

Domus Holdings Corp  
Form S-1  
June 08, 2012  
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As filed with the Securities and Exchange Commission on June 8, 2012.  
Registration No. 333-

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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FORM S-1 REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933

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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)

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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:

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.

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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	Proposed maximum aggregate offering price (1)	Amount of registration fee
Class A Common Stock, \$0.01 par value	\$1,000,000,000	\$114,600

(1) Estimated solely for the purpose of computing the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant 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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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED JUNE 8, 2012

PRELIMINARY PROSPECTUS

Shares  
Domus Holdings Corp.  
Class A Common Stock  
\$ Per Share

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This is Domus Holdings Corp.'s initial public offering. Domus Holdings Corp. is selling shares of its Class A common stock.

Following the completion of this offering and related transactions, funds affiliated with Apollo Management Holdings, L.P. will continue to own a majority of the voting power of our outstanding Class A common stock, which is the only class of our common stock which will be outstanding. As a result, we expect to be a "controlled company" within the meaning of the corporate governance standards of . See "Principal Stockholders."

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We expect the public offering price to be between \$ and \$ per share. Currently, no public market exists for the shares. We intend to apply to list our shares of Class A common stock on the under the symbol " ".

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Investing in our common stock involves risks. See "Risk Factors" beginning on page 17 to read about certain factors you should consider before buying our common stock.

	Per Share	Total
Public Offering Price		
Underwriting Discount		
Proceeds to Us		

We have agreed to allow underwriters to purchase up to an additional shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus.

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.

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The underwriters expect to deliver the shares of Class A common stock against payment on or about , 2012.

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The date of this prospectus is , 2012.

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by us or on our behalf that we have referred you to. We and the underwriters have not authorized anyone to provide you with additional or different information. If anyone provides you with additional, different or inconsistent information, you should not rely on it. We are not making an offer of these securities in any state or other jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus and any free writing prospectus is accurate as of any date other than the date of the applicable document regardless of its time of delivery or the time of any sales of our Class A common stock. Our business, financial condition, results of operations or cash flows may have changed since the date of the applicable document.

Except as otherwise indicated or unless the context otherwise requires, the terms "we," "us," "our," "our company" and the "Company" refer to Domus Holdings Corp. ("Holdings"), a Delaware corporation, and its consolidated subsidiaries, including Domus Intermediate Holdings Corp., a Delaware corporation ("Intermediate"), and Realogy Corporation, a Delaware corporation ("Realogy"). Holdings does not conduct any operations other than with respect to its indirect ownership of Realogy.

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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<sup>®</sup>, COLDWELL BANKER<sup>®</sup>, ERA<sup>®</sup>, THE CORCORAN GROUP<sup>®</sup>, COLDWELL BANKER COMMERCIAL<sup>®</sup>, SOTHEBY'S INTERNATIONAL REALTY<sup>®</sup> and BETTER HOMES AND GARDENS<sup>®</sup> REAL ESTATE 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. While data provided by 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 NAR's use of median price for its forecasts compared to our average price. Additionally, NAR data is subject to periodic review and revision. While we believe that the industry data presented herein is 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.

Forecasts regarding 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 are not aware of any misstatements regarding industry data provided herein, our estimates involve risks and uncertainties and are subject to change based upon various factors, including those discussed under the headings "Risk Factors" and "Forward-Looking Statements." Similarly, 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 our Class A common stock. 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 United States ("GAAP"). Domus Holdings Corp. is the indirect parent of Realogy and does not conduct any operations other than with respect to its indirect ownership of Realogy.

Our Company

We are the preeminent and most integrated provider of residential real estate services in the U.S. We are the world's largest franchisor of residential real estate brokerages with some of the most recognized brands in the real estate industry, the largest owner of U.S. residential real estate brokerage offices, the largest U.S. and a leading global provider of outsourced employee relocation services and a significant provider of title and settlement services. Our owned and franchised brokerage businesses are more than two and a half times larger than their nearest competitor and in 2011, we were involved in approximately 26% of domestic existing homesale transaction volume that involved a real estate brokerage firm. Our revenue is derived on a fee-for-service basis, and given our breadth of complementary service offerings, we are able to generate fees from multiple aspects of a residential real estate transaction. Our operating platform is supported by our portfolio of industry leading franchise brokerage brands, including Century 21<sup>®</sup>, Coldwell Banker<sup>®</sup>, ERA<sup>®</sup>, Sotheby's International Realty<sup>®</sup> and Better Homes and Gardens<sup>®</sup> Real Estate and we also own and operate the Corcoran Group<sup>®</sup> and CitiHabitats brands. Our multiple brands and operations allow us to derive revenue from many different segments of the residential real estate market, in many different geographies and at varying price points.

We believe that we are experiencing the beginning of a recovery in the residential real estate market. In the first five months of 2012, on a company-wide basis, our volume of completed homesales (i.e., average homesale price times number of homesale transactions) increased 12% compared to the first five months of 2011. According to NAR, in April 2012 existing homesale transaction volume (i.e., median homesale price times number of homesale transactions) increased approximately 17% as compared to April 2011. Furthermore, the most recent NAR forecast estimates that the volume of existing homesales will increase 12% for the full year 2012 compared to 2011 and increase a further 10% in 2013 compared to 2012.

We believe that our business is well positioned to benefit from a sustained recovery in the residential real estate market as a result of our scale, market leadership, breadth of complementary service offerings and operations, and the substantial brand equity of our portfolio of brokerage brands. Furthermore, since the downturn in the residential real estate market began, we have implemented a number of actions which we believe have fundamentally improved our operations and enhanced our ability to generate significant growth in our Adjusted EBITDA and free cash flow upon a sustained recovery in the residential real estate market. We have reduced our operating cost base by approximately \$500 million since 2005 by streamlining business units, consolidating offices and increasing the use of online listings distribution, while improving the infrastructure necessary to preserve our best-in-class service and enhancing our ability to capitalize on a recovery in the residential real estate market. We have continued to invest in our businesses to further strengthen our long-term growth prospects in a recovering housing market, including growing our franchise network through adding brokers to our existing franchise brands, adding a new franchise brokerage brand, Better Homes and Gardens<sup>®</sup> Real Estate, recruiting sales associates and completing several strategic acquisitions.

Upon completion of this offering and using the proceeds therefrom to reduce indebtedness and the conversion or redemption of the Convertible Notes (as defined below) at the closing of the offering (or promptly thereafter), our outstanding indebtedness (assuming debt balances as of , 2012) will be reduced by \$ billion, or % , and our annualized interest expense will decline by \$ million (which includes the elimination of approximately \$232 million of annual interest expense relating to the Convertible Notes). Our reduced interest expense, combined with our modest capital expenditure requirements and \$2.1 billion of net operating loss carry forwards, positions us to generate significant free cash flow upon a sustained residential real estate market recovery. Although we do not have any significant debt maturities until 2016, it is our primary objective to use a substantial portion of future free cash flow

generation to further reduce our outstanding indebtedness.

