 1997. Mr. Silverman also serves as a director and Chairman of the Board of Apollo Commercial Real Estate Finance, Inc. and serves as a director of the general partner of AP Alternative Assets, L. P. Mr. Silverman serves on the Board of Commissioners of the Port Authority of New York and New Jersey and as a trustee of NYU Langone Medical Center.

Richard A. Smith has served as our President and Chief Executive Officer since November 13, 2007, and has served as a director since our separation from Cendant in July 2006 and as a member of our Executive Committee since its formation in August 2009. Prior to November 13, 2007, he served as our Vice Chairman of the Board and President. Mr. Smith was Senior Executive Vice President of Cendant from September 1998 until our separation from Cendant in July 2006 and Chairman and Chief Executive Officer of Cendant s Real Estate Services Division from December 1997 until our separation from Cendant in July 2006. Mr. Smith was President of the Real Estate Division of HFS from October 1996 to December 1997 and Executive Vice President of Operations for HFS from February 1992 to October 1996.

Anthony E. Hull has served as our Executive Vice President, Chief Financial Officer and Treasurer since our separation from Cendant in July 2006. From December 14, 2007 to February 3, 2008, Mr. Hull performed the functions of our Chief Accounting Officer. Mr. Hull was Executive Vice President, Finance of Cendant from October 2003 until our separation from Cendant in July 2006. From January 1996 to September 2003, Mr. Hull served as Chief Financial Officer for DreamWorks, a diversified entertainment company. From 1990 to 1994, Mr. Hull worked in various capacities for Paramount Communications, a diversified entertainment and publishing company. From 1984 to 1990, Mr. Hull worked in investment banking at Morgan Stanley.

Marilyn J. Wasser has served as our Executive Vice President, General Counsel and Corporate Secretary since May 10, 2007. From May 2005 until May 2007, Ms. Wasser was Executive Vice President, General Counsel and Corporate Secretary for Telcordia Technologies, a provider of telecommunications software and services. In this capacity, she was responsible for corporate-wide legal and compliance matters and served as a member of the corporate leadership team. From 1983 until 2005, Ms. Wasser served in several positions of increasing responsibility with AT&T Corporation and AT&T Wireless Services. Most recently, from September 2002 to February 2005, Ms. Wasser served as Executive Vice President, Associate General Counsel and Corporate Secretary for AT&T Wireless Services. There, she had responsibility for all legal matters pertaining to corporate, securities, finance, mergers and acquisitions and strategy matters. From 1995 until 2002, Ms. Wasser served as Secretary to the AT&T Board of Directors and Chief Compliance Officer.

David J. Weaving has served as our Executive Vice President and Chief Administrative Officer since our separation from Cendant in July 2006. Mr. Weaving was Senior Vice President and Chief Financial Officer of Cendant s Real Estate Division from September 2001 until our separation from Cendant in July 2006. From May 2001 through September 2001, he served as Vice President and Divisional Controller for Cendant s Real Estate Division. Mr. Weaving joined Cendant in 1999 as a Vice President of Finance. From 1995 to 1999, Mr. Weaving worked in increasing roles of responsibility for Cambrex Corporation, a diversified chemical manufacturer.

Kevin J. Kelleher has served as the President and Chief Executive Officer of Cartus (formerly known as Cendant Mobility Services Corporation) since 1997. From 1993 to 1997, he served as Senior Vice President and General Manager of Cendant Mobility s destination services unit. Mr. Kelleher has also held senior leadership positions in sales, client relations, network management and strategic planning.

Alexander E. Perriello, III has served as the President and Chief Executive Officer of Realogy Franchise Group (formerly known as Cendant Real Estate Franchise Group) since April 2004. From 1997 through 2004, he served as President and Chief Executive Officer of Coldwell Banker Real Estate Corporation.

Bruce Zipf has served as President and Chief Executive Officer of NRT LLC since March 2005 and as President and Chief Operating Officer from February 2004 to March 2005. From January 2003 to February 2004, Mr. Zipf served as Executive Vice President and Chief Administrative Officer of NRT and from 1998 through December 2002 he served as NRT s Senior Vice President for most of NRT s Eastern Operations. From 1996 to 1998, Mr. Zipf served as President and Chief Operating Officer for Coldwell Banker Residential Brokerage New York. Prior to entering the real estate industry, Mr. Zipf was a senior audit manager for Ernst and Young.

Donald J. Casey has served as the President and Chief Executive Officer of TRG (formerly known as Cendant Settlement Services Group) since April 2002. From 1995 until April 2002, he served as Senior Vice President, Brands of PHH Mortgage. From 1993 to 1995, Mr. Casey served as Vice President, Government Operations of Cendant Mortgage. From 1989 to 1993, Mr. Casey served as a secondary marketing analyst for PHH Mortgage Services (prior to its acquisition by Cendant).

Dea Benson has served as our Senior Vice President, Chief Accounting Officer and Controller since February 2008. Prior to being named Chief Accounting Officer of the Company, Ms. Benson served from September 2007 to January 2008 as Chief Accounting Officer of Genius Products, Inc., the managing member and minority owner of Genius Products, LLC, an independent home entertainment distributor. For more than 11 years prior thereto, Ms. Benson held various financial and accounting positions with DreamWorks SKG/Paramount Pictures, most recently from November 2002 to January 2006 as Controller of DreamWorks SKG and from February 2006 to December 2006 as divisional CFO of the Worldwide Home Entertainment division of Paramount Pictures, subsequent to Paramount s acquisition of DreamWorks SKG. Prior to joining Realogy,

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Ms. Benson gained broad-based experience in financial and accounting management, including financial and strategic planning, internal and external financial reporting, budgeting, oversight of internal controls and treasury operations, and transactional experience, including initial public offerings, acquisitions and divestitures. Ms. Benson is a certified public accountant.

Marc E. Becker has served as a director since April 2007, as a member of our Audit Committee since February 2008, and as Chair of our Compensation Committee and Executive Committee since February 2008 and August 2009, respectively. Mr. Becker is a partner of Apollo. He has been employed by Apollo since 1996. Prior to that time, Mr. Becker was employed by Smith Barney Inc. within its Investment Banking division. Mr. Becker also serves on the boards of directors of Affinion Group, Inc., Quality Distribution, Inc., Vantium Capital, SOURCECORP, Evertec Inc. and WMC Residco. During the past five years, Mr. Becker has also served as a director of Countrywide plc (from May 2007 to February 2009), National Financial Partners (from January 1999 to May 2007) and Metals USA, Inc. (from November 2005 to December 2007) and Metals USA Holdings Corp. (from May 2005 to December 2007).

V. Ann Hailey has served as a director and Chair of our Audit Committee since February 2008. From January 2009 to January 2010, Ms. Hailey served as Chief Financial Officer of Gilt Groupe, Inc., an internet retailer of discounted luxury goods. Ms. Hailey had served as Executive Vice President of Limited Brands, Inc. from August 1997 to September 2007, first having served as EVP, Chief Financial Officer from August 1997 until April 2006 and then serving as EVP, Corporate Development until September 2007. She also served as a member of the Limited Brands, Inc. Board of Directors from 2001 to 2006. From 2004 to 2008, she served as Director of the Federal Reserve Bank of Cleveland and was Chair of its Audit Committee from 2006 through 2008. Ms. Hailey is currently a Director of W.W. Grainger, Inc. and serves as a member of its Audit Committee and Board Affairs and Nominating Committee. Ms. Hailey also serves as a Director of Avon, Inc. and as a member of its Audit Committee.

Scott M. Kleinman has served as a director since April 2007. Mr. Kleinman is a partner of Apollo. He has been employed by Apollo since 1996. Prior to that time, Mr. Kleinman was employed by Smith Barney Inc. in its Investment Banking division. Mr. Kleinman also serves on the boards of directors of Momentive Performance Materials Inc., Verso Paper Holdings LLC, Verso Paper Corp., Noranda Aluminum Holdings Corporation and LyondellBasell Industries, N.V. Mr. Kleinman served as a director of Hexion Specialty Chemicals, Inc. (now known as Momentive Specialty Chemicals, Inc.) from August 2004 to October 2010.

M. Ali Rashid has served as a director since April 2007 and as a member of our Audit Committee, Compensation Committee and Executive Committee since February 2008, February 2008 and August 2009, respectively. Mr. Rashid is a partner of Apollo. He has been employed by Apollo since 2000. From 1998 to 2000, Mr. Rashid was employed by the Goldman Sachs Group, Inc. in the Financial Institutions Group of its Investment Banking Division. He is also a director of Metals USA, Inc., Metals USA Holdings Corp., Noranda Aluminum Holding Corporation and Quality Distribution, Inc. During the past five years, Mr. Rashid has also served as a director of Countrywide plc (from May 2007 to February 2009).

Under the terms of his employment agreement executed on April 10, 2007, the date of the Merger, Mr. Smith serves as a member of the Board of Directors of Realogy during his five-year employment term.

The composition of the Board of Directors and the identity of the executive officers of Holdings and Intermediate are identical to those of Realogy. See Certain Relationships and Related Party Transactions for a summary of the following:

- the Apollo Securityholders Agreement and the Management Investor Rights Agreement, under which Apollo has the right, among other things, to designate members to the Holdings Board; and

- the Securityholders Agreement with Paulson, under which Paulson has the right, among other things, to either nominate a member of, or designate a non-voting observer to attend all meetings of, the Holdings Board.

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Each current director brings a strong and unique background and set of skills to the Board of Directors, giving the Board as a whole competence and experience in a wide variety of areas, including corporate governance and board service, executive management, real estate industry experience, accounting and finance, and risk assessment. Set forth below is a brief description of certain experience, qualifications, attributes or skills of each director that led the Board to conclude that such person should serve as a director of Realogy:

Mr. Silverman served as our Chief Executive Officer from our separation from Cendant in July 2006 to November 2007, when he retired from that role in accordance with a CEO succession plan established upon Realogy s separation from Cendant. As part of the succession plan, he became our Non-Executive Chairman of the Board. He has significant experience in our business, having been its Chief Executive Officer, and also having been the Chairman and Chief Executive Officer of Cendant during the period in which our business was conducted as the Real Estate Services Division of Cendant. Mr. Silverman is also the Vice Chairman of Apollo Global Management, LLC, the parent company of our private equity sponsor, Apollo, which beneficially owns 98.7% of the outstanding Common Stock.

Mr. Smith has served as our Chief Executive Officer and President since November 2007 and prior thereto as our President and for nearly a decade prior to our separation from Cendant served as the Chairman and Chief Executive Officer of the Cendant Real Estate Division. His current responsibilities as Chief Executive Officer and his leadership as President prior thereto and as the head of our business while it was a part of Cendant make him well qualified to serve on the Board.

Messrs. Becker and Rashid are affiliated with Apollo, have significant experience making and managing private equity investments on behalf of Apollo and led the Apollo diligence team for the Realogy acquisition. They have been intimately involved in the management of the Company since the acquisition date.

Mr. Kleinman is also affiliated with Apollo. He has significant experience making and managing private equity investments on behalf of Apollo and his experience with Realogy dates back to 1997-2002 when Apollo and Cendant were partners in the ownership and operation of the NRT (our company-owned brokerage) business prior to Cendant acquiring full ownership of that business.

Ms. Hailey has served as Chief Financial Officer of both a multi-billion dollar public company and a privately held company. In addition to varied career experiences in finance in multiple complex consumer packaged goods companies (PepsiCo from 1977 to 1989, Pillsbury from 1994 to 1997, and Nabisco from 1992 to 1994), Ms. Hailey has held positions in marketing, human resources, and business development including service as executive vice president, corporate development at Limited Brands, Inc., a multi-billion dollar consumer products company. Ms. Hailey possesses broad expertise in strategic planning and branding and marketing as well as recent experience in e-commerce. She also serves on the board of directors and audit committee of two public companies.

Committees of the Board

Realogy has an Executive Committee and an Audit Committee, and Holdings has a Compensation Committee that has authority with respect to compensation matters of the Company.

Executive Committee. In August 2009, Realogy established an Executive Committee of the Board, consisting of Mr. Becker (Chair) and Messrs. Smith and Rashid. The Executive Committee generally may exercise all of the powers of the Board when the Board is not in session other than (1) the submission to stockholders of any action requiring approval of the stockholders, (2) the creation or filling of vacancies on the Board, (3) the adoption, amendment or repeal of the by-laws, (4) the amendment or repeal of any resolution of the Board that by its terms limits amendment or repeal exclusively to the Board, (5) action on matters committed by the by-laws or resolution of the Board exclusively to another committee of the Board, (6) any action where the certificate of incorporation, by-laws, applicable law or contract requires participation by the full Board, (7) the issuance of debt or equity securities in excess of $100 million, and (8) the repurchase by Realogy of any of its outstanding debt or equity securities.

Compensation Committee. In February 2008, the Holdings Board of Directors (the Holdings Board) established a Compensation Committee whose members consist of Mr. Becker (Chair) and Mr. Rashid. The purpose of the Compensation Committee is to:

- oversee management compensation policies and practices of Holdings and its subsidiaries, including Realogy, including, without limitation, (i) determining and approving the compensation of the Chief Executive Officer and the other executive officers of Holdings and its subsidiaries, including Realogy, (ii) reviewing and approving management incentive policies and programs and exercising any applicable rule-making authority or discretion in the administration of such programs, and (iii) reviewing and approving equity compensation programs for employees, and exercising any applicable rule-making authority or discretion in the administration of such programs;

- set and review the compensation of and reimbursement policies for members of the Boards of Directors of Holdings, Intermediate and Realogy;

- provide oversight concerning selection of officers, management succession planning, expense accounts and severance plans and policies of Holdings, Intermediate and Realogy; and

- prepare an annual compensation committee report, provide regular reports to the Holdings and Realogy Boards, and take such other actions as are necessary and consistent with the governing law and the organizational documents of Holdings.