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### Segment Overview

We report our operations in four segments, each of which receives fees based upon services performed for our customers: Real Estate Franchise Services (known as Realogy Franchise Group or RFG), Company Owned Real Estate Brokerage Services (known as NRT), Relocation Services (known as Cartus) and Title and Settlement Services (known as Title Resource Group or TRG). See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further information on our reportable segments, including financial information.

#### Real Estate Franchise Services (61% of EBITDA for the year ended December 31, 2011)

We are the largest franchisor of residential real estate brokerages in the world through our portfolio of well known brokerage brands, including Century 21<sup>®</sup>, Coldwell Banker<sup>®</sup>, ERA<sup>®</sup>, Sotheby's International Realty<sup>®</sup>, Coldwell Banker Commercial<sup>®</sup> and Better Homes and Gardens<sup>®</sup> Real Estate. We derive substantially all of our real estate franchising revenues from royalty fees received under long-term (typically ten year) franchise agreements with our franchisees. 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 fees for the right to operate under one of our trademarks and to enjoy the benefits of the systems and tools provided by our real estate franchise operations. These fees provide us with recurring franchise revenue streams at high operating margins. In addition to highly competitive brands that provide unique offerings to our franchisees, we support our franchisees with dedicated national marketing and servicing programs, technology, training and education to facilitate our franchisees in growing their business and increasing their revenue and profitability. We believe that one of our strengths is the strong relationships that we have with our franchisees, as evidenced by our 97% retention rate of gross commission income in our franchise system during 2011. At March 31, 2012, our real estate franchise system had approximately 13,800 offices worldwide in 103 countries and territories, including approximately 6,200 brokerage offices and 241,000 independent sales associates (which included approximately 41,500 independent sales agents working with our company owned brokerage offices) operating under our franchise and proprietary brands in the U.S., and our average tenure with domestic franchisees was approximately 19 years as of March 31, 2012.

#### Company Owned Real Estate Brokerage Services (11% of EBITDA for the year ended December 31, 2011)

We own and operate the largest residential real estate brokerage business in the U.S. under the Coldwell Banker<sup>®</sup>, Sotheby's International Realty<sup>®</sup>, ERA<sup>®</sup>, Corcoran Group<sup>®</sup> and CitiHabitats brand names. We offer full-service residential brokerage services through approximately 725 company owned brokerage offices in more than 35 of the largest metropolitan areas of the U.S. As a result of our attractive geographic positioning, the average sales price of an NRT transaction is approximately twice the national average. NRT, as the broker for a home buyer or seller, derives revenues primarily from gross commission income received at the closing of real estate transactions. We also operate a large independent real estate owned ("REO") residential asset manager, which assists our clients in selling bank-owned properties. In addition, our home mortgage joint venture with PHH Corporation ("PHH") is the exclusive recommended provider of mortgages for our real estate brokerage and relocation service customers (unless exclusivity is waived by PHH). We also assist landlords and tenants through property management services.

#### Relocation Services (22% of EBITDA for the year ended December 31, 2011)

We are a leading global provider of outsourced employee relocation services. We are the largest provider of such services in the U.S. and also operate in key international relocation destinations. 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 complex and difficult process for the employee and employer. Our relocation services business serves corporations, including over 70% of the Fortune 50 companies, as well as affinity organizations such as insurance companies and credit unions that provide our services to their members. In 2011, we assisted in over 153,000 relocations in over 165 countries for approximately 1,500 active clients and as of March 31, 2012, our top 25 relocation clients had an average tenure of 16 years with us.

#### Title and Settlement Services (6% of EBITDA for the year ended December 31, 2011)

We assist with the closing of real estate transactions 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 and settlement services, we also coordinate a nationwide network of attorneys, title agents

and notaries to service financial institution clients on a national basis. We also serve as an underwriter of title insurance policies in connection with residential and commercial real estate transactions. Our average claims rate in the past three years in title underwriting of 1.5% is well below the industry average of 7% for the same period.

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Our Complementary Businesses Build Value for Each Other

Our four complementary businesses and mortgage joint venture work together to form our "value circle," allowing us to generate revenue at various points in a residential real estate transaction, as illustrated in the diagram below. Unlike other industry participants who offer only one or two services, we can offer homeowners, our franchisees and our corporate and affinity clients ready access to numerous associated services that facilitate and simplify the home purchase and sale process. These services provide further revenue opportunities for our owned businesses and those of our franchisees. All four of our businesses and our mortgage joint venture can derive revenue from the same real estate transaction. An example is when a relocation services business client engages us to relocate an employee, who then hires a real estate agent affiliated with one of our franchisees or company owned real estate brokerages to assist the employee in listing his or her residence in the departure city, buying a home in the destination city, uses our local title agent for title insurance and settlement services and obtains a mortgage through our mortgage venture with PHH.

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 and/or a flat fee. As a result, the real estate industry generally benefits from rising home prices and increased volume of homesales (and conversely is adversely impacted 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: (i) the existing homesales segment represents a significantly larger addressable market than new homesales, (ii) existing homesales afford us the opportunity to represent either the buyer or the seller and in some cases both the buyer and the seller and (iii) we are able to generate revenues from ancillary services provided to our customers.

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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" ("FSBO"). According to NAR, FSBO transactions, including services from Internet-based providers, declined to 13% of existing homesales in 2011 from 21% in 2001. We are confident that consumers will continue to choose to use the broker-assisted model for residential real estate transactions because (i) the average transaction size is very high and generally the largest transaction one does in a lifetime; (ii) transactions occur infrequently; (iii) there is a high variance in price, depending on neighborhood, floor plan, architecture, fixtures, and outdoor space; (iv) there is a compelling need for personal service as home preferences are unique to each buyer; and (v) a high level of support is required given the complexity associated with the process. Underscoring the value of the traditional brokerage model, after declining modestly during the height of the residential real estate market to 2.47% per transaction side, the average broker commission rate earned by our franchisees and our owned operations has held steady at 2.53% over the past three years.

**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 after having experienced significant growth between 2000 and 2005. Based upon data published by NAR, from 2005 to 2011, annual U.S. existing homesale units declined by 40% from 7.1 million to 4.3 million and the median homesale price declined by 24% from a median price of \$219,600 to \$166,100, resulting in a total transaction volume decline of 54%. NAR has indicated that it believes the 2012 first quarter improvement in the residential real estate market may be reflective of a sustainable market recovery driven by lower interest rates, fewer foreclosures, high affordability of home ownership, and satisfying demand that has built up during a period of economic uncertainty. The inventory supply is returning to a more typical level and acting as a stabilizing force on home prices. In addition, as rental prices have recently continued to rise, the cost of owning a home is now lower than the rental of a comparable property in the vast majority of U.S. metropolitan areas.