Audit Committee. In February 2008, the Realogy Board of Directors established an Audit Committee, whose members consist of V. Ann Hailey (Chair) and Messrs. Becker and Rashid. Realogy is not required to comply with the independence criteria set forth in Rule 10A-3(b)(1) under the Exchange Act as it is not a listed company with a class of securities registered under Section 12 of the Exchange Act. Nevertheless, Ms. Hailey, our Audit Committee Chair, satisfies the requirements of independence under that Rule and would also be deemed independent under Section 303A.01 and 303A.06 of the New York Stock Exchange Listing Manual. In addition, the Realogy Board has determined that Ms. Hailey is an audit committee financial expert as that term is defined under the Rules of the SEC.

The purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee management regarding:

- Realogy s systems of internal control over financial reporting and disclosure controls and procedures;

- the integrity of Realogy s financial statements;

- the qualifications, engagement, compensation, independence and performance of Realogy s independent auditors, their conduct of the annual audit of the Company s financial statements and their engagement to provide any other services;

- Realogy s compliance with legal and regulatory requirements;

- review of material related party transactions; and compliance with, adequacy of, and any requests for written waivers sought with respect to any executive officer or director under, Realogy s code(s) of conduct and ethics.

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Code of Ethics

The Board of Realogy has adopted a code of ethics (the Code of Conduct) that applies to all officers and employees, including the Company s principal executive officer, principal financial officer and principal accounting officer. The Code of Conduct is available in the Ethics For Employees section of the Company s website at *www.realogy.com*. The purpose of the Code of Conduct is to promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; to promote full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Company; and to promote compliance with all applicable rules and regulations that apply to the Company and its officers.

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COMPENSATION DISCUSSION AND ANALYSIS

Compensation Discussion and Analysis

Company Background. Realogy became an independent, publicly traded company on the New York Stock Exchange on August 1, 2006 following its separation from Cendant pursuant to its plan of separation. In December 2006, Realogy entered into a merger agreement with affiliates of Apollo and the Merger was consummated on April 10, 2007. Shortly prior to the consummation of the Merger, Apollo, principally through the Holdings Board, whose members then consisted of Apollo s representatives, Messrs. Marc Becker and M. Ali Rashid, negotiated employment agreements and other arrangements with our named executive officers. (Mr. Silverman, our Chief Executive Officer at the effective time of the Merger, did not enter into an employment agreement.)

The named executive officers who entered into these employment agreements were Richard A. Smith, our President, and, effective November 13, 2007, our Chief Executive Officer; Anthony E. Hull, our Executive Vice President, Chief Financial Officer and Treasurer; Kevin J. Kelleher, President and Chief Executive Officer of Cartus; Alexander E. Perriello, III, President and Chief Executive Officer of Realogy Franchise Group; and Bruce Zipf, President and Chief Executive Officer of NRT LLC. The Realogy Board has determined that these officers are named executive officers based upon their duties and responsibilities insofar as they are our Chief Executive Officer, our Chief Financial Officer, and our three most highly compensated executive officers other than our Chief Executive Officer and Chief Financial Officer. This Compensation Discussion and Analysis describes, among other things, the compensation objectives and the elements of our executive compensation program as embodied by the employment agreements, which remain the core of our executive compensation program.

In February 2008, the Holdings Board established the Compensation Committee. The Compensation Committee has the power and authority to oversee the compensation policies and programs of Holdings and Realogy and makes all compensation related decisions relating to our named executive officers based upon recommendations from our Chief Executive Officer.

During 2010 and early 2011, the basic elements of compensation for our Chief Executive Officer and our other named executive officers were modified in an effort to add incentives to these key executives to retain their services, through an employee option exchange offer consummated in November 2010, the adoption of a 2011-2012 multi-year retention program which provides for enhanced retention payments from prior retention programs, and the adoption of a phantom value plan in January 2011.

Compensation Philosophy and Objectives. Our primary objective with respect to executive compensation is to design and implement compensation policies and programs that efficiently and effectively provide incentives to, and motivate, officers and key employees to increase their efforts towards creating and maximizing stockholder value. In connection with the Merger, the Holdings Board developed an executive compensation program designed to reward the achievement of specific annual and long-term Company goals, and which aligns the executives interests with those of our stockholders by rewarding performance above established goals, with the ultimate objective of improving stockholder value. The Compensation Committee evaluates both performance and compensation to ensure that we maintain our ability to attract and retain superior employees in key positions and that compensation to key employees remains competitive relative to the compensation paid by similar sized companies. We do not rely on peer compensation information in the residential real estate services industry as most of these companies are privately held and therefore it is difficult for us to obtain this information. We do, however, rely on executive compensation survey data on market comparables. The market comparables have been based principally on service oriented companies of similar revenue and employee size. The Compensation Committee believes executive compensation packages provided by us to our executives, including our named executive officers, should include both cash and stock-based compensation that reward performance as measured against established goals. There is no formulaic approach using the executive compensation survey data on market comparables in determining the amount of total compensation to each named executive officer. Each element of compensation is determined on a subjective basis using various factors at the Compensation Committee s sole discretion. The Compensation Committee has not engaged any compensation consultants to participate in the determination or recommendation of the amount or form of these executive compensation packages.

In negotiating the initial employment agreements and arrangements with our named executive officers, Apollo (acting through the Holdings Board) placed significant emphasis on aligning management s interests with those of Apollo. Our named executive officers made significant equity investments in Common Stock upon consummation of the Merger and received equity awards that included performance vesting options that would vest upon Apollo and its co-investors receiving reasonable rates of return on its invested capital in Holdings. Other elements of compensation, such as base salary, cash-based incentive compensation, perquisites and benefits remained substantially unchanged post-Merger from the arrangements that had been put in place prior to consummation of the Merger with the exception of greater emphasis on retention plans as a means to retain our key executives.

Role of Executive Officers in Compensation Decisions. Mr. Richard Smith, our President and Chief Executive Officer, periodically reviews the performance of each of our named executive officers (other than his own performance), and Mr. Smith s performance is periodically reviewed by the Compensation Committee. The conclusions reached and recommendations based upon these reviews, including with respect to salary adjustment and annual incentive award target and actual payout amounts, are presented to the Compensation Committee, which has the discretion to modify any recommended adjustments or awards to our executives. The Compensation Committee has final approval over all compensation decisions for our named executive officers, including approval of recommendations regarding cash and equity awards to all of our officers. The Chief Administrative Officer participates in the data analysis process.

Setting Executive Compensation. Based on the foregoing objectives, the Holdings Board structured our annual and long-term incentive cash and stock-based executive compensation programs to motivate our executives to achieve the business goals set by us and to reward our executives for achieving these goals.

During 2010 and early 2011, the Compensation Committee structured the executive compensation payable to our named executive officers in a manner to provide them with increased incentives:

In November 2010, the Compensation Committee approved the 2011-2012 Multi-Year Executive Retention Plan described below.

Recognizing that the value of the Common Stock was significantly below the $10.00 exercise price of the options and the $10.00 purchase price for shares purchased by management upon consummation of the Merger, the Holdings Board approved an employee option exchange offer, as described more fully below, consummated in November 2010, and approved a Phantom Value Plan, as described more fully below, for the Chief Executive Officer, the other named executive officers and the Chief Executive Officer s three other direct reports.

Executive Compensation Elements. The principal components of compensation for our named executive officers are: base salary; bonus; phantom value plans; management stock option awards; management equity investments; management restricted stock awards; retention programs; and other benefits and perquisites.

Base Salary. We provide our named executive officers and other employees with base salary to compensate them for services rendered during the fiscal year. Base salary ranges for our named executive officers are determined for each executive based on his or her position, scope of responsibility and contribution to our earnings. The initial base salary for our named executive officers was established in their employment agreements entered into upon consummation of the Merger and generally equaled the base salary that the named executive officers had been paid at the time of Realogy s separation from Cendant in 2006.

Salary levels are generally reviewed annually as part of our performance review process as well as upon a promotion or other material change in job responsibility. Merit based increases to salaries of the executives, including our named executive officers, are based on the Compensation Committee s assessment of individual performance taking into account recommendations from Mr. Smith. In reviewing base salaries for executives, the Compensation Committee considers primarily an internal review of the executive s compensation, individually and relative to other officers, and the individual performance of the executive, but does not assign a weight to each criterion when setting base salaries. The Compensation Committee also considers outside survey data and analysis on market comparables. The Compensation Committee considers the extent to which the proposed overall operating budget for the upcoming year (which is approved by the Board) contemplates salary increases. Any base salary adjustment is generally made by the Compensation Committee subjectively based upon the foregoing.

Given the continued challenging real estate market, the Compensation Committee elected to keep the salaries of the named executive officers constant in 2010 maintaining the levels last adjusted in 2007.

Bonus. Our named executive officers generally participate in an annual incentive compensation program (Bonus Program) with performance objectives established by the Compensation Committee and communicated to our named executive officers generally within 90 days following the beginning of the calendar year. Under their respective employment agreements, the target annual bonus payable to our named executive officers is 100% of annual base salary, or, in Mr. Smith s case, given his overall greater responsibilities for the performance of the Company, 200% of annual base salary.

On February 10, 2010, the Compensation Committee approved the bonus structure for 2010 under the Realogy 2010 Executive Annual Bonus Plan (the 2010 Bonus Plan) applicable to Mr. Smith and his direct reports, including all other named executive officers. The performance criteria under the 2010 Bonus Plan was based on consolidated and business unit EBITDA or earnings before interest, taxes, depreciation and amortization (as that term is defined in the 2010 Bonus Plan). The bonus opportunity for Mr. Smith and Mr. Hull was based upon consolidated EBITDA results. The bonus opportunity for our other named executive officers (Messrs. Kelleher, Perriello and Zipf) was based upon our consolidated EBITDA results (weighted 50%) and EBITDA results of their respective business units (weighted 50%). Pre-established EBITDA performance levels have been set that, if achieved, would have produced bonus payouts under the 2010 Bonus Plan at 75%, 100%, 125% or 150% of the target annual bonus amounts, respectively. Where performance levels fall between minimum and target or between target and maximum levels, bonuses would have been be determined by linear interpolation. Our consolidated EBITDA threshold has to be achieved before any named executive officer may qualify for a bonus. In November 2010, in determining that an enhanced retention program would provide the Company with greater retention value, the Compensation Committee adopted the 2011-2012 Multi-Year Retention Plan and terminated the 2010 Bonus Plan. The Company does not expect to adopt a 2011 Bonus Plan covering the named executive officers or other key personnel principally within its Corporate Services unit or the corporate offices of Realogy s four business units.

Mr. Smith is entitled to an additional annual bonus, the after-tax proceeds of which are required to be used to purchase the annual premium on an existing life insurance policy. This benefit is provided to Mr. Smith as the replacement of a benefit previously provided to him by Cendant. Mr. Smith waived his contractual right to receive this bonus with respect to the bonuses payable in January 2009 and 2010 in order to reduce Company expense, but did receive this bonus in January 2011 in the amount of $97,000.

Retention Plans. In November 2009, several months after the Company disclosed that it had terminated discussions with certain bondholders with respect to a debt for equity transaction that would have resulted in a recapitalization of the Company, and in light of the continued deterioration of the residential housing market for most of 2009, the Compensation Committee approved the 2009 Multi-Year Executive Retention Plan. The Compensation Committee amended and restated this plan in January 2010. The Amended and Restated 2009 Multi-Year Executive Retention Plan provided for a retention payment equal to 160% (increased from 150% as

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initially adopted in November 2009) of the named executive officer s target annual bonus, payable in two equal installments on or about July 1, 2010 and September 1, 2011, subject to the executive s continued employment with Realogy. The 2011 payment is subject to dollar-for-dollar reduction if the named executive officer receives a bonus payment under the 2010 Bonus Plan (payable in 2011). At the recommendation of Mr. Smith, the Compensation Committee did not include Mr. Smith as a participant in the Retention Plan. In July 2010, the named executive officers (other than Mr. Smith) received the first of the two equal installments payable under the 2009 Multi-Year Executive Retention Plan.

In November 2010, the Compensation Committee approved the 2011-2012 Multi-Year Retention Plan. The 2011-2012 Multi-Year Retention Plan provides for a retention payment equal to 200% of each of the named executive officer s target annual bonus, payable in four equal installments in April and October of each of 2011 and 2012, subject to the executive s continued employment with Realogy. The Compensation Committee took such action to provide greater retention value to Realogy with respect to such key personnel, particularly given the continuing uncertainty regarding company performance over the near term, which is largely influenced by macro-economic factors beyond management s control, including continuing high unemployment, uncertainty about housing values, and the inability of the 2009 and 2010 federal homebuyer tax credits to fuel a sustained housing recovery. In connection with the adoption of the 2011-2012 Multi-Year Retention Plan, the Compensation Committee terminated the 2009 Multi-Year Executive Retention Plan, thereby eliminating payment of a second installment thereunder in 2011.