As of their most recent releases, NAR is forecasting a 9% increase in existing homesale transactions for 2012 compared to 2011; and Fannie Mae is forecasting 2012 to increase 7% for existing homesale transactions compared to 2011. With respect to homesale prices, NAR's most recent release is forecasting median homesale prices for 2012 to increase 2% compared to 2011. Fannie Mae's most recent forecast shows a 2% decrease in median homesale price for 2012 compared to 2011. For 2013, NAR is forecasting a 6% increase in homesales to 4.9 million units compared to 2012, although it noted in its release that the number of homesales could rise to as many as 5.3 million units, or a 14% increase compared to 2012, with a return to more normal mortgage lending standards. NAR also is forecasting a 4% increase in median existing homesale prices in 2013 compared to 2012.

Although there have been concerns about significant "shadow inventory" (i.e., properties where the homeowner is seriously delinquent in meeting its mortgage obligations or where the property is in some stage of foreclosure or already a REO), we do not believe that this will have a significant impact on our business, as the concentration of the shadow inventory is limited to a few regions of the country and the potential increase in unit sales activity is expected to offset in whole or in part the adverse impact on home prices in these regions. Furthermore, according to NAR, the percentage of distressed properties has declined from 37% of sales in April 2011 to 28% of sales in April 2012, and institutions holding distressed mortgages have increasingly shifted activity away from REOs and focused on short sales, which are less disruptive to the market.

**Favorable long-term demand dynamics:** 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 economic factors such as demand relative to supply. We believe that the residential real estate market will benefit over the long term from expected positive demographic fundamentals.

Based on U.S. Census data and NAR, from 1991 through 2011, the average number of existing homesale transactions as a percentage of U.S. households was approximately 4.5%, compared to an average of approximately 3.7% from 2007 through 2011. During the same period, the number of U.S. households grew from 94 million in 1991 to 119 million in 2011, increasing at a 1% CAGR. We believe that as the U.S. economy stabilizes, the number of existing homesale transactions as a percentage of U.S. households will progress to the 4.5% mean level and the number of annual existing homesale transactions will increase.

According to the 2011 State of the Nation's Housing Report compiled by the Joint Center for Housing Studies ("JCHS") at Harvard University, the number of U.S. households is projected to grow by an average of 1.2 million annually from 2010 to 2020. Assuming this annual household formation and given the lack of new home building activity over the past several years, we would expect both home sale price and volume to exhibit strong growth over the long

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term.

See "Business—Industry Trends" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" for further discussion of our industry.

**Our Strengths**

We believe that our scale, market leadership, breadth of complementary servicing offerings and operations, and the substantial brand equity of our portfolio of brokerage brands, coupled with our efficient shared back office operations are distinguishing factors in our industry and provide us with various competitive advantages. These strengths include the following:

The largest provider of residential real estate services. We believe that we are the preeminent provider of residential real estate services with a strong market presence in each of our business units. For instance:

- in 2011, we were involved, either through our franchise operations or company owned brokerage offices, in approximately 26% of all existing domestic homesale transaction volume that involved a real estate brokerage firm;
- our franchise real estate brokerage business is more than two and a half times larger than their nearest competitor when measured by the number of independent sales associates;
- our owned real estate brokerage business generates approximately three and a half times the sales volume of our nearest domestic competitor;
- our relocation services business is nearly double that of our nearest competitor when measured by the volume of relocated employees in 2011; and
- our title and settlement services business continues to strengthen through higher participation in NRT transactions, expansion of services provided to third party mortgage originators and growth in title underwriting.

Comprehensive portfolio of distinguished real estate brands. We are the only major residential real estate services provider to successfully manage multiple, locally competing real estate brands on both a national and international basis. Our brands are among the most well known and established real estate brokerage brands in the world. The strong image and familiarity of our brands attract potential real estate buyers and sellers to seek out brokers affiliated with our brands. We believe that brand recognition is important in the real estate business because home buyers and sellers are generally infrequent users of brokerage services and typically rely on reputation as well as word-of-mouth recommendations. In addition, we believe that brand recognition contributes significantly to the retention of independent sales associates, as evidenced by the retention of the production of 93% of our first and second quartile of sales associates at NRT in 2011, as well as the retention of our franchisees, as evidenced by our franchisee retention rate of 97% of gross commission income in our franchise system in 2011.

Attractive business model with recurring revenue base. We believe that our established role as an intermediary in the home sale process and our integrated fee-for-services platform creates a strong business model with recurring revenue streams. Our real estate franchise operations have a recurring franchisee revenue base, generate high profit margins and require relatively modest capital investment. We also realize significant economies of scale by servicing multiple brands with a single shared service organization that provides, among other services, accounting, collection and technology platforms that benefit all our brands.

Revenue enhancing "value circle" among our complementary businesses. We believe that our four complementary businesses and mortgage joint venture uniquely position us to generate revenue growth opportunities from the multiple components of a residential real estate transaction, with each service generating the potential for revenues in ancillary services offered by other business units. We believe our strong, long-term relationships with our franchisees, the broad range of our real estate and relocation services and our ability to capture incremental business opportunities through cross-selling many of our related products and services provide us with significant market place advantages and incremental revenue generation opportunities.

Well-positioned for a residential real estate market recovery. Since 2005, we have instituted a number of actions that we believe more favorably position our business, relative to prior residential real estate market cycles, to take advantage of a sustained residential real estate market recovery. We have reduced our operating cost base by approximately \$500 million since 2005. We believe we will be able to maintain a significant majority of those savings as the residential housing market recovers. Furthermore, we have continued to invest in our business to drive future growth opportunities. For example, in 2008 we launched the Better Homes and Gardens® Real Estate brokerage brand

to expand market penetration opportunities. At RFG, we have continued to enlarge our franchise network footprint by adding a

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significant number of new franchisees and at NRT we have continued to add to our sales associate base by recruiting productive new sales associates and strategically acquiring brokerage firms. In addition, we expanded the Cartus global footprint through the acquisition of Primacy Relocation LLC (“Primacy”) in 2010. Our historically strong performance at higher residential real estate activity levels, combined with the investments we have made in our business and the cost-saving actions we have taken, position us to take advantage of a sustained residential real estate market recovery.

Attractive cash flow generation characteristics. Upon completion of this offering and related transactions, we expect to reduce our annualized interest expense by \$ million. We believe this reduction in our interest expense, combined with our profitability improvement with a residential real estate market recovery, modest capital expenditure requirements and our significant net operating loss carry forwards in excess of \$2.1 billion, will position us to be able to generate significant free cash flow with a residential real estate market recovery.

Industry leading management team. Our executive officers have extensive experience in the real estate industry, which we believe is an essential component to our future growth. Our senior executive management team combines a deep knowledge of the real estate markets and an understanding of industry trends. We believe our depth of experience in these areas has enabled us to effectively manage through the economic downturn, adapt to technological advances, operate more effectively, and remain a preeminent provider of real estate and relocation services.

**Our Strategies**

We intend to pursue the following key elements of our business strategy in order to continue to grow and strengthen the Company:

Capitalize on a residential real estate market recovery. Since 2005, we have undertaken significant efforts to streamline our businesses, expand our operational footprint and invest in our business which we believe positions us well to capitalize on a sustained residential real estate market recovery. We believe that our business model will allow us to achieve incremental EBITDA driven by macroeconomic improvements to the overall residential real estate market and/or due to actions taken by management to improve our market position through organic gains or strategic acquisitions. For example, in 2011, EBITDA at NRT and RFG combined would have increased by approximately \$11 million (assuming all other variables remain constant) with every 1% increase in either our homesale sides or average selling price. In addition, EBITDA at Cartus and TRG will also benefit from a recovering residential real estate market and overall economy.

Continue to utilize our technology platform to our advantage. We believe that we effectively use innovative technology to attract more customers, enhance sales associates' productivity and improve our profitability. We intend to continue to identify, acquire, develop, and market new technologies and tools that are designed to further solidify our market position, expand our customer base, convert Internet leads into revenue generating opportunities, be more responsive to our customers' needs and help our independent sales associates to become more efficient and successful. We continue to expand our technological platform to effectively leverage technologies across our franchised and proprietary brands and differentiate our business from new entrants in the real estate market. This technological platform allows us to continue to strengthen ties and maximize connectivity with our independent sales associates, franchisees, corporate customers and home buyers.

Ongoing focus on growth opportunities. We continue to focus on the growth of our businesses, and believe that each of our segments is well-positioned to take advantage of unique growth opportunities.

**Real Estate Franchise Services.** We intend to grow our real estate franchise business by selling new franchises and helping current franchisees recruit productive sales associates and grow their businesses. We believe we have significant incremental franchise sales opportunities with real estate brokers that are unaffiliated with a real estate brand, currently estimated to represent 46% of the market, as well as real estate brokers that are affiliated with competing brands. We believe our franchise sales force can effectively market our franchise systems to these brokerages by leveraging our brand names, technologies, sales, marketing and educational support systems, and prospective participation in 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. We also intend to continue to expand our international presence through a combination of the sale of international master franchise rights, which is predominantly utilized in 103 countries and territories, and, with



some of our brands, direct franchise sales.

Company Owned Real Estate Brokerage Services. We intend to continue to recruit, acquire and develop effective independent sales associates who can successfully engage and earn fees from new and existing clients, which we believe will increase NRT's profit margins due in part to our ability to incorporate new sales associates into our existing infrastructure. We also intend to continue to optimize our office footprint by opportunistically

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consolidating offices, rationalizing office size and reducing lease expense where appropriate in order to enhance overall profitability.

**Relocation Services.** We intend to continue to expand our relocation services business domestically and globally through a combination of adding new clients, providing additional services to existing clients and providing new product offerings. In 2011, we signed 124 new clients and expanded services provided to 300 existing clients. Our pipeline of client prospects for 2012 is robust. We also intend to grow our affinity services business, which provide our services to organizations such as insurance companies and credit unions that have established members.

**Title and Settlement Services.** We intend to grow our title and settlement services business by recruiting title and escrow sales associates in existing markets and by completing acquisitions to expand our geographic footprint or complement existing operations. We also intend to continue to increase our capture rate of title business from our NRT homesale sides. During 2011, approximately 38% of the customers of our company owned brokerage offices where we offer title coverage also utilized our title and settlement services. In addition, we expect to continue to grow and diversify our lender channel and our underwriting businesses by expanding and adding clients and increasing our agent base, respectively.

Utilize Cash Flow from Operations to further reduce indebtedness. Although we do not have any significant corporate debt maturities until 2016, with the positive cash flow we expect to generate from improved profitability as a result of the residential real estate market recovery, our low capital expenditure requirements, low cash income taxes as a result of our significant net operating loss position of \$2.1 billion and the reduction in our annual interest expense following this offering, it is our primary objective to use a substantial portion of the cash flow generated from our business to further reduce our outstanding indebtedness in the future.

### Risks Relating to Our Business and This Offering

Participating in this offering involves substantial risk. Our ability to execute our strategy also is subject to certain risks. The risks described under the heading "Risk Factors" immediately following this summary may cause us not to realize the full benefits of our strengths or may cause us to be unable to successfully execute all or part of our strategy. Some of the more significant challenges and risks include the following:

our significant indebtedness and interest obligations 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;

- the residential real estate market is cyclical and we are negatively impacted by downturns in this market;
- a prolonged decline or lack of sustained growth in the number of homesales and/or prices would adversely affect our revenues and profitability;

• competition in the residential real estate and relocation business is intense and may adversely affect our financial performance; and

• 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.

Before you participate in this offering, you should carefully consider all of the information in this prospectus, including matters set forth under the heading "Risk Factors."

### Principal Stockholders

Our principal stockholders are investment funds affiliated with or 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 one of the world's largest alternative investment managers, with total assets under management of approximately \$86 billion as of March 31, 2012, and a team of 601 employees located in ten offices around the world. See "Principal Stockholders."

Our headquarters are located at One Campus Drive, Parsippany, New Jersey 07054. We have entered into a lease for new corporate headquarters at 175 Park Avenue, Madison, New Jersey and expect to take occupancy of the new headquarters at the end of 2012 or early 2013. Our general telephone number is (973) 407-2000. We were incorporated on December 14, 2006 in the State of Delaware. We maintain an Internet website at <http://www.realty.com>. Our website address is provided as an inactive textual reference. The contents of our website

are not incorporated by reference herein or otherwise a part of this prospectus.

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As used in this prospectus, "this offering and related transactions" refers, collectively, to (i) the conversion of all of the Convertible Notes held by certain of our securityholders who have indicated that they intend to so convert, including 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"), (ii) the offering of our Class A common stock hereby and the use of net proceeds therefrom to repay certain outstanding indebtedness and redeem any Convertible Notes that remain outstanding on the closing date of this offering at a redemption price equal to 90% of the principal amount thereof, and (iii) the reverse stock split we will effect prior to the completion of this offering whereby holders of our outstanding shares of common stock will receive shares of common stock for each share of Class A common stock or Class B common stock held by them.