Management Equity Investments. Pursuant to individual subscription agreements dated April 20, 2007, the named executive officers and certain other members of management made equity investments in Holdings through the purchase of Common Stock. Our named executive officers purchased an aggregate of 1,550,000 shares at $10.00 per share for an aggregate investment of $15,500,000.

Management Stock Option and Restricted Stock Awards. The Holdings Board approved our equity incentive program, including its design and the value of awards granted to our officers and key employees. Equity awards were made to our named executive officers on April 10, 2007, upon consummation of the Merger. Our named executive officers were awarded options to purchase an aggregate of 5,812,500 shares of Common Stock at an exercise price of $10.00 per share and received restricted stock awards for an aggregate of 375,000 shares of Common Stock. One half of the restricted stock awards vested in October 2008 and the balance vested in April 2010.

The equity investments, stock option and restricted stock awards were structured to incentivize management to generate substantial equity value and to participate with our investors in the increase in our value.

During 2010, the Compensation Committee and the Holdings Board took note that the value of the Common Stock was significantly below the $10.00 exercise price of the options and the $10.00 purchase price for shares purchased by management upon consummation of the Merger.

In connection with that review, the Holdings Board approved an employee option exchange offer, which commenced on October 8, 2010, and concluded on November 8, 2010, to offer to our eligible employees the opportunity to exchange all of their respective outstanding options to purchase Common Stock for an equal number of new stock options with different terms to be issued following the completion of the exchange offer. Each of the outstanding original options had an exercise price per share of $10.00, substantially all of which were granted in 2007 in connection with Apollo s acquisition of Realogy. On November 9, 2010, 10,159,000 original options were tendered and exchanged for an equal number of new options. After giving effect to the exchange offer, as of March 1, 2011, 5,094,250 original options remain outstanding (including 5,050,000 original options held by non-employees who were not eligible to participate in the exchange offer).

The new options were issued under the Holdings Stock Incentive Plan (as amended and restated as of November 9, 2010) and have the same terms as the original options, except as follows: (i) the exercise price of the new options (other than those issued to Realogy s Chief Executive Officer, the other named executive officers and the Chief Executive Officer s three other direct reports, who are referred to herein as the Senior Executives) is $0.83 per share, representing the fair market value per share of Common Stock as determined by its Compensation Committee as of the date of grant of the new options; (ii) the exercise price of 70% of the new options issued to the Senior Executives is $0.83 per share, and the exercise price of the remaining 30% of the new options granted to the Senior Executives is $5.50 per share; (iii) each new option expires on the tenth (10th) anniversary of the new option grant date (unless it expires earlier in accordance with its terms); and (iv) each new option vests as to twenty-five percent (25%) of the total shares subject to the new option on each of the first (4) anniversaries of July 1, 2010.

Name	Number of New Options
Richard A. Smith, President and Chief Executive Officer	3,112,250
Anthony E. Hull, Executive Vice President, Chief Financial Officer and Treasurer	750,000
Kevin J. Kelleher, President and Chief Executive Officer of Cartus Corporation	600,000
Alexander E. Perriello, III, President and Chief Executive Officer, Realogy Franchise Group	750,000
Bruce Zipf, President and Chief Executive Officer, NRT	600,000

For more information on the Holdings Stock Incentive Plan, see Outstanding Equity Awards at 2010 Fiscal Year End. Neither the Holdings Board nor the Compensation Committee has adopted any formal policy regarding the timing of any future equity awards.

Phantom Value Plan. On January 5, 2011, the Board of Directors of Realogy approved the Realogy Corporation Phantom Value Plan (the Phantom Value Plan), which is intended to provide certain participants, including the Company s Senior Executive Officers, with an incentive to remain in the service of the Company, to increase their interest in the success of the Company and to award them compensation based upon the Company s success.

Under the Phantom Value Plan, each participant is granted an incentive award (an Incentive Award) in three series relating to the three series of notes held by Apollo at the date of grant of the Incentive Award (collectively, the Plan Notes). Each participant is eligible to receive a payment with respect to his or her Incentive Award at such time and from time to time that Apollo receives cash upon the discharge or third-party sale of not less than $267,638,044 of the aggregate principal amount of all series of Plan Notes (or on any non-cash consideration into which any series of Plan Notes may have been exchanged or converted). The payment with respect to a particular series of an Incentive Award would be an amount which bears the same ratio to the dollar amount of the Incentive Award relating to such series as (i) the aggregate amount of cash received by Apollo upon discharge in whole or in part of the principal amount of a particular series of Plan Notes or upon the sale of all or a portion of the principal amount of a particular series of Plan Notes (or upon the discharge, sale, exchange or transfer of any non-cash consideration into which any such series of Plan Notes may have been exchanged or converted) bears to (ii) the aggregate principal amount of such series of Plan Notes held by Apollo on the date of grant of such Incentive Award. In addition, participants may be eligible to receive additional amounts based upon cash received by Apollo pursuant to the terms of any non-cash consideration into which any such series of Plan Notes may have been exchanged or converted.

In the event that a payment is to be made with respect to an Incentive Award in conjunction with or subsequent to a qualified public offering of common stock of Realogy or its direct or indirect parent company, a participant may elect to receive stock in lieu of the cash payment in a number of unrestricted shares of common stock with a fair market value, as determined in good faith by the Compensation Committee, equal to the dollar amount then due on such Incentive Award, plus a number of restricted shares of such common stock with a fair market value, as determined in good faith by the Compensation Committee, equal to the amount then due multiplied by 0.15. The restricted shares of common stock will vest, based on continued employment, on the first anniversary of issuance. In addition, Incentive Awards will be subject to acceleration and payment upon a change of control as specified in the Phantom Value Plan.

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On each date Apollo receives cash interest on the Plan Notes, participants may be granted stock options under the Stock Incentive Plan with an aggregate value (determined on a Black-Scholes basis) equal to an amount which bears the same ratio to the aggregate dollar amount of the participant s Incentive Award as (i) the aggregate amount of cash interest received by Apollo on such date bears to (ii) the aggregate principal amount of the Plan Notes held by Apollo on the date of grant of the Incentive Award. The stock option grants to Realogy s CEO, however, would be limited to 50% of the foregoing stock option amount. Generally, each grant of stock options will have a three year vesting schedule, subject to the participant s continued employment, and vested stock options will become exercisable one year following a qualified public offering. The stock options will have a term of 7.5 years.

Incentive Awards are immediately cancelable and forfeitable in the event of the termination of a participant s employment for any reason. The Incentive Awards also terminate 10 years following the date of grant.

On January 5, 2011, the Board of Directors of Realogy made initial grants of Incentive Awards of approximately $21.8 million to the Senior Executive Officers. The following is a table of the Company s named executive officers and their respective award amounts:

Name	Series A Convertible Notes Incentive Award	Series B Convertible Notes Incentive Award	Series C Convertible Notes Incentive Award
Richard A. Smith	$ 3,292,410	$ 1,833,170	$ 3,994,670
Anthony E. Hull	$ 1,018,110	$ 566,870	$ 1,235,270
Kevin J. Kelleher	$ 653,659	$ 363,949	$ 793,082
Alexander E. Perriello, III	$ 837,610	$ 466,370	$ 1,016,270
Bruce Zipf	$ 808,820	$ 450,340	$ 981,340

The award amount granted to each of the named executive officers was determined by the sum of (1) the shares of Holdings purchased by the participant at $10 per share in April 2007 and (2) the value of the participant s initial restricted stock grant in April 2007, also ascribing $10 per share to each such share of restricted stock, net of shares forfeited to pay minimum withholding taxes due upon vesting. In adopting the Phantom Value Plan and making the initial grants thereunder to the CEO and his direct reports, including all other named executive officers, the Holdings Board intended to address in part the fact that the market value of the shares initially purchased by the participants and the shares granted in the form of a restricted stock grant in 2007 had lost significant value, and to provide these executives with the opportunity to receive compensation based upon the Company s success.

Other Benefits and Perquisite Programs. Immediately following Realogy s separation from Cendant, executive officers and a number of our key employees, including our named executive officers, participated in programs that provide certain perquisites, including items such as access to Company automobiles for personal use, financial and tax planning, executive medical benefits and physical exams, first-class air travel and in the case of Mr. Smith, access to our aircraft for personal use. These programs were developed by Cendant and were adopted by us upon Realogy s separation from Cendant.

Since Realogy s separation, we have substantially curtailed these programs in order to reduce operating costs. Specifically, we terminated financial planning perquisites, executive medical benefits and physical exams. Further, the Compensation Committee adopted a policy in December 2006 that limited use of the previous corporate-owned aircraft or our current fractional aircraft ownership (only Mr. Smith has access, subject to availability, for personal use and business use is limited to executive officers and subject to further limitations) and management adopted a policy that limits first-class air travel for our employees. During 2010 Mr. Smith reimbursed the Company for all variable costs associated with the personal use of the aircraft in which we have a fractional ownership interest.

Our executive officers, including our named executive officers, may participate in our 401(k) plan and our non-qualified deferred compensation plan. Prior to 2008, these plans provided for a Company matching contribution of 100% of amounts contributed by the officer, subject to a maximum of 6% of eligible compensation a level that had been established by Cendant and carried over when we separated from Cendant in 2006. In early 2008, in an effort to reduce costs, we temporarily suspended the Company match under our 401(k) plan. The suspension of the Company matching contributions remained in effect until July 2010, when the match was reinstated at an amount equal to 25% of amounts contributed by an officer, subject to a maximum of 6% of eligible compensation. In addition, effective January 1, 2009, the Company suspended participation in the Realogy Officer Deferred Compensation Plan given the plan s underfunded status. This suspension remains in effect. Mr. Kelleher is our only executive officer that participates in a defined benefit pension plan (future accruals of benefits were frozen on October 31, 1999, though he still accrued service after such date for the purpose of eligibility for early retirement), and this participation relates to his former service with PHH.

Severance Pay and Benefits upon Termination of Employment under Certain Circumstances. The employment agreements entered into with our named executive officers at the effective time of the Merger provide for severance pay and benefits under certain circumstances. The level of the severance pay and benefits is substantially consistent with the level of severance pay and benefits that those named executive officers were entitled to under the agreements they had with Realogy following its separation from Cendant but prior to the consummation of the Merger.

Under our employment agreements with our named executive officers, the severance pay is equal to a multiple of the sum of his or her annual base salary and target bonus, along with the continuation of welfare benefits. Severance pay is payable upon a termination without cause by the Company or a termination for good reason by the executive. The severance multiple for Mr. Smith, as our Chief Executive Officer, is 300%, for Mr. Hull, as our Chief Financial Officer, 200% and for the balance of the named executive officers, 100% (though in the case of such a termination of employment within 12 months following Sale of the Company (as defined in their employment agreements), their multiple is 200%. The higher multiples of base salary and target bonus payable to Messrs. Smith and Hull are based upon Mr. Smith s overall greater responsibilities for our performance and Mr. Hull s significant responsibilities as our Chief Financial Officer. Mr. Smith is our only officer who has tax reimbursement protection for golden parachute excise taxes, subject to a cutback of up to 10% a benefit he had under his employment agreement that he entered into at the time of our separation from Cendant.

The agreements also provide for severance pay of 100% of annual base salary and the continuation of welfare benefits to each named executive officer in the event his employment is terminated by reason of death or disability. For more information on the employment agreements, see Potential Payments upon Termination or Change in Control.

The Compensation Committee believes the severance pay and benefits payable to our named executive officers under the foregoing circumstances aid in the attraction and retention of these executives as a competitive practice and is balanced by the inclusion of restrictive covenants (such as non-compete provisions) to protect the value of Realogy and Holdings following a termination of an executive s employment without cause or by the employee for good reason. In addition, we believe the provision of these contractual benefits will keep the executives focused on the operation and management of the business. As set forth above, the enhanced severance pay and benefits payable to Messrs. Kelleher, Perriello and Zipf in the event of a termination of employment under certain circumstances within twelve months of a Sale of the Company are substantially consistent with the contractual rights they had prior to the Merger.

Forfeiture of Awards in the event of Financial Restatement. The Company has not adopted a policy with respect to the forfeiture of equity incentive awards or bonuses in the event of a restatement of financial results, though each of the employment agreements with the named executive officers includes, within the definition of termination for cause, an executive purposefully or negligently making (or being found to have made) a false certification to the Company pertaining to its financial statements.

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Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Realogy Board (and Holdings Board) that the Compensation Discussion and Analysis be included in this prospectus.