As used in this prospectus, the term "Existing Notes" refers, collectively, to the 10.50% Senior Notes due 2014 (the "10.50% Senior Notes"), the 11.00%/11.75% Senior Toggle Notes due 2014 (the "Senior Toggle Notes") and the 12.375% Senior Subordinated Notes due 2015 (the "12.375% Senior Subordinated Notes") issued on April 10, 2007. The term "Extended Maturity Notes" refers collectively to the 11.50% Senior Notes due 2017 (the "11.50% Senior Notes"), the 12.00% Senior Notes due 2017 (the "12.00% Senior Notes" and, together with the 11.50% Senior Notes, the "Senior Cash Notes") and the 13.375% Senior Subordinated Notes due 2018 (the "13.375% Senior Subordinated Notes") issued on January 5, 2011. The term "Senior Notes" refers collectively to the 10.50% Senior Notes, the Senior Toggle Notes, the 11.50% Senior Notes and the 12.00% Senior Notes. The term "Convertible Notes" refers collectively to the 11.00% Series A Convertible Notes due 2018, the 11.00% Series B Convertible Notes due 2018 and the 11.00% Series C Convertible Notes due 2018, issued on January 5, 2011. The term "Unsecured Notes" refers, collectively, to the Existing Notes, the Extended Maturity Notes and the Convertible Notes. The term "Senior Subordinated Notes" refers, collectively, to the 12.375% Senior Subordinated Notes and the 13.375% Senior Subordinated Notes. The term "Existing First and a Half Lien Notes" refers to the 7.875% Senior Secured Notes due 2019, issued on February 3, 2011. The term "New First and a Half Lien Notes" refers to the 9.000% Senior Secured Notes due 2020 issued on February 2, 2012 and the term "First and a Half Lien Notes" refers, collectively, to the Existing First and a Half Lien Notes and the New First and a Half Lien Notes. The term "First Lien Notes" refers to the 7.625% Senior Secured First Lien Notes due 2020 issued on February 2, 2012.

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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 and cash flow data for the years ended December 31, 2011, 2010 and 2009 have been derived from our audited consolidated financial statements included elsewhere in this prospectus.

The consolidated statement of operations data and cash flow data for the three months ended March 31, 2012 and 2011 and the consolidated balance sheet data as of March 31, 2012 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The condensed consolidated financial statements, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial position and results of operations as of the dates and for the periods indicated.

The summary historical consolidated financial data should be read in conjunction with the sections of this prospectus entitled "Capitalization," and "Selected Historical Consolidated Financial Data." Historical results are not necessarily indicative of results that may be expected for any future period.

(In millions)	As of or For the Three Months Ended March 31,		As of or For the Year Ended December 31,			
	2012	2011	2011	2010	2009	
Statement of Operations Data:						
Net revenue	\$875	\$831	\$4,093	\$4,090	\$3,932	
Total expenses	1,070	1,067	4,526	4,084	4,266	
Income (loss) before income taxes, equity in earnings and noncontrolling interests	(195 )	(236 )	(433 )	6	(334 )	
Income tax expense (benefit)	7	1	32	133	(50 )	
Equity in (earnings) losses of unconsolidated entities	(10 )	—	(26 )	(30 )	(24 )	
Net loss	(192 )	(237 )	(439 )	(97 )	(260 )	
Less: Net income attributable to noncontrolling interests	—	—	(2 )	(2 )	(2 )	
Net loss attributable to Holdings	\$(192 )	\$(237 )	\$(441 )	\$(99 )	\$(262 )	
Basic loss per share						
Diluted loss per share						
Other Data:						
Interest expense, net <sup>(1)</sup>	\$170	\$179	\$666	\$604	\$583	
Depreciation and amortization	45	46	186	197	194	
Loss (gain) on the early extinguishment of debt	6	36	36	—	(75 )	
Adjusted Free Cash Flow <sup>(2)</sup>	(40 )	(94 )	(258 )	(183 )	(163 )	
Adjusted EBITDA <sup>(3)</sup>	\$53	\$44	\$571	\$633	\$619	
Senior secured leverage ratio for the trailing twelve month period <sup>(3)</sup>	4.02	x	4.44	x 4.59	x 4.66	x
As of March 31, 2012						
	Actual		Pro Forma <sup>(4)</sup>		Pro Forma, As Adjusted <sup>(5)</sup>	
Balance Sheet Data:						
Cash and cash equivalents	\$148		\$148			
Securitization assets <sup>(6)</sup>	362		362			
Total assets	7,797		7,797			
Securitization obligations	302		302			
Long-term debt, including short-term portion	7,232					
Equity (deficit)	\$(1,698	)				



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Following the completion of this offering and related transactions, our annualized interest expense (assuming debt (1) balances as of , 2012) will decline by \$ million (which includes the elimination of approximately \$232 million of annual interest expense relating to the Convertible Notes).

We define "Adjusted Free Cash Flow" as cash flows from operating activities less property and equipment additions and excluding changes in relocation receivables, advances and relocation properties held for sale. The changes in relocation receivables, advances and relocation properties held for sale are removed from the Adjusted Free Cash Flow calculation as the change in these assets corresponds with the change in our securitization obligations included in cash flows from financing activities. We use Adjusted Free Cash Flow as a measure of liquidity because it assists us in assessing our ability to reduce our indebtedness through our generation of cash. We believe Adjusted Free Cash Flow is useful to an investor in evaluating our liquidity because Adjusted Free Cash Flow and similar measures are widely used by investors, securities analysts and other interested parties in our industry to measure a company's liquidity without regard to revenue and expense recognition, which can vary depending upon (2) accounting methods. Although we use Adjusted Free Cash Flow as a liquidity measure to assess our ability to reduce our indebtedness through our generation of cash, the use of Adjusted Free Cash Flow has important limitations, including that: (1) Adjusted Free Cash Flow does not reflect the cash requirements necessary to service principal payments on our indebtedness; and (2) Adjusted Free Cash Flow removes the impact of accrual basis accounting on asset accounts and non-debt liability accounts. Adjusted Free Cash Flow may be calculated differently by other companies, including other companies in our industry, limiting its usefulness as a comparative measure. Adjusted Free Cash Flow should not be considered in isolation or as a substitute to cash flows from operating activities determined in accordance with GAAP and should be assessed alongside other liquidity measures, including various cash flow metrics and our other GAAP results. A reconciliation of net cash (used in) provided by operating activities to Adjusted Free Cash Flow is set forth in the following table:

	For the Three Months Ended March 31,		For the Year Ended December 31,		
	2012	2011	2011	2010	2009
Net cash (used in) provided by operating activities	\$(32 )	\$(87 )	\$(192 )	\$(118 )	\$341
Less property and equipment additions	(9 )	(11 )	(49 )	(49 )	(40 )
Less relocation receivables, advances and properties held for sale	1	4	(17 )	(16 )	(464 )
Adjusted Free Cash Flow	\$(40 )	\$(94 )	\$(258 )	\$(183 )	\$(163 )

We define "EBITDA" as net income (loss) before depreciation and amortization, interest expense, net (other than relocation services interest for securitization assets and securitization obligations) and income taxes. 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 (3) 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 investors, securities analysts and other interested parties in their evaluation of companies, many of which present an EBITDA measure when reporting their results.