DOMUS HOLDINGS CORP. COMPENSATION COMMITTEE

Marc E. Becker, Chair

M. Ali Rashid

Summary Compensation Table

The following table sets forth the compensation we provided in 2008, 2009 and 2010 to our named executive officers:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Option and Stock Appreciation Rights Awards ($) (1)	Non-Equity Incentive Plan Compensation ($) (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (3)	All Other Compensation ($)	Total ($)
Richard A. Smith	2010	1,000,000		1,005,338			1,750	2,007,088
President and Chief	2009	1,000,000					1,858	1,001,858
Executive Officer	2008	1,000,000	97,000				51,699	1,148,699
Anthony E. Hull	2010	525,000		242,250	420,000			1,187,250
Executive Vice President,	2009	525,000			262,500		44,817	832,317
	2008	525,000					56,437	581,437
Chief Financial Officer								
And Treasurer								
Kevin J. Kelleher	2010	416,000		193,800	332,800	44,784		987,384
President and Chief	2009	416,000			208,000	47,763	39,938	711,701
	2008	416,000				24,309	20,422	460,731
Executive Officer of								
Cartus Corporation								
Alexander E. Perriello, III	2010	520,000		242,250	416,000			1,178,250
President and Chief	2009	520,000			260,000		40,367	820,367
Executive Officer,	2008	520,000					29,104	549,104
Realogy Franchise Group								
Bruce Zipf	2010	520,000		193,800	416,000			1,129,800
President and Chief	2009	520,000			260,000		39,443	819,443
	2008	520,000					20,722	540,722

Executive Officer, NRT

(1) Each named executive officer received a grant of Holdings non-qualified stock options in connection with an employee option exchange offer consummated in November 2010. In the employee option exchange offer, eligible employees could exchange their existing options with an exercise price of $10.00 per share, almost all of which had been granted upon consummation of the Merger in April 2007, for an equal number of new options (i.e., on a one-for-one basis) with the new options being exercisable for the same number of shares of Common Stock as the options for which they were exchanged. The terms of the New Options are set forth below under Grants of Plan-Based Awards Table for Fiscal Year 2010. Upon issuance of the 2010 options, the original options were cancelled. The amounts set forth in this column reflect the incremental fair value of the options granted in 2010 in accordance with FASB guidance on stock-based compensation. The assumptions we used in determining the value of these options on the date of grant are described in Note 12, Stock-Based Compensation to our consolidated financial statements included elsewhere in this prospectus.

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(2) Amounts for 2010 represent aggregate amount paid to the named executive officer under the 2009 Realogy Multi-Year Executive Retention Plan.

(3) None of our named executive officers (other than Mr. Kelleher) is a participant in any defined benefit pension arrangement. The amounts in this column with respect to 2010 reflect the aggregate change in the actuarial present value of the accumulated benefit under the Realogy Pension Plan from December 31, 2009 to December 31, 2010. See Realogy Pension Benefits for additional information regarding the benefits accrued for Mr. Kelleher and Note 9, Employee Benefit Plans Defined Benefit Pension Plan to our Consolidated Financial Statements included elsewhere in this prospectus for more information regarding the calculation of our pension costs.

Grants of Plan-Based Awards Table for Fiscal Year 2010

Each of the named executive officers participated in the following non-equity incentive and stock-based compensation plans in 2010. Each of the named executive officers:

participated in the 2010 Executive Annual Bonus Plan until such plan was terminated by the Compensation Committee in November 2010;

received stock options in 2010 under the Amended and Restated 2007 Stock Incentive Plan in connection with the employee stock option exchange offering consummated in November 2010; and

is a participant in the Realogy 2011-2012 Multi-Year Cash Retention Plan adopted in November 2010.

Grants of Plan-Based Awards in Fiscal Year 2010

		Estimated future payouts under non-equity incentive plan awards					
Name	**Grant Date**	**Threshold ($) (1)**	**Target ($) (1)(2)**	**Maximum ($) (1)**	**All other option awards: number of securities underlying options (#) (3)**	**Exercise or base price of options awards ($/Sh) (4)**	**Grant date fair value of stock and option awards ($) (5)**
Richard A. Smith	2/10/10	1,500,000	2,000,000	3,000,000			
	11/4/10		4,000,000				
	11/9/10				933,750	5.50	65,363
	11/9/10				2,178,750	0.83	939,975
Anthony E. Hull	2/10/10	393,750	525,000	787,500			
	11/4/10		1,050,000				
	11/9/10				225,000	5.50	15,750
	11/9/10				525,000	0.83	226,500
Kevin J. Kelleher	2/10/10	312,000	416,000	624,000			
	11/4/10		832,000				
	11/9/10				180,000	5.50	12,600
	11/9/10				420,000	0.83	181,200
Alexander E. Perriello, III	2/10/10	390,000	520,000	780,000			
	11/4/10		1,040,000				
	11/9/10				225,000	5.50	15,750
	11/9/10				525,000	0.83	226,500
Bruce Zipf	2/10/10	390,000	520,000	780,000			
	11/4/10		1,040,000				
	11/9/10				180,000	5.50	12,600
	11/9/10				420,000	0.83	181,200

(1) The awards made on February 10, 2010 set forth in this column represent the grant made under the 2010 Executive Annual Bonus Plan (the 2010 Bonus Plan). The 2010 Bonus Plan was subsequently terminated

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in November 2010. The performance criteria under the 2010 Bonus Plan were consolidated and business unit EBITDA or earnings before interest, taxes, depreciation and amortization (as that term is defined in the 2010 Bonus Plan). The bonus opportunity for Mr. Smith and Mr. Hull was based upon consolidated EBITDA results. The bonus opportunity for our other named executive officers (Messrs. Kelleher, Perriello and Zipf) was based upon our consolidated EBITDA results (weighted 50%) and EBITDA results of their respective business units (weighted 50%). Pre-established EBITDA performance levels have been set that, if achieved, would have produced bonus payouts under the 2010 Bonus Plan at 75%, 100%, 125% or 150% of the target annual bonus amounts, respectively. Where performance levels fall between minimum and target or between target and maximum levels, bonuses would have been be determined by linear interpolation. Our consolidated EBITDA threshold has to be achieved before any named executive officer may qualify for a bonus.

(2) The awards made on November 4, 2010 set forth in this column represents the aggregate retention payments payable to each of the named executive officers under the Realogy 2011-2012 Multi-Year Retention Plan (the 2011-2012 Retention Plan). The 2011-2012 Retention Plan provides for retention payments in four equal semi-annual installments during 2011 and 2012 in April and October of each such year, based upon an employee s continued employment in good standing. In connection with the adoption of the 2011-2012 Retention Plan, the Compensation Committee terminated the existing 2010 annual bonus plans covering corporate personnel, including the 2010 Annual Bonus Plan. The Compensation Committee also terminated the Amended and Restated 2009 Multi-Year Executive Retention Plan, which covered all of the named executive officers other than the Chief Executive Officer.

(3) This column lists the New Options granted in 2010 under Amended and Restated 2007 Stock Incentive Plan in exchange for Original Options that had been granted in April 2007 upon consummation of the Merger. The New Options have the same terms as the Original Options, except as follows: (i) the exercise price of 70% of the New Options is $0.83 per share, and the exercise price of the remaining 30% of the New Options is $5.50 per share; (ii) each New Option expires on the tenth (10th) anniversary of the New Option grant date (unless it expires earlier in accordance with its terms); and (iii) each New Option vests as to twenty-five percent (25%) of the total shares subject to the New Option on each of the first (4) anniversaries of July 1, 2010 and is not subject to any performance vesting.

(4) The options with an exercise price of $5.50 per share are New Options granted with an exercise price at a premium as determined by the Compensation Committee.

(5) This column represents the incremental fair value, computed as of November 9, 2010, the date on which the option exchange offer was consummated, in accordance with FASB guidance on stock-based compensation.

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Outstanding Equity Awards at 2010 Fiscal Year End

The following two tables set forth outstanding stock option awards as of December 31, 2010 held by our named executive officers. There were no other Holdings equity awards outstanding at December 31, 2010.

Outstanding Option Awards at December 31, 2010

Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: number of securities underlying unexercised unearned options (#)	Option exercise price ($) (1)	Option expiration date
Richard A. Smith		933,750		5.50	11/9/20
		2,178,750		0.83	11/9/20
Anthony E. Hull		225,000		5.50	11/9/20
		525,000		0.83	11/9/20
Kevin J. Kelleher		180,000		5.50	11/9/20
		420,000		0.83	11/9/20
Alexander E. Perriello III		225,000		5.50	11/9/20
		525,000		0.83	11/9/20
Bruce Zipf		180,000		5.50	11/9/20
		420,000		0.83	11/9/20

(1) All options vest as to twenty-five percent (25%) of the total shares subject to the option on each of the first (4) anniversaries of July 1, 2010.

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The following table sets forth outstanding equity awards (consisting solely of stock options of Avis Budget Group and Wyndham Worldwide) as of December 31, 2010 held by our named executive officers that were issued (or in the case of Avis Budget Group equity awards, adjusted) as part of the equitable adjustment of outstanding Cendant equity awards at the date of our separation from Cendant made pursuant to the terms of the Separation Agreement. Except for tax withholding and related liabilities, the awards relating to Wyndham Worldwide common stock are liabilities of Wyndham Worldwide, and the awards relating to Avis Budget Group common stock are liabilities of Avis Budget Group. All of these stock options are fully exercisable. Avis Budget Group awards also reflect an adjustment in connection with a one-for-ten reverse stock split.

Name	Issuer	Number of Securities Underlying Unexercised Options Exercisable (#)	Exercise Price ($)	Option Expiration Date
Richard A. Smith				
	Avis Budget	26,063	27.40	January 22, 2012
	Wyndham Worldwide	52,124	40.03	January 22, 2012
Anthony E. Hull				
	Avis Budget	988	28.34	October 15, 2013
	Wyndham Worldwide	1,976	41.40	October 15, 2013
Kevin J. Kelleher				
	Avis Budget	12,009	27.40	January 22, 2012
	Wyndham Worldwide	24,018	40.03	January 22, 2012
Alexander E. Perriello, III				
	Avis Budget	6,005	27.40	January 22, 2012
	Wyndham Worldwide	12,009	40.03	January 22, 2012
Bruce Zipf				
	Avis Budget (1)	4,014	26.87	January 2, 2011
	Avis Budget	5,212	26.87	April 17, 2012
	Wyndham Worldwide (1)	8,027	39.25	January 2, 2011
	Wyndham Worldwide	10,424	39.25	April 17, 2012

(1) The Avis Budget Group and Wyndham Worldwide options with an expiration date of January 2, 2011 expired without having been exercised.

Option Exercises and Stock Vested for Fiscal Year 2010

None of our named executive officers exercised any options for Common Stock during 2010. The following table sets forth information with respect to shares of restricted stock for Common Stock held by our named executive officers that vested during 2010.

	Stock awards	
Name	Number of shares acquired on vesting (#) (1)	Value realized on vesting ($) (1)
Richard A. Smith	50,000	$ 40,500
Anthony E. Hull	50,000	$ 40,500
Kevin J. Kelleher	12,500	$ 10,125
Alexander E. Perriello, III	25,000	$ 20,250
Bruce Zipf	50,000	$ 40,500

(1) Based upon a fair market value share price of $0.81 on April 10, 2010, the date of vesting. Messrs. Perriello and Zipf elected to pay the minimum withholding taxes due upon vesting through the forfeiture of shares. Accordingly, Messrs. Perriello and Zipf actually received fewer shares than the amount set forth in the above table.

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The following table includes certain information relating to Wyndham Worldwide options exercised by one of our named executive officers during 2010.

	Wyndham Worldwide option award	
Name	Number of shares acquired on exercise (#)	Value realized on exercise ($)
Richard A. Smith	208,498	$ 1,317,581

None of our other named executive officers exercised any Wyndham Worldwide options during 2010 and none of our named executive officers exercised Avis Budget Group options during 2010.

Stock Incentive Plan

The Holdings 2007 Stock Incentive Plan, as amended in November 2007 and further amended in November 2010 (the Stock Incentive Plan), authorizes 20 million shares of Common Stock thereunder. The Stock Incentive Plan is administered by the Compensation Committee with certain delegations to the Chief Executive Officer and the Chief Administrative Officer with respect to the administration of the Stock Incentive Plan. Awards granted under the Stock Incentive Plan may be nonqualified stock options, rights to purchase shares of Common Stock restricted stock, restricted stock units and other awards settleable in, or based upon, Common Stock. Awards may be granted under the Stock Incentive Plan only to persons who are employees, consultants or directors of Holdings or any of its subsidiaries on the date of the grant.

All of the shares of Common Stock purchased by management as well as the restricted stock awards and stock options granted to management (including board members) are subject to the Stock Incentive Plan.

Options issued under the Stock Incentive Plan must have an exercise price determined by the Compensation Committee and set forth in an option agreement. In no event, however, may the exercise price be less than the fair market value of a share of Common Stock on the date of grant. The Compensation Committee, in its sole discretion, will determine whether and to what extent any options are subject to vesting based upon the optionee s continued service to, and the Holdings performance of duties for, Holdings and its subsidiaries, or upon any other basis.

In the event of a merger, consolidation, acquisition of property or shares, stock rights offering, liquidation, disaffiliation or similar event affecting Holdings or any of its subsidiaries (each, a Corporate Transaction), the Compensation Committee may in its discretion make such substitutions or adjustments as it deems appropriate and equitable to: (a) the aggregate number and kind of share of Common Stock or other securities, (b) the number and kind of shares of Common Stock or other securities subject to outstanding awards, (c) performance metrics and targets underlying outstanding awards and (d) the option price of outstanding options. In the case of Corporate Transactions, such adjustments may include, without limitation, (a) the cancellation of outstanding equity securities issued under the Stock Incentive Plan in exchange for payments of cash, property or a combination thereof having an aggregate value equal to the value of such equity securities, as determined by the Compensation Committee in its sole discretion and (b) the substitution of other property (including, without limitation, cash or other securities of Holdings and securities of entities other than Holdings for the shares of Common Stock subject to outstanding equity securities. Following the Debt Exchange Offering and the filing of the amended and restated certificate of incorporation of Holdings on January 5, 2011, providing for two classes of Common Stock, the Compensation Committee approved action to provide that all shares issuable upon exercise of outstanding options under the Stock Incentive Plan (as well as shares of Common Stock underlying future grants under that plan) are issuable for shares of Class A Common Stock.