"Adjusted EBITDA" calculated for a twelve-month period corresponds to the definition of "EBITDA," calculated on a "pro forma basis," used in our senior secured credit facility to calculate the senior secured leverage ratio. Adjusted EBITDA includes adjustments to EBITDA for merger costs, restructuring costs, former parent legacy cost (benefit) items, net, gain (loss) on the early extinguishment of debt, pro forma cost savings, the pro forma effect of business optimization initiatives and the pro forma effect of acquisitions and new franchisees, in each case calculated as of the beginning of the twelve-month period. Adjusted EBITDA calculated for a quarterly period adjusts for the same items as for a twelve-month period, except that the pro forma effect of cost savings, business optimizations and acquisitions and new franchisees are calculated as of the beginning of the quarterly period instead of the twelve-month period. EBITDA and Adjusted EBITDA are supplemental measures of performance that are not required by, or presented in

accordance with GAAP and may be calculated differently by other companies, including other companies in our industry, limiting their usefulness as comparative measures. EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute to any GAAP measures and should be assessed alongside other performance measures, including operating income, net income and our other GAAP results. For further discussion of EBITDA and Adjusted EBITDA, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures."



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A reconciliation of net loss attributable to Realogy to Adjusted EBITDA for the three months ended March 31, 2012 and 2011 and a reconciliation of net loss attributable to Realogy to Adjusted EBITDA as calculated in accordance with the senior secured credit facility and presented in certificates delivered to the lenders under the senior secured credit facility for the twelve months ended March 31, 2012 and the years ended December 31, 2011, 2010 and 2009 is set forth in the following table:

	For the Three Months Ended March 31,		For the Twelve Months Ended			
	2012	2011	March 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Net loss attributable to Realogy	\$(192 )	\$(237 )	\$(396 )	\$(441 )	\$(99 )	\$(262 )
Income tax expense (benefit)	7	1	38	32	133	(50 )
Income (loss) before income taxes	(185 )	(236 )	(358 )	(409 )	34	(312 )
Interest expense (income), net	170	179	657	666	604	583
Depreciation and amortization	45	46	185	186	197	194
EBITDA	30	(11 )	484	443	835	465
Merger costs, restructuring costs and former parent legacy costs (benefit), net <sup>(a)</sup>	—	—	(3 )	(3 )	(301 )	37
Loss (gain) on the early extinguishment of debt	6	36	6	36	—	(75 )
Pro forma cost savings for restructuring initiatives <sup>(b)</sup>	—	1	10	11	20	33
Pro forma effect of business optimization initiatives <sup>(c)</sup>	9	12	47	52	49	38
Non-cash charges <sup>(d)</sup>	—	(1 )	5	4	(4 )	34
Non-recurring fair value adjustments for purchase accounting <sup>(e)</sup>	1	1	4	4	4	5
Pro forma effect of acquisitions and new franchisees <sup>(f)</sup>	1	2	6	7	13	5
Apollo management fees <sup>(g)</sup>	4	4	15	15	15	15
Proceeds from WEX contingent asset <sup>(h)</sup>	—	—	—	—	—	55
Incremental securitization interest costs <sup>(i)</sup>	2	—	3	2	2	3
Expenses incurred in debt modification activities <sup>(j)</sup>	—	—	—	—	—	4
Adjusted EBITDA	\$53	\$44	\$577	\$571	\$633	\$619
Total senior secured net debt <sup>(k)</sup>			\$2,317	\$2,536	\$2,905	\$2,886
Senior secured leverage ratio			4.02	x 4.44	x 4.59	x 4.66

(a) Consists of:

	For the Three Months Ended March 31,		For the Twelve Months Ended			
	2012	2011	March 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Restructuring costs	\$3	\$2	\$12	\$11	\$21	\$70
Merger costs	—	—	1	1	1	1
Former parent legacy benefits	(3 )	(2 )	(16 )	(15 )	(323 )	(34 )
	\$—	\$—	\$(3 )	\$(3 )	\$(301 )	\$37

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(b) Represents actual costs incurred that are not expected to recur in subsequent periods due to restructuring activities initiated during the period. The adjustment shown represents the impact the savings would have had on the period from the first day of the period through the time they were put in place, had those actions been effected as of such date.

	For the Three Months Ended March 31,		For the Twelve Months Ended			
	2012	2011	March 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Expected reduction in operating costs based on a three or twelve month run-rate	\$ 1	\$ 1	\$ 20	\$ 21	\$ 34	\$ 103
Estimated savings realized from the time they were put in place	1	—	10	10	14	70
	\$—	\$ 1	\$ 10	\$ 11	\$ 20	\$ 33

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(c) Represents the pro forma effect of business optimization initiatives that have been completed to reduce costs.

	For the Three Months Ended March 31,		For the Twelve Months Ended			
	2012	2011	March 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Relocation Services integration costs and acquisition related non-cash adjustments	\$ 1	\$ 1	\$ 2	\$ 1	\$ 12	\$ —
Initiatives to improve the Company Owned Real Estate Brokerage profit margin	—	—	—	—	—	3
Initiatives to improve the Relocation Services and Title and Settlement Service fees	—	—	—	—	—	2
Vendor renegotiations	—	—	5	6	6	—
Employee retention accruals	10	11	40	41	23	19
Other initiatives	(2	) —	—	4	8	14
	\$ 9	\$ 12	\$ 47	\$ 52	\$ 49	\$ 38

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:

	For the Three Months Ended March 31,		For the Twelve Months Ended			
	2012	2011	March 31, 2012	December 31, 2011	December 31, 2010	December 31, 2009
Stock-based compensation expense	\$ 1	\$ 2	\$ 6	\$ 7	\$ 6	\$ 7
Change in allowance for doubtful accounts and notes reserves	(2	) (3	) (7	) (7	) (8	) 12
Write-down of a cost method investment	—	—	—	—	—	14
Unrealized net losses on foreign currency transactions and foreign currency forward contracts	1	—	—	—	—	1
Other items	—	—	6	4	(2	) —
	\$ —	\$ (1	) \$ 5	\$ 4	\$ (4	) \$ 34

(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.

Represents the estimated impact of acquisitions and new franchisees as if they had been acquired or signed at the beginning of the period. Franchisee sales activity is comprised of new franchise agreements as well as growth (f) acquired by existing franchisees with our assistance. 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 at the beginning of the period.

(g) Represents the elimination of annual management fees payable to Apollo.