Upon (i) the consummation of certain sales of Holdings or (ii) any transactions or series of related transactions in which Apollo sells at least 50% of the shares of Common Stock directly or indirectly acquired by it and at least 50% of the aggregate of all investor investments (a Realization Event), subject to any provisions of the award agreements to the contrary with respect to certain sales of Holdings, Holdings may purchase each outstanding vested and/or unvested option for a per share amount equal to (a) the amount per share received in respect of the shares of Common Stock sold in such transaction constituting the Realization Event, less (b) the option price thereof.

The Stock Incentive Plan will terminate on the tenth anniversary of the date of its adoption by the Holdings Board, or April 10, 2017.

Realogy Pension Benefits at 2010 Fiscal Year End

Prior to Realogy s separation from Cendant, Cendant sponsored and maintained the Cendant Corporation Pension Plan (the Cendant Pension Plan), which was a defined benefit employee pension plan subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Cendant Pension Plan was a successor plan to the PHH Corporation Pension Plan (the Former PHH Pension Plan) pursuant to a transaction whereby Cendant caused a number of defined benefit pension plans to become consolidated into a single plan. A number of our employees are entitled to benefits under the Cendant Pension Plan pursuant to their prior participation in the Former PHH Pension Plan as well as subsequent participation in the Cendant Pension Plan. During 1999, the Former PHH Pension Plan was frozen and curtailed, other than for certain employees who attained certain age and service requirements.

In connection with Realogy s separation, Cendant and Realogy agreed to separate the Cendant Pension Plan into two plans. Realogy adopted a new defined benefit employee pension plan, named the Realogy Corporation Pension Plan, which is identical in all material respects to the Cendant Pension Plan (the Realogy Pension Plan). Also effective upon the separation, the Realogy Pension Plan assumed all liabilities and obligations under the Cendant Pension Plan which related to the Former PHH Pension Plan. Realogy also assumed any supplemental pension obligations accrued by any participant of the Cendant Pension Plan which related to the Former PHH Pension Plan. Our employees who were not participants in the Cendant Pension Plan do not participate in the Realogy Pension Plan.

In consideration of the Realogy Pension Plan accepting and assuming the liabilities and obligations described above under the Cendant Pension Plan, Cendant caused the Cendant Pension Plan to make a direct transfer of a portion of its assets to the Realogy Pension Plan. The value of the assets transferred from the Cendant Pension Plan to the Realogy Pension Plan was proportional to the liabilities assumed by the Realogy Pension Plan, and such value was determined based upon applicable law, including under ERISA and IRS regulations.

Of those employees currently participating in the Realogy Pension Plan, 269 are no longer accruing additional benefits (other than their right to attain early retirement subsidies) and two continue to accrue additional benefits.

Mr. Kelleher is our only named executive officer who participates in the Realogy Pension Plan and his participation in the Cendant Pension Plan was frozen on October 31, 1999 and, as of that date, he no longer accrues additional benefits (other than his right to attain early retirement subsidies) under the Cendant Pension Plan or the Realogy Pension Plan.

The following table sets forth information relating to Mr. Kelleher s participation in the Realogy Pension Plan:

Name	Plan Name	Number of Years of Credited Service(#) (1)	Present Value of Accumulated Benefit ($) (2)	Payments During Last Fiscal Year ($)
Kevin J. Kelleher	Realogy Pension Plan	26	386,354	

(1) The number of years of credited service shown in this column is calculated based on the actual years of service with us (or Cendant) for Mr. Kelleher through December 31, 2010.

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(2) The valuations included in this column have been calculated as of December 31, 2010 assuming Mr. Kelleher will retire at the normal retirement age of 65 and using the interest rate and other assumptions as described in Note 9, Employee Benefit Plans Defined Benefit Pension Plan to our consolidated financial statements included elsewhere in this prospectus.

Nonqualified Deferred Compensation at 2010 Fiscal Year End

In December 2008, in accordance with the transition rules under Section 409A of the Internal Revenue Code of 1986, as amended, our Compensation Committee amended the Realogy Officer Deferred Compensation Plan. The amendment permitted participants to revoke their current distribution elections on file and make a new unifying election for their entire account balance. The revocation and election had to be made prior to December 31, 2008. Participants could elect to receive a lump sum distribution in April 2009 or to maintain their then current election. Mr. Hull and Mr. Zipf were the only named executive officers who were participants under the Realogy Officer Deferred Compensation Plan. Each of them made new elections prior to the end of 2008. Under those new elections, they received lump sum distributions in April 2009.

Effective January 1, 2009, the Company suspended participation in the Realogy Officer Deferred Compensation Plan due to the prolonged downturn in the residential housing market and our highly levered debt structure. The suspension remains in effect. Accordingly, none of the named executive officers had any nonqualified deferred compensation at December 31, 2010.

Employment Agreements

The following summarizes the terms of the employment agreements with each of our named executive officers. Severance provisions are described in the section titled Potential Payments Upon Termination or Change of Control.

Mr. Smith. On April 10, 2007, we entered into a new employment agreement with Mr. Smith, with a five-year term commencing as of the effective time of the Merger (unless earlier terminated), subject to automatic extension for an additional year unless either party provides notice of non-renewal. This employment agreement supersedes any prior employment agreements that we entered into with Mr. Smith. Pursuant to the agreement, Mr. Smith serves as our President. In addition, Mr. Smith has served as our Chief Executive Officer since November 13, 2007. He also serves as a member of the Boards of Directors of Realogy and Holdings during his term of employment. Mr. Smith is entitled to a base salary of $1 million (the base salary in effect for him as of immediately prior to the effective time of the Merger), may participate in employee benefit plans generally available to our executive officers, and is eligible to receive an annual bonus award with a target amount equal to 200% of his annual base salary, subject to the attainment of performance goals and his continued employment with us on the last day of the applicable bonus year, as well as adjustments based on a merit review. In connection with entering into his employment agreement and as partial consideration for his retention following the Merger, Mr. Smith received a one-time $5 million bonus in connection with the consummation of the Merger, the after-tax amount of which Mr. Smith elected to invest in shares of Common Stock.

Mr. Smith is also entitled to an annual bonus, the after-tax proceeds of which are required to be used to purchase the annual premium on an existing life insurance policy. This benefit is provided to Mr. Smith as the replacement of a benefit previously provided to him by Cendant. Mr. Smith waived his contractual right to receive this bonus with respect to the bonuses payable in January 2009 and 2010 in order to reduce Company expense but did receive this bonus in January 2011 in the amount of $97,000.

Messrs. Hull, Kelleher, Perriello and Zipf. On April 10, 2007, we entered into new employment agreements with each of Messrs. Hull, Kelleher, Perriello and Zipf (for purposes of this section, each, an Executive), with a five-year term (unless earlier terminated) commencing as of the effective time of the Merger, subject to automatic extension for an additional year unless either party provides notice of non-renewal. Pursuant to these

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employment agreements, each of the Executives continues to serve in the same positions with us as they had served prior to the Merger. These employment agreements supersede any prior employment agreements that we entered into with each Executive. Messrs. Hull, Kelleher, Perriello and Zipf are entitled to the base salary in effect for them as of immediately prior to the effective time of the Merger, as well as employee benefit plans generally available to our executive officers and are eligible for annual bonus awards with a target amount equal to the target bonus in effect for them as of the effective time of the Merger, which target is currently equal to 100% of each Executive s annual base salary, subject to the attainment of performance goals and the Executive s being employed with us on the last day of the applicable bonus year. The following are the annual rates of base salary paid to each of the following named executive officers as of December 31, 2010: Mr. Hull, $525,000; Mr. Kelleher, $416,000; Mr. Perriello, $520,000; and Mr. Zipf, $520,000.

Potential Payments upon Termination or Change in Control

The following summarizes the potential payments that may be made to our named executive officers in the event of a termination of their employment or a change of control as of December 31, 2010.

If Mr. Smith s employment is terminated by us without cause or by Mr. Smith for good reason, subject to his execution and non-revocation of a general release of claims against us and our affiliates, he will be entitled to (1) a lump sum payment of his unpaid base salary and unpaid earned bonus and (2) an aggregate amount equal to 300% of the sum of his (a) then-current annual base salary and (b) his then-current target bonus, 50% of which will be paid thirty (30) business days after his termination of employment and the remaining portion of which will be paid in thirty-six (36) equal monthly installments following his termination of employment. If Mr. Smith s employment is terminated for any reason, Mr. Smith and his dependents may continue to participate in all of our health care and group life insurance plans until the end of the plan year in which he reaches, or would have reached, age 75, subject to his continued payment of the employee portion of the premiums for such coverage. Mr. Smith is subject to three-year post-termination non-competition and non-solicitation covenants and is entitled to be reimbursed by us for any golden parachute excise taxes, including taxes on any such reimbursement, subject to certain limitations described in his employment agreement.

Cause is defined in Mr. Smith s employment agreement to mean (i) his willful failure to substantially perform his duties as an employee of the Company or any subsidiary (other than any such failure resulting from incapacity due to physical or mental illness), (ii) any act of fraud, misappropriation, dishonesty, embezzlement or similar conduct against the Company or any subsidiary, (iii) his conviction of, or plea of guilty or *nolo contendere* to a charge of commission of, a felony or crime involving moral turpitude, (iv) his indictment for a charge of commission of a felony or any crime involving moral turpitude, provided that the Board determines in good faith that such indictment would result in a material adverse impact to the business or reputation of the Company, (v) his gross negligence in the performance of his duties, or (vi) his purposefully or negligently making (or having been found to have made) a false certification to the Company pertaining to its financial statements; a termination will not be for Cause pursuant to clause (i), (ii) or (v), to the extent such conduct is curable, unless the Company shall have notified Mr. Smith in writing describing such conduct and he shall have failed to cure such conduct within ten (10) business days after his receipt of such written notice.

Good Reason is defined in Mr. Smith s employment agreement as voluntary resignation after any of the following actions taken by the Company or any of its subsidiaries without Mr. Smith s consent: (i) his removal from, or failure to be elected or re-elected to, the Board; (ii) a material reduction of his duties and responsibilities to the Company, (iii) a reduction in his annual base salary or target bonus (not including any diminution related to a broader compensation reduction that (A) is made in consultation with Mr. Smith and (B) is applied to all senior executives of the Company in a relatively proportionate manner); (iv) the relocation of Mr. Smith s primary office to a location more than 30 miles from the prior location; (v) delivery of notice of non-renewal of the employment period by the Company (other than non-renewal by the Company due to Mr. Smith s disability, termination for Cause or termination by Mr. Smith); or (vi) a material breach by the Company of a material provision of the employment agreement (including a breach of Section 2(a) of the employment agreement, which sets forth Mr. Smith s position with the Company). A termination shall not be for Good Reason pursuant to clause (i), (ii), (iii) or (iv), unless Mr. Smith shall have given written notice of his intention to resign for Good Reason and the Company shall have failed to cure the event giving rise to Good Reason within ten (10) business days after the Company s receipt of such written notice.

With respect to Messrs. Hull, Kelleher, Perriello and Zipf (also for purposes of this section, each, an Executive), each Executive s employment agreement provides that if his employment is terminated by us without cause or by the Executive for good reason, subject to his execution of a general release of claims against us and our affiliates, the Executive will be entitled to:

(1) a lump sum payment of his unpaid annual base salary and unpaid earned bonus;

(2) an aggregate amount equal to (x) if such termination occurs within 12 months after a Sale of the Company, 200% of the sum of his (a) then-current annual base salary plus his (b) then-current annual target bonus; or (y) 100% (200% in the case of Mr. Hull) of the sum of his (a) then-current annual base salary plus his (b) then-current annual target bonus. Of such amount, 50% will be payable in a lump sum within 30 business days of the date of termination, and the remaining portion will be payable in 12 (24 in the case of Mr. Hull) equal monthly installments following his termination of employment; and

(3) from the period from the date of termination of employment to the earlier to occur of the second anniversary of such termination or the date on which the individual becomes eligible to participate in another employer s medical and dental benefit plans, participation in the medical and dental benefit plans maintained by us for active employees, on the same terms and conditions as such active employees, as in effect from time to time during such period.

The definition of Cause and Good Reason under each Executive s employment agreement are identical to those contained in Mr. Smith s employment agreement except as follows: (A) clause (i) of the definition of Good Reason under Mr. Smith s employment agreement is not contained in the definition of Good Reason in each Executive s employment agreement; and (B) the addition of language in the definition of Good Reason that a material breach by the Company of a material provision of the Executive s employment agreement does not include any promotion or lateral assignment of the Executive.

Each Executive is subject to a two-year post-termination non-competition covenant and three-year post-termination non-solicitation covenant.

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The following table sets forth information regarding the value of potential termination payments and benefits our named executive officers would have become entitled to receive upon their termination of employment with us under certain circumstances as of December 31, 2010:

Name	Benefit	Termination without Cause or for Good Reason within 12 months following a Sale of the Company ($)	Termination without Cause or for Good Reason other than within 12 months following a Sale of the Company ($)	Death ($)	Disability ($)
Richard A. Smith	Severance Pay	9,000,000(3)	9,000,000	1,000,000	1,000,000
	Health Care (1)	330,076	330,760	330,076	330,076
	Equity Acceleration	65,363(2)			
Anthony E. Hull	Severance Pay	2,100,000	2,100,000	525,000	525,000
	Health Care	25,641	25,641	12,821	12,821
	Equity Acceleration	15,750(2)			
Kevin J. Kelleher	Severance Pay	1,664,000	832,000	416,000	416,000
	Health Care	23,455	23,455	11,728	11,728
	Equity Acceleration	12,600(2)			
Alexander E. Perriello, III.	Severance Pay	2,080,000	1,040,000	520,000	520,000
	Health Care	10,578	10,578	5,289	5,289
	Equity Acceleration	15,750(2)			
Bruce Zipf	Severance Pay	2,080,000	1,040,000	520,000	520,000
	Health Care	18,307	18,307	9,154	9,154
	Equity Acceleration	12,600(2)			

(1) If Mr. Smith s employment is terminated for any reason, Mr. Smith and his dependents may continue to participate in all of our health care and group life insurance plans until the end of the plan year in which he reaches, or would have reached, age 75, subject to his continued payment of the employee portion of the premiums for such coverage.

(2) The vesting of options accelerate upon a Sale of the Company provided, however, that in the event the individual terminates his employment without good reason or his employment is terminated for cause within one year of the Sale of the Company, the individual would be required to remit to the Company the proceeds realized in the Sale of the Company for those options, the vesting of which was accelerated due to the Sale of the Company. The value ascribed to the accelerated vesting of the options is based upon a fair market value of the Common Stock of $0.86 per share as of December 31, 2010.

(3) No golden parachute excise tax would be payable based upon Mr. Smith s historical compensation and, accordingly, the Company would have no obligation to reimburse Mr. Smith for any such taxes.

Director Compensation

The following sets forth information concerning the compensation of our independent director in 2010. None of the other members of the Board of Directors received any compensation for their service as a director in 2010.

Name	Fees earned or paid in cash ($)	All other compensation ($)	Total ($)
V. Ann Hailey	160,000		160,000
Henry R. Silverman		141,482 (1)	141,482 (1)

(1) Consists of post-employment secretarial support provided to Mr. Silverman pursuant to his employment agreement with us.

Ms. Hailey, our only independent director and the Chair of our Audit Committee, joined the Board on February 4, 2008. She receives a director retainer of $150,000 and a fee as Audit Committee Chair of $10,000, each on an annualized basis. During 2009 and 2010, the entire $150,000 director retainer fee was payable in cash

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pursuant to an action taken by the Compensation Committee. For 2008, of the $150,000 director retainer fee, $90,000 was payable pursuant to a grant of restricted shares of Common Stock based upon the fair market value of the Common Stock on the date of grant, provided that in connection with the initial grant made on February 4, 2008, the Common Stock was valued at $10.00 per share. The vesting of the restricted stock is identical to the vesting terms of the restricted stock awards granted to certain executive officers: namely, one-half vested 18 months following the date of grant (August 4, 2009) and the other half vested 36 months following the date of grant (February 4, 2011). We determined that the fair market value of the restricted stock award of 9,000 shares on the date of grant (February 4, 2008) was $90,000.

Newly appointed independent directors also receive on the date of their appointment a one-time grant of non-qualified options to purchase 50,000 shares of Common Stock with an exercise price equal to the greater of $10.00 per share or the fair market value of the Common Stock on the date of grant. The options become exercisable at the rate of 25% of the underlying shares upon each of the first four anniversaries following the date of grant, subject to acceleration and vesting in full upon a Sale of the Company (as that term is defined in the Holdings Stock Incentive Plan). We determined that in accordance with the FASB s guidance on accounting for stock-based compensation, the fair market value of the option on the date of grant (February 4, 2008) was $2.42 per share or $121,000 in the aggregate.

On March 3, 2011, the Compensation Committee amended Holdings policy with respect to compensation of directors to eliminate the one-time grant of non-qualified options for any newly appointed independent director and to provide that one-half of the $150,000 annual independent director retainer fee will be payable pursuant to a grant of non-qualified stock options. The exercise price of the options will be equal to the fair market value of the Class A Common Stock on the date of grant and the options will become exercisable at the rate of 25% of the underlying shares upon each of the first four anniversaries following the date of grant, subject to acceleration and vesting in full upon a Sale of the Company. In accordance with the revised policy, on March 3, 2011, the Compensation Committee awarded Ms. Hailey, as part of her 2011 director compensation, a grant of 105,000 non-qualified options to purchase shares of Class A Common Stock at an exercise price of $0.86 per share, which the Compensation Committee determined was the fair market value of the Class A Common Stock on the date of grant. To increase the retention incentives provided by our stock based compensation programs to Ms. Hailey, the Compensation Committee also approved the grant of 150,000 non-qualified stock options to purchase shares of Class A Common Stock at an exercise price of $0.86 per share to become exercisable at the rate of 37,500 options per year commencing March 3, 2012, and the grant of a restricted stock award for 105,000 shares of Class A Common Stock, 52,500 shares of which will vest 18 months following the date of grant and the balance will vest 36 months following the date of grant, subject to her continued service on the Holdings Board.

In connection with Mr. Silverman s appointment as non-executive chairman of the Company, on November 13, 2007, the Holdings Board granted Mr. Silverman an option to purchase 5 million shares of Common Stock at $10 per share. The options include both time vesting (tranche A) options and performance vesting (tranche B and tranche C) options. In general, one-half of the options granted to Mr. Silverman vest and become exercisable in five equal installments on each of the 12th, 24th, 36th, 48th and 60th month anniversaries of September 1, 2007 (the tranche A options), and one-half of the options are performance vesting options, one-half of which vest upon the achievement of an internal rate of return of funds managed by Apollo with respect to its investment in Holdings of 20% (the tranche B options), and the remaining half of which vest upon the achievement of an internal rate of return of such funds of 25% (the tranche C options). We determined that excluding the effect of estimated forfeitures, in accordance with the FASB s guidance, the fair market value of the option on the date of grant (November 13, 2007) was $2.58 per share or an aggregate of $6,450,000, which includes only the value of the time-vested options (the tranche A options). We also determined the grant date fair market value of the tranche B options and tranche C options but will only recognize those costs as compensation expense when the performance criteria are probable of occurring (e.g., an initial public offering or significant capital transaction). Assuming the highest level of performance conditions is probable, the total grant date fair value of the options would be $11,611,431.

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The assumptions we used in determining the grant date fair value of the restricted stock and options outstanding at December 31, 2010 are described in Note 12, Stock-Based Compensation to our consolidated financial statements included elsewhere in this prospectus.

A director who serves on the Holdings Board does not receive any additional compensation for service on the Board of Directors of a subsidiary of Holdings, unless there shall be a committee of a subsidiary where there is not a corresponding committee of Holdings.

Compensation Committee Interlocks and Insider Participation

Shortly prior to the consummation of the Merger, Apollo, principally through the Holdings Board, whose members then consisted of Apollo s representatives, Messrs. Marc Becker and M. Ali Rashid, negotiated employment agreements and other arrangements with our named executive officers. Between April 10, 2007 and mid-February 2008, decisions relating to executive compensation were within the province of the Holdings Board and the Realogy Board, both of which were (and are) controlled by Apollo representatives. In February 2008, the Holdings Board established the Compensation Committee, whose members consist of Messrs. Becker and Rashid.

During 2010, none of the members of the Compensation Committee had any relationship that requires disclosure in this prospectus as a transaction with a related person, though both members are employed by Apollo, which has engaged in related party transactions with us during 2010 as discussed in Certain Relationships and Related Party Transactions.

During 2010, (1) none of our executive officers served as a member of the compensation committee of another entity, one of whose executive officers served on the Holdings Board or the Realogy Board; (2) none of our executive officers served as a director of another entity, one of whose executive officers served on the Holdings Board or the Realogy Board, and (3) none of our executive officers served as a member of the compensation committee of another entity, one of whose executive officers served as one of the directors of the Holdings Board or Realogy Board.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

All of Realogy s issued and outstanding common stock is owned by its parent, Intermediate, and all of the issued and outstanding common stock of Intermediate is owned by its parent, Holdings. Realogy s common stock owned by Intermediate constitutes all of Realogy s issued and outstanding capital stock.

Pursuant to Holdings amended and restated certificate of incorporation, Holdings has two classes of Common Stock, Class A Common Stock and Class B Common Stock (Class B Common Stock and together with the Class A Common Stock, the Common Stock), each with a par value of $0.01 per share. All of the outstanding shares of Common Stock are shares of Class B Common Stock and all of the Common Stock into which the notes are convertible will be shares of Class A Common Stock. Each share of Class A Common Stock has one vote per share. Each share of Class B Common Stock has five votes per share. The Class B Common Stock will automatically convert into Class A Common Stock on a share-for-share basis once (i) Apollo converts all of the notes it received in the Debt Exchange Offering into shares of Class A Common Stock or (ii) upon a Qualified Public Offering, provided that such conversion would not result in a change of control of Realogy under the senior secured credit facility or any of its other debt arrangements.

The following table sets forth information regarding the beneficial ownership of Common Stock as of March 3, 2011 assuming all of the notes are converted into Class A Common Stock, by (i) each person known to beneficially own more than 5% of the Common Stock, (ii) each of our named executive officers, (iii) each member of the Board of Directors and (iv) all of our executive officers and members of the Board of Directors as a group. At March 3, 2011, there were 200,535,906 shares of Common Stock outstanding.

The amounts and percentages of Common Stock beneficially owned are reported on the basis of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed a beneficial owner of the same securities and a person may be deemed a beneficial owner of securities as to which he has no economic interest.

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Except as indicated by footnote, the persons named in the table below have sole voting and investment power with respect to all shares of Common Stock shown as beneficially owned by them.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership of Class A Common Stock (1)	Ownership of Class B Common Stock	Percentage of Class B Common Stock	Percentage of Common Stock (1)
Apollo (2)	1,276,938,607	197,820,000	98.7%	66.2%
Henry R. Silverman (3)(9)		1,500,000	*	*
Richard A. Smith (4)		912,025	*	*
Anthony E. Hull (5)		282,025	*	*
Kevin J. Kelleher (6)		181,069	*	*
Alexander E. Perriello, III (7)		232,025	*	*
Bruce Zipf (8)		224,050	*	*
Marc E. Becker (9)				*
V. Ann Hailey (10)		151,500	*	*
Scott M. Kleinman (9)				*
M. Ali Rashid (8)				*
Directors and executive officers as a group (14 persons) (11)		3,828,406	1.8%	*
Paulson & Co. Inc. (12)	479,022,151			21.5%
York Capital Management (13)	75,418,797			3.4%
Avenue Capital Management II, L.P. (14)	62,238,295			2.8%
Western Asset Management Company (15)	61,646,832			2.8%

* Less than one percent.

(1) Assumes conversion of all outstanding notes into shares of Class A Common Stock. As of March 1, 2011, $1,143,706,000 aggregate principal amount of Series A Convertible Notes, $291,424,196 aggregate principal amount of Series B Convertible Notes and $675,111,000 aggregate principal amount of Series C Convertible Notes were outstanding. The initial conversion rates of the notes are 975.6098 shares of Class A Common Stock per $1,000 aggregate principal amount of Series A Convertible Notes or Series B Convertible Notes, which is equivalent to an initial conversion price of approximately $1.025 per share, and 926.7841 shares of Class A Common Stock per $1,000 aggregate principal amount of Series C Convertible Notes, which is equivalent to an initial conversion price of approximately $1.079 per share. The conversion rates are subject to certain anti-dilution adjustments. Assuming all of the notes were converted into Class A Common Stock at the applicable initial conversion rates and assuming conversion of all of the Class B Common Stock into Class A Common Stock on a share-for-share basis, there would be 2,226,345,129 shares of Class A Common Stock outstanding as of March 3, 2011.

(2) Reflects (i) the outstanding shares of capital stock of Domus Holdings Corp. which are held of record by Apollo Investment Fund VI, L.P. (AIF VI LP), Domus Investment Holdings, LLC (Domus LLC), Domus Co-Investment Holdings LLC (Domus Co-Invest LLC) and various members of management of Holdings and Realogy, which are shares of Class B Common Stock with five votes per share, and (ii) the outstanding shares of Class A Common Stock that will be held by RCIV Holdings (Luxembourg) S.à r.l. (RCIV Sarl) upon the conversion of its Convertible Notes. The general partner of AIF VI LP is Apollo Advisors VI, L.P. (Advisors VI) and the investment manager of AIF VI LP is Apollo Management VI, L.P. (Management VI). The sole stockholder of RCIV Sarl is RCIV Holdings, L.P. (RCIV Holdings). The general partner of RCIV Holdings is Apollo Advisors VI (EH), L.P. (Advisors VI EH) and the investment manager of RCIV Holdings is Management VI. Management VI also serves as the manager or managing member of each of Domus LLC and Domus Co-Invest LLC. The general partner of Management VI is AIF VI Management, LLC (AIF VI LLC). The sole member-manager of AIF VI LLC is Apollo Management, L.P. (Apollo Management). The general partner of Apollo Management is Apollo

Management GP, LLC (Apollo Management GP). The sole member-manager of Apollo Management GP is Apollo Management Holdings, L.P. (Management Holdings). The general partner of Management Holdings is Apollo Management Holdings GP, LLC (Management Holdings GP and together with Management VI, AIF VI LLC, Apollo Management, Apollo Management GP and Management Holdings, the Apollo Management Entities). The general partner of Advisors VI is Apollo Capital Management VI, LLC (Capital Management VI). The sole member of Capital Management VI is Apollo Principal Holdings I, L.P. (Principal Holdings I), and the general partner of Principal Holdings I is Apollo Principal Holdings I GP, LLC (Principal Holdings I GP). The general partner of Advisors VI EH is Apollo Advisors VI (EH-GP), Ltd. (Advisors VI EH-GP) The sole stockholder of Advisors VI EH-GP is Apollo Principal Holdings III, L.P, (Principal Holdings III), and the general partner of Principal Holdings III is Apollo Principal Holdings III GP, Ltd. (Principal Holdings III GP and together with Advisors VI, Advisors VI EH, Capital Management VI, Principal Holdings I, Principal Holdings I GP, Advisors VI EH GP and Principal Holdings III, the Apollo Advisors Entities). Leon Black, Joshua Harris and Marc Rowan are the managers of each of Management Holdings GP and Principal Holdings I GP and the directors of Principal Holdings III GP. Each of AIF VI LP, Domus LLC, Domus Co-Invest LLC, RCIV Sarl, RCIV Holdings, the Apollo Management Entities, the Apollo Advisors Entities and Messrs. Black, Harris and Rowan disclaims beneficial ownership of the shares of Realogy held by Domus Intermediate except to the extent of any pecuniary interest therein. The address for RCIV Sarl is 9b, boulevard Prince Henri, L-1724, Luxembourg, and the address for RCIV Holdings is c/o Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9002, Cayman Islands. The address for AIF VI LP, Domus LLC, Domus Co-Invest LLC and the Apollo Advisors Entities is One Manhattanville Road, Suite 201, Purchase, New York 10577. The address for the Apollo Management Entities and Messrs. Black, Harris and Rowan is 9 West 57th Street, 43rd Floor, New York, NY 10019. Does not include 4,264,356 shares of Common Stock (including 2,606,906 shares held outright, 1,552,450 shares issuable upon exercise of currently exercisable options or options exercisable within 60 days of March 3, 2011 and 105,000 shares of restricted stock) beneficially owned by our directors and executive officers and other members of our management, for which AIF VI LP and Domus LLC have voting power pursuant to the Management Investor Rights Agreement (as defined below) but not investment power.