(h) Wright Express Corporation ("WEX") was divested by Cendant in February 2005 through an initial public offering. On June 26, 2009, we entered into a Tax Receivable Prepayment Agreement with WEX, pursuant to which WEX simultaneously paid us 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.

- (i) Reflects the incremental borrowing costs incurred as a result of the securitization facilities refinancing.
- (j) Represents the expenses incurred in connection with the Company's unsuccessful debt modification activities in the third quarter of 2009.

Pursuant to the terms of our senior secured credit facility, total senior secured net debt does not include the First and a Half Lien Notes, other indebtedness secured by a lien on our assets that is pari passu or junior in priority to

- (k) the First and a Half Lien Notes, including our \$650 million of second lien term loans under the incremental loan feature of the senior secured credit facility (the "Second Lien Loans"), our securitization obligations and the Unsecured Notes.

Pro forma gives effect to the conversion of all of the Convertible Notes held by our securityholders who have

- (4) indicated that they intend to convert their Convertible Notes, including Apollo and Paulson, simultaneously with the closing of this offering.

- (5) Pro forma, as adjusted, gives effect to our sale of shares of Class A common stock in this offering at an initial public offering price of \$ per share, which is the midpoint of the offering price range set forth on the cover page

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of this prospectus, and our expected use of the net proceeds of this offering to repay certain outstanding indebtedness and repay any Convertible Notes that have not been surrendered to us for conversion prior to the closing date, as described in "Use of Proceeds."

(6) Represents the portion of relocation receivables and advances and other related assets that collateralize our securitization obligations.

## Key Business Drivers

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

	Three Months Ended March 31,		Year Ended December 31,			
	2012	2011	2011	2010	2009	
Operating Statistics:						
Real Estate Franchise Services <sup>(1)</sup>						
Closed homesale sides <sup>(2)</sup>	197,458	184,643	909,610	922,341	983,516	
Average homesale price <sup>(3)</sup>	\$194,071	\$193,710	\$198,268	\$198,076	\$190,406	
Average homesale broker commission rate <sup>(4)</sup>	2.56	% 2.54	% 2.55	% 2.54	% 2.55	%
Net effective royalty rate <sup>(5)</sup>	4.75	% 4.87	% 4.84	% 5.00	% 5.10	%
Royalty per side <sup>(6)</sup>	\$248	\$251	\$256	\$262	\$257	
Company Owned Real Estate Brokerage Services <sup>(7)</sup>						
Closed homesale sides <sup>(2)</sup>	55,273	51,200	254,522	255,287	273,817	
Average homesale price <sup>(3)</sup>	\$403,115	\$414,164	\$426,402	\$435,500	\$390,688	
Average homesale broker commission rate <sup>(4)</sup>	2.51	% 2.50	% 2.50	% 2.48	% 2.51	%
Gross commission income per side <sup>(8)</sup>	\$10,959	\$11,188	\$11,461	\$11,571	\$10,519	
Relocation Services						
Initiations <sup>(9)</sup>	37,470	35,108	153,269	148,304	114,684	
Referrals <sup>(10)</sup>	14,266	12,813	72,169	69,605	64,995	
Title and Settlement Services						
Purchase title and closing units <sup>(11)</sup>	20,565	18,971	93,245	94,290	104,689	
Refinance title and closing units <sup>(12)</sup>	22,016	16,826	62,850	62,225	69,927	
Average price per closing unit <sup>(13)</sup>	\$1,237	\$1,386	\$1,409	\$1,386	\$1,317	

(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 home sale 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.

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.

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.

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- (9) Represents the total number of transferees served by the relocation services business.
- (10) Represents the number of referrals from which we earned revenue from real estate brokers.
- (11) Represents the number of title and closing units processed as a result of a 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

Class A common stock offered	shares.
Class A common stock to be outstanding after this offering	shares ( shares if the underwriters exercise their over-allotment in full).
Listing	We intend to apply to list our Class A common stock on the under the ticker symbol " " .
Over-allotment option	We have agreed to allow the underwriters to purchase up to an additional shares from us, at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus. Assuming an initial public offering price of \$ per share, which is the midpoint of the offering price range set forth on the cover page of this prospectus, we estimate that the net proceeds to us from the sale of our Class A common stock in this offering will be \$ (or \$ if the underwriters exercise in full their option to purchase additional shares of Class A common stock from us), after deducting estimated underwriting discounts and commissions and offering expenses.
Use of proceeds	We currently intend to use the net proceeds received by us in this offering to (i) repay certain outstanding indebtedness and (ii) redeem any Convertible Notes that remain outstanding on the closing date of this offering at a redemption price equal to 90% of the principal amount thereof. Certain of our securityholders, including Apollo and Paulson, have indicated that they intend to convert all of their Convertible Notes into Class A common stock, representing in the aggregate approximately \$2.0 billion principal amount of outstanding Convertible Notes. To the extent that any Convertible Notes not owned by such securityholders are surrendered to us for conversion prior to the closing date of this offering, the portion of the net proceeds of this offering that would have been used to pay the redemption price for such Convertible Notes will instead be applied to the repayment of our other outstanding indebtedness. We do not currently anticipate paying dividends on our Class A common stock following this offering. Any declaration and payment of future dividends to holders of our Class A common stock may be limited by restrictive covenants in our debt agreements, and will be at the sole discretion of our Board of Directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant. See "Dividend Policy," "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources," and "Description of Capital Stock—Common Stock." See "Risk Factors" for a discussion of factors you should carefully consider before deciding to invest in our Class A common stock.
Dividends	
Risk factors	

Except as otherwise indicated, all of the information in this prospectus assumes or reflects:

- the effect of the -for-one reverse stock split described below;
- the conversion by certain of our securityholders, including Apollo and Paulson, of all of their Convertible Notes as described below, representing in the aggregate approximately \$2.0 billion principal amount of Convertible Notes, into shares of Class A common stock, and no conversion by any other holders of Convertible Notes;
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the conversion of all outstanding shares of Class B common stock into shares of Class A common stock on a one-for-one basis;

no exercise of the underwriters' option to purchase up to additional shares of Class A common stock;

an initial offering price of \$ , which is the midpoint of the offering price range set forth on the cover page of this prospectus;

the use of a portion of the net proceeds from this offering to redeem \$ million aggregate principal amount of the

Convertible Notes at a redemption price equal to 90% of the principal amount thereof, representing all of the

Convertible Notes not owned by our securityholders who have indicated that they intend to convert all of their

Convertible Notes, including Apollo and Paulson, and to redeem \$ million of debt with a weighted average



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interest expense of %; and

our amended and restated certificate of incorporation and amended and restated bylaws are in effect, pursuant to which the provisions described under "Description of Capital Stock" will become operative.