(3) Includes 1,500,000 shares of Common Stock issuable upon currently exercisable options but does not include 3,500,000 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(4) Does not include 3,112,500 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(5) Does not include 750,000 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(6) Does not include 600,000 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(7) Does not include 750,000 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(8) Does not include 600,000 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(9) Messrs. Silverman, Becker, Kleinman and Rashid are each principals and officers of certain affiliates of Apollo. Although each of Messrs. Silverman, Becker, Kleinman and Rashid may be deemed the beneficial owner of shares beneficially owned by Apollo, each of them disclaims beneficial ownership of any such shares.

(10) Includes 37,500 shares of Common Stock issuable upon exercise of currently exercisable options and 105,000 shares of restricted stock. Does not include an additional 267,500 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(11) Includes options to purchase 1,537,500 shares of Common Stock issuable upon exercise of currently exercisable options or options that become exercisable within 60 days following March 3, 2011 and 105,000 shares of restricted stock. Does not include 10,780,000 shares of Common Stock that are issuable upon exercise of options that remain subject to vesting.

(12) Based on information furnished to us by such person, consists of all the shares of Class A Common Stock held by Paulson assuming conversion of its Convertible Notes. Assuming only Paulson converts its Convertible Notes, it would own approximately 70.5% of the total outstanding shares of Common Stock and approximately 32.3% of the voting power with respect to the Common Stock. Paulson holds the shares of Class A Common Stock on behalf of the several investment funds and accounts managed by it. John Paulson owns 100% of Paulson and has sole voting power and authority over the shares of Class A Common Stock held by Paulson. John Paulson may be deemed the beneficial owner of shares beneficially owned by Paulson but disclaims beneficial ownership of any such shares. The address for Paulson is 1251 Avenue of the Americas, 50th Floor, New York, New York 10020.

(13) Based on information furnished to us by such person, consists of all the shares of Class A Common Stock held by certain entities managed by York Capital Management (together with such entities, York) assuming conversion of their Convertible Notes. Assuming only York converts its Convertible Notes, it would own approximately 27.3% of the total outstanding shares of Common Stock and approximately 7.0% of the voting power with respect to the Common Stock. The holders of record of the shares of Class A Common Stock owned by York are York Credit Opportunities Fund, L.P., York Credit Opportunities Master Fund, L.P. Jorvik Multi-Strategy Master Fund, L.P., York Multi-Strategy Master Fund, L.P., York Capital Management, L.P. and certain accounts managed by York Managed Holdings, LLC. The general partner of York Credit Opportunities Fund, L.P. and York Credit Opportunities Master Fund, L.P. is York Credit Opportunities Domestic Holdings, LLC. The general partner of Jorvik Multi-Strategy Master Fund, L.P., York Multi-Strategy Master Fund, L.P. and York Capital Management, L.P. is Dinan Management, LLC. York Capital Management Global Advisors, LLC has sole voting power and investment authority over the shares of Class A Common Stock held by each of the foregoing. The address for York is 767 Fifth Avenue, 17th Floor, New York, New York 10153.

(14) Based on information furnished to us by such person, consists of all of the shares of Class A Common Stock held by Avenue Capital Management II, L.P. (together with its affiliated funds, Avenue) assuming conversion of its Convertible Notes. Assuming only Avenue converts its Convertible Notes, it would own approximately 23.7% of the total outstanding shares of Common Stock and approximately 6.2% of the voting power with respect to the Common Stock. The holders of record of the shares of Class A Common Stock owned by Avenue are Avenue Special Situations Fund IV, L.P., Avenue Special Situations Fund V, L.P., Avenue-CDP Global Opportunities Fund, L.P., Avenue Investments, L.P. and Avenue International Master, L.P. Avenue Capital Management II, LP has sole voting power and investment authority over the shares of Class A Common Stock held by each of the foregoing. The general partner of Avenue Capital Management II, LP is Avenue Capital Management II GenPar, LLC whose sole members are Marc Lasry and Sonia Gardner. Each of Marc Lasry and Sonia Gardner may be deemed beneficial owners of the shares beneficially owned by Avenue but each disclaim beneficial ownership of any such shares. The address for Avenue is 399 Park Avenue, 6th Floor, New York, NY 10022.

(15) Based on information furnished to us by such person, consists of all of the shares of Class A Common Stock held in investment funds and separately managed client accounts (the WAMCO Accounts) for which Western Asset Management Company (WAMCO) serves as investment manager. The number of shares reported assumes conversion of all notes held in the WAMCO Accounts. Assuming only WAMCO converts all notes held in the WAMCO Accounts, the WAMCO Accounts would own approximately 23.5% of the total outstanding shares of Common Stock and approximately 6.2% of the voting power with respect to the Common Stock. WAMCO does not directly own any of the shares listed. WAMCO may be deemed to be the beneficial owner of shares beneficially owned by the client accounts for which it serves as investment manager, but disclaims beneficial ownership of any such shares. The address for WAMCO is 385 E. Colorado Blvd., Pasadena, CA 91101.

Equity-Based Compensation Plans

Securities Authorized for Issuance Under Equity Compensation Plan

In connection with the closing of the Merger on April 10, 2007, the Holdings Board adopted the Stock Incentive Plan. The Stock Incentive Plan authorizes the Holdings Board, or a committee thereof, to grant

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unqualified stock options, rights to purchase shares of Common Stock, restricted stock, restricted stock units and other awards settleable in, or based upon, Common Stock, to directors and employees of, and consultants to, Holdings and its subsidiaries, including Realogy. On November 13, 2007, the Holdings Board amended and restated the Stock Incentive Plan to increase the number of shares of Common Stock authorized for issuance thereunder from 15 million to 20 million. The Stock Incentive Plan was further amended on November 9, 2010. For additional discussion of our equity compensation, see Management Compensation Discussion and Analysis Stock Incentive Plan. The table below summarizes the equity issuances under the Stock Incentive Plan as of December 31, 2010.

Plan Category	Number of Securities To be Issued Upon Exercise or Vesting of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by stockholders			
Equity compensation plans not approved by stockholders	15,257,750 (2)	$ 4.53	2,016,750 (3)

(1) Does not include 4,500 restricted shares outstanding at December 31, 2010.

(2) In addition, of the shares of Common Stock issued and outstanding at December 31, 2010, there were 2,725,500 shares of Common Stock that had been purchased or had vested under the Stock Incentive Plan pursuant to individual subscription agreements and restricted stock awards (including shares that have been forfeited to satisfy tax withholding obligations).

(3) Also gives effect to shares issued under the Stock Incentive Plan as described in footnote (2).

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SELLING SECURITYHOLDERS

The notes were originally issued by Realogy in the Debt Exchange Offering in transactions exempt from the registration requirements of the Securities Act to persons reasonably believed by Realogy to be qualified institutional buyers, as defined by Rule 144A under the Securities Act or institutional accredited investors within the meaning of Rule 501 (a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

The selling security holders may from time to time offer and sell pursuant to this prospectus any or all of the notes listed below and any and all of the shares of Class A Common Stock issuable upon conversion of such notes. When we refer to the selling securityholders in this prospectus, we mean those persons listed in the table below, as well as the pledges, donees, assignees, transferees, successors and others who later hold any of the selling securityholders interests.

The table below sets forth, the name of each selling securityholder, the principal amount at maturity of the notes beneficially owned by such selling securityholder that may be offered pursuant to this prospectus and the number of shares of Class A Common Stock beneficially owned by such stockholders that may be offered pursuant to this prospectus. The number of shares of Class A Common Stock into which the notes are convertible is subject to adjustment under certain circumstances. Accordingly, the number of shares of Class A Common Stock issuable upon conversion of the notes and beneficially owned and offered by selling securityholders pursuant to this prospectus may increase or decrease from that set forth in the below table.

The information set forth below is based on information provided by or on behalf of the selling securityholders prior to the date hereof. Information concerning the selling securityholders may change from time to time. The selling securityholders may from time to time offer and sell any or all of the securities under this prospectus. Because the selling securityholders are not obligated to sell the notes or any shares of Class A Common Stock issuable upon conversion of the notes, we cannot estimate the amount of the notes or how many shares of Class A Common Stock that the selling securityholders will hold upon consummation of any such sales. In addition, since the date on which a selling securityholder provided this information to us, such selling securityholder may have sold, transferred or otherwise disposed of all or a portion of its notes or shares of Class A Common Stock issuable upon conversion of its notes.

Unless otherwise set forth below, none of the selling securityholders has, or has had within the past three years, any position, office or other material relationship with us or any of our affiliates or subsidiaries, other than their ownership of the notes and the Class A Common Stock issuable upon conversion thereof described below.

Name	Principal Amount of Notes Owned	% of Outstanding Notes	Class A Common Stock Issuable Upon Conversion	% of Outstanding Class A Common Stock (1)

(1) Assuming conversion into Class A Common Stock of all of the outstanding notes.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Support Agreement

On November 30, 2010, Realogy and Holdings entered into a support agreement (the Support Agreement) with Paulson, Avenue and RCIV Sarl, an affiliate of Apollo, the Company s controlling stockholder (together with Paulson and Avenue, the Significant Holders), which collectively held, as of such date, approximately $1.01 billion (59%) aggregate principal amount of 10.50% Senior Notes, approximately $342 million (73%) aggregate principal amount of Senior Toggle Notes and approximately $606 million (69%) aggregate principal amount of the 12.375% Senior Subordinated Notes, whereby (i) Paulson and Apollo agreed to tender in the Debt Exchange Offering all of their Existing Notes in exchange for Convertible Notes, plus any additional Existing Notes acquired by them through the expiration of the Debt Exchange Offering and (ii) Avenue agreed to tender in the Debt Exchange Offering approximately $250 million aggregate principal amount of its Existing Notes for Extended Maturity Notes and the remaining approximately $64 million aggregate principal amount of its Existing Notes for Convertible Notes, plus any additional Existing Notes acquired by them through the expiration of the Debt Exchange Offering. Apollo agreed to participate in the Debt Exchange Offering with respect to approximately $1,338 million aggregate principal amount of Existing Notes.

Pursuant to the Support Agreement, Realogy and Holdings agreed to indemnify each Significant Holder for losses resulting from any claims of their stockholders, investors or creditors, or any of their affiliates or subsidiaries, in connection with the Debt Exchange Offering and also reimbursed each of Paulson and Avenue for reasonable attorney s fees incurred by them in connection with the Debt Exchange Offering up to $225,000 in each case.

Apollo, Paulson and Avenue tendered approximately $1,338 million, $494 million and $314 million aggregate principal amount of Existing Notes, respectively, in the Debt Exchange Offering.

Issuance of the Notes Upon Consummation of Debt Exchange Offering; Amendment and Restated Certificate of Incorporation of Holdings

On January 5, 2011, Realogy, in connection with the consummation of the Debt Exchange Offering, issued $1,144 million aggregate principal amount of Series A Convertible Notes, $291 million aggregate principal amount of Series B Convertible Notes and $675 million aggregate principal amount of Series C Convertible Notes to eligible holders of Existing Notes that elected to receive notes in the Debt Exchange Offering. The notes were issued pursuant to Section 4(2) of the Securities Act only to holders who were qualified institutional buyers (as defined in Rule 144A under the Securities Act) or institutional accredited investors within the meaning of Rule 501 (a)(1), (2), (3) or (7) of Regulation D under the Securities Act.

Realogy issued approximately $1,338 million, $494 million, $78 million, $64 million and $63 million aggregate principal amount of notes to Apollo, Paulson, York, Avenue and WAMCO, respectively.

At the closing of the Debt Exchange Offering, Holdings certificate of incorporation was amended and restated to provide, among other things, for two classes of Common Stock, Class A Common Stock and Class B Common Stock. All of the outstanding shares of Common Stock are shares of Class B Common Stock, substantially all of which are owned by Apollo. All of the Common Stock into which the notes are convertible will be shares of Class A Common Stock. Each share of Class A Common Stock has one vote per share. Each share of Class B Common Stock has 5 votes per share. The Class B Common Stock will automatically convert into Class A Common Stock on a share-for-share basis once (i) Apollo converts all of the notes it received in the Debt Exchange Offering into shares of Class A Common Stock or (ii) upon a Qualified Public Offering, provided that such conversion would not result in a change of control of Realogy under its senior secured credit facility or any of its other debt arrangements. Even if all the outstanding notes held by parties other than Apollo were converted into Class A Common Stock, Apollo would continue to control a majority of the voting power of the outstanding Common Stock.

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Qualified Public Offering means (a) an underwritten offering of shares of Class A Common Stock by Holdings or any selling securityholders pursuant to an effective registration statement filed by Holdings with the SEC (subject to certain customary exceptions) under the Securities Act, pursuant to which the aggregate offering price of the Class A Common Stock (by Holdings and/or other selling securityholders) sold in such offering (together with the aggregate offering prices from any prior such offerings) is at least $200 million and (b) the listing of Company Class A Common Stock on the NASDAQ Global Select Market, the NASDAQ Global Market, the New York Stock Exchange or any successor exchange to the foregoing.

Assuming all notes are converted into shares of Class A Common Stock, Apollo and Paulson would beneficially own approximately 66.2% and 21.5%, respectively, of the total outstanding shares of Common Stock on an as-converted basis (not including shares of Common Stock held by management for which Apollo exercises voting power). None of York, Avenue and WAMCO would beneficially own more than 5% of the total outstanding shares of Common Stock assuming the conversion of all the notes. However, if any of York, Avenue or WAMCO converted its notes before the conversion of any other Convertible Notes, it would beneficially own more than 5% of the total outstanding shares of Common Stock. See Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. In connection with the Debt Exchange Offering, each of York, Avenue, Paulson and WAMCO also entered into a securityholders agreement with Realogy, Holdings and Apollo as further described below.

Apollo Securityholders Agreement

On January 5, 2011, Holdings and certain holders of Common Stock affiliated with Apollo amended and restated the Securityholders Agreement, originally dated as of April 10, 2007 (as amended and restated, the Apollo Securityholders Agreement), which became effective upon consummation of the Debt Exchange Offering. The Apollo Securityholders Agreement, among other things, generally sets forth the rights and obligations of Domus Co-Investment Holdings LLC a co-investment entity formed at the time of the Merger for the purpose of owning shares of Common Stock held beneficially by certain co-investors.

The Apollo Securityholders Agreement provides that prior to a Qualified Public Offering, Apollo Investment Fund VI, L.P., RCIV Holdings (Luxembourg) S.à r.l., RCIV Holdings, L.P. and Domus Investment Holdings, LLC (collectively, the Sponsor Funds) will have preemptive rights with respect to certain offerings by Holdings or Realogy of equity securities. The Sponsor Funds preemptive rights do not apply to the notes issued upon consummation of the Debt Exchange Offering or to the Class A Common Stock issued upon conversion thereof. If Holdings or Realogy proposes to issue or sell any equity securities, or securities convertible into, issuable upon exercise of or exchangeable for any such equity securities (excluding the notes and Class A Common Stock issued upon conversion thereof and subject to certain customary exceptions), then the Sponsor Funds will have the right to participate in any such issuance based on its pro rata equity ownership on a fully diluted basis. The Apollo Securityholders Agreement also provides for limited preemptive rights to Domus Co-Invest LLC in any subscription of equity securities of Holdings or its subsidiaries (or securities convertible into or exchangeable for any such equity securities) by the Sponsor Funds or any affiliates thereof to which any transfers of Common Stock are made.

The Apollo Securityholders Agreement also:

- provides for certain rights and obligations of Domus Co-Invest LLC upon any disposition of shares of Common Stock by the Sponsor Funds to any third party;
- restricts the ability of Domus Co-Invest LLC to transfer its shares in Holdings, other than in connection with sales initiated by the Sponsor Funds;
- provides Domus Co-Invest LLC with certain information rights;
- provides that the Holdings Board shall include two directors previously designated by Domus Co-Invest LLC and Apollo Investment Fund VI, L.P. and three directors designated by the Sponsor

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Funds, in each case, for so long as such entity continues to own Common Stock or Convertible Notes, and additional directors or non-voting observers designated pursuant to any other agreements of Holdings.

Amended and Restated Management Investor Rights Agreement

On January 5, 2011, Holdings also amended and restated its management investor rights agreement, originally dated as of April 7, 2007 (as amended and restated, the Management Investor Rights Agreement), which became effective upon consummation of the Debt Exchange Offering. The Management Investor Rights Agreement was entered into by and among Holdings and AIF VI LP, RCIV Sarl, RCIV Holdings, Domus LLC (collectively, the Apollo Holders) and certain management holders (collectively, the Management Holders).

The Management Investor Rights Agreement, among other things:

- allows the Management Holders to participate, and grants the Apollo Holders the right to require the Management Holders to participate, in certain sales or transfers of shares of Common Stock;
- restricts the ability of Management Holders to transfer, assign, sell, gift, pledge, hypothecate, encumber, or otherwise dispose of Common Stock prior to a Qualified Public Offering;
- allows Management Holders, subject to mutual indemnification and contribution rights, to include certain securities in a registration statement filed by Holdings with respect to an offering of Common Stock (i) in connection with the exercise of any demand rights by the Apollo Holders and any affiliates thereof to which any transfers of Common Stock are made (collectively, the Apollo Group) or any other securityholder possessing such rights, or (ii) in connection with which the Apollo Group exercises piggyback registration rights;
- allows Holdings and the Apollo Group to repurchase Common Stock held by Management Holders upon termination of employment or their bankruptcy or insolvency; and
- obligates the Management Holders to abide by certain nonsolicitation, noncompetition, confidentiality and proprietary rights provisions.

The Management Investor Rights Agreement will terminate upon the earliest to occur of the dissolution of Holdings, the occurrence of any event that reduces the number of parties to the agreement to one and the consummation of a control disposition.

Paulson Securityholders Agreement

On November 30, 2010, Realogy, Holdings, Paulson and certain affiliates of Apollo (Domus LLC, RCIV Holdings, RCIV Sarl, AIF VI LP and Domus Co-Invest LLC) entered into a securityholders agreement with Paulson (the Initial Paulson Agreement) which was subsequently amended and restated on January 5, 2011 (the Amended and Restated Paulson Agreement and, together with the Initial Paulson Agreement, the Paulson Securityholders Agreement). The Paulson Securityholders Agreement became effective on January 5, 2011, upon consummation of the Debt Exchange Offering. The material terms of the Paulson Securityholders Agreement are set forth below.

Preemptive Rights

Prior to a Qualified Public Offering, Paulson has preemptive rights with respect to certain offerings by Holdings or Realogy of equity or debt. Paulson s preemptive rights shall not apply to the notes issued upon consummation of the Debt Exchange Offering or to the Class A Common Stock issued upon conversion thereof. If Holdings or Realogy proposes to issue or sell any equity securities, or securities convertible into, issuable upon exercise of or exchangeable for any such equity securities (subject to certain customary exceptions), then Paulson has the right to participate in any such issuance based on its pro rata equity ownership on a fully diluted basis. If

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Holdings or Realogy proposes to issue or sell debt to an affiliate of Holdings or Realogy, then Paulson has the right to participate in any such issuance up to an amount equal to the fraction of the total offering determined by dividing (i) its then owned Extended Maturity Notes (including notes that have been converted into shares of Class A Common Stock still owned by it) by (ii) the total principal amount of outstanding debt of Realogy and Holdings as of the date of the Paulson Securityholders Agreement (Pro Rata Debt Ownership). In addition, Realogy will use commercially reasonable efforts to allow Paulson to participate in debt financings to third parties based on Paulson s Pro Rata Debt Ownership, provided that if Apollo participates in such financing, Paulson shall also be permitted to participate in such financing to the same extent as Apollo based on their respective Pro Rata Debt Ownership at such time.

Registration Rights

Demand Rights. Paulson has two demand rights that allow Paulson, at any time after 36 months following the consummation of the Debt Exchange Offering, to request that Holdings undertake an underwritten public offering of its Class A Common Stock under the Securities Act so long as the estimated gross proceeds of any such underwritten public offering would be equal to or greater than $75 million, provided that if the number of Paulson s shares of Class A Common Stock originally included in Paulson s demand request is reduced to less than two-thirds of such shares in the underwritten public offering as a result of underwriter cutbacks, Paulson shall not be deemed to have used one of its demand rights. In addition, if Paulson elects to exercise its demand rights prior to a Qualified Public Offering or Holdings notifies Paulson of its intention to consummate a Qualified Public Offering, Paulson will not publicly sell any shares of Class A Common Stock from such time until the expiration of its applicable Lock-Up Period (as defined below).

Blackout Periods. Holdings has the ability to delay the filing of a registration statement in connection with an underwritten demand request for not more than an aggregate of 90 days (the Maximum Blackout Period) in any twelve-month period, subject to certain conditions. To the extent Holdings delays the filing of a registration statement for a period in excess of the Maximum Blackout Period, it has agreed to pay liquidated damages to Paulson based on the principal amount of notes exchanged for the shares of Class A Common Stock requested to be included in such registration by Paulson.

Piggyback Registration Rights. Paulson also has unlimited piggyback registration rights that allow Paulson to include its Class A Common Stock in any public offering of equity securities initiated by Holdings or by any of Holdings other stockholders that have registration rights, subject to certain customary exceptions. Such registration rights are subject to proportional cutbacks based on the manner of the offering and the identity of the party initiating such offering and may be assigned to third parties if assigned together with a transfer by Paulson of at least $10 million aggregate principal amount of its notes or shares of Class A Common Stock issued upon conversion of such Convertible Notes.

Lock-Up

If Holdings registers shares of Common Stock in an underwritten offering and if requested by the lead managing underwriter in such offering, Paulson will not sell publicly any capital stock of Holdings for a period of not more than 90 days (or up to 180 days in the case of a Qualified Public Offering), commencing on the effective date of the applicable registration statement (each, a Lock-Up Period), subject to certain customary exceptions. Paulson has also agreed to enter into customary lock-up agreements with the lead managing underwriter to the extent requested to do so.

Indemnification; Expenses

Holdings has agreed to indemnify Paulson and its officers, directors, employees, managers, members, partners and agents and controlling persons against any losses resulting from any untrue statement or omission of material fact in any registration statement or prospectus pursuant to which Paulson sells shares of Class A

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Common Stock, unless such liability arose from Paulson s misstatement or omission, and Paulson has agreed to indemnify Holdings against all losses caused by its misstatements or omissions up to the amount of proceeds received by Paulson upon the sale of the securities giving rise to such losses. Holdings will pay all registration expenses incidental to Holdings obligations under the Paulson Securityholders Agreement, including a specified portion of Paulson s legal fees and expenses, and Paulson will pay any remaining legal fees and expenses and its portion of all underwriting discounts, commissions and transfer taxes, if any, relating to the sale of its shares of Class A Common Stock under the Paulson Securityholders Agreement.

Tag-Along Rights

If at any time, prior to the consummation of a Qualified Public Offering, certain Apollo entities propose to sell or transfer 5% or more of the outstanding shares of Common Stock on a fully diluted basis to any non affiliated third party, other than in a Public Sale, then Paulson has the right, subject to certain conditions, to participate in such transfer on a pro rata basis.

Public Sale means any sale, occurring simultaneously with or after an initial public offering of shares of Class A Common Stock pursuant to an effective registration statement under the Securities Act, of common stock to the public pursuant to an offering registered under the Securities Act or to the public in the manner described by the provisions of Rule 144 promulgated thereunder, other than an offering relating to employee incentive plans.

Designation and Election of Directors

Until Paulson ceases to own directly or indirectly, shares of Common Stock (assuming conversion of all of its then outstanding Convertible Notes) representing at least 5% of the outstanding shares of Common Stock on a fully-diluted basis, Paulson has the right to either (i) nominate one appointee to the Holdings Board or (ii) designate one non-voting observer to attend all meetings of the Holdings Board.

Consent Rights

Prior to the consummation of a Qualified Public Offering, Holdings, Intermediate and Realogy shall not declare or pay any dividends or any other distributions on capital stock or redeem or repurchase any shares of capital stock without the prior written consent of Paulson, subject to certain specified exceptions. In addition, prior to the consummation of a Qualified Public Offering, Holdings and its direct and indirect subsidiaries may not enter into any transaction or series of transactions with certain Apollo entities if such transaction involves consideration in excess of $10 million without Paulson s prior written consent, unless such transaction is (i) in connection with the Debt Exchange Offering, a preemptive event pursuant to which Paulson was given the opportunity to participate or pursuant to agreements or arrangements entered into prior to the date of the Paulson Securityholders Agreement, (ii) expressly permitted by the indentures governing the Extended Maturity Notes or (iii) not materially less favorable to Holdings or any of its direct or indirect subsidiaries than could have been obtained in a comparable transaction with an unrelated person.

Holdings may also not enter into any supplement of the indentures governing the notes that would materially adversely affect Paulson s holdings of notes for so long as Paulson owns at least 50% of the notes