Prior to the completion of this offering and related transactions, we will effect a reverse stock split whereby holders of our outstanding shares of common stock will receive shares of common stock for each share of Class A common stock or Class B common stock held by them, as applicable, resulting in shares of Class A common stock and shares of Class B common stock outstanding immediately following the reverse stock split. As a result of the reverse stock split and pursuant to the terms of the indenture governing the Convertible Notes, the conversion rates applicable to each series of Convertible Notes will be adjusted as follows:

the conversion rate for the Series A Convertible Notes and the Series B Convertible Notes will be adjusted from 975.6098 shares of Class A common stock per \$1,000 principal amount of Series A Convertible Notes and Series B Convertible Notes to shares of Class A common stock per \$1,000 principal amount of Series A Convertible Notes and Series B Convertible Notes; and

the conversion rate for the Series C Convertible Notes will be adjusted from 926.7841 shares of Class A common stock per \$1,000 principal amount of Series C Convertible Notes to shares of Class A common stock per \$1,000 principal amount of Series C Convertible Notes.

There will be no shares of Class B common stock outstanding following the completion of this offering. Pursuant to the terms of our amended and restated certificate of incorporation, upon the conversion of all shares of Class B common stock to shares of Class A common stock prior to completion of this offering, we will no longer be permitted to issue any shares of Class B common stock and only Class A common stock will be outstanding.

Certain of our securityholders, including Apollo and Paulson, have indicated that they intend to convert all of the Convertible Notes held by them into shares of Class A common stock simultaneously with the closing of this offering. As of , 2012, such securityholders held in the aggregate approximately \$2.0 billion aggregate principal amount of Convertible Notes, which, once converted, will result in the issuance of an additional shares of Class A common stock prior to the completion of this offering. Following the conversion by Apollo of all of its Convertible Notes, all of the shares of Class B common stock outstanding immediately prior to such conversion will convert into shares of Class A common stock on a one-for-one basis. The Convertible Notes are convertible at any time at the option of the holders thereof. Pursuant to the terms of the indenture governing the Convertible Notes, we intend to use a portion of the net proceeds from this offering to redeem on the closing date of this offering or promptly thereafter any remaining Convertible Notes which have not been surrendered to us for conversion prior to such date at a redemption price equal to 90% of the principal amount thereof. See "Use of Proceeds."

For every \$1,000 principal amount of Series A Convertible Notes and Series B Convertible Notes that is converted by the holders thereof (other than our securityholders who have indicated that they intend to convert their Convertible Notes) into Class A common stock, an additional shares of Class A common stock will be issued and our total outstanding indebtedness will be reduced by \$1,000. For every \$1,000 principal amount of Series C Convertible Notes that is converted by the holders thereof (other than our securityholders who have indicated that they intend to convert their Convertible Notes) into Class A common stock, an additional shares of Class A common stock will be issued and our total outstanding indebtedness will be reduced by \$1,000.

The number of shares of Class A common stock to be outstanding after completion of this offering is based on shares of our Class A common stock to be sold by us in this offering and, except where we state otherwise, the information with respect to our Class A common stock we present in this prospectus, including as set forth above, and:

does not give effect to shares of Class A common stock reserved for future issuance under the Holdings 2007 Stock Incentive Plan (as amended, the "Stock Incentive Plan"), including shares of our Class A common stock issuable upon the exercise of outstanding options as of , 2012, at a weighted average exercise price of \$ per share and shares reserved for issuance pursuant to the terms of the 2012 Executive Incentive Plan and the 2012 Performance Plan (collectively, the "2012 Incentive Plan");

does not give effect to shares of our Class A common stock issuable upon the conversion of the Convertible Notes not owned by our securityholders who have indicated that they intend to convert all of their Convertible Notes, including Apollo and Paulson; and

does not give effect to any shares of Class A common stock reserved for future issuance under the Realogy Corporation Phantom Value Plan (the "Phantom Value Plan").

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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 our indebtedness; (2) risks related to our business; and (3) risks related to an investment in our Class A common stock and this offering. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company and our 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 Our Indebtedness**

Our significant indebtedness and interest obligations 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 March 31, 2012, our total debt, excluding our securitization obligations, was \$7,232 million (without giving effect to outstanding letters of credit under our senior secured credit facility). In addition, as of March 31, 2012, our current liabilities included \$302 million of securitization obligations which were collateralized by \$362 million of securitization assets that are not available to pay our general obligations. While our outstanding indebtedness upon completion of this offering and related transactions will be reduced by \$ billion, or % (assuming debt balances as of , 2012), we will remain highly leveraged. Our indebtedness was principally incurred to finance our 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. Since the date of our acquisition, the industry and economy have experienced significant declines that have negatively impacted our operating results and we have had to incur additional debt to fund negative cash flows. Revenues for the year ended December 31, 2011 compared to the year ended December 31, 2007, on a pro forma combined basis, decreased by approximately 31%. There can be no assurance that we will be able to reduce the level of our indebtedness 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. Our significant level of interest payments are challenging in periods when seasonal cash flows in the residential real estate market are at their lowest points;
- it could cause us to be unable to maintain compliance with the senior secured leverage ratio covenant under our senior secured credit facility;
- it could cause us to be unable to meet our debt service requirements under our senior secured credit facility or the indentures governing the Unsecured Notes, the First Lien 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 our 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 limit our ability to attract acquisition candidates or to complete future acquisitions;
- 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.



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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. Historically, 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 or meet our operating expenses.

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, the First Lien 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;
- the lenders under our senior secured credit facility could terminate their commitments to lend us money and foreclose against the assets securing their borrowings; and
- we could be forced into bankruptcy or liquidation.

Following the completion of the offering, we will continue to evaluate potential financing transactions, including refinancing certain tranches of our indebtedness and extending maturities. There can be no assurance that financing or refinancing will be available to us on acceptable terms or at all.

Future indebtedness may impose various additional restrictions and covenants on us which could limit our ability to respond to market conditions, to make capital investments or to take advantage of business opportunities. Our ability to make payments to fund working capital, capital expenditures, debt service, and strategic acquisitions 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.

An event of default under our 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 four quarter Adjusted EBITDA. Our senior secured leverage ratio may not exceed 4.75 to 1.0. Total senior secured debt, for purposes of this ratio, does not include the First and a Half Lien Notes, other indebtedness secured by a lien on our assets pari passu or junior in priority to the liens securing the First and a Half Lien Notes (including indebtedness supported by letters of credit issued under our senior secured credit facility), including the Second Lien Loans, our securitization obligations or the Unsecured Notes. For the twelve months ended March 31, 2012, we were in compliance with the senior secured leverage ratio covenant with a ratio of 4.02 to 1.0. Based upon our financial forecast, we expect to remain in compliance with the senior secured leverage ratio covenant for at least the next 12 months. If a housing recovery is not sustained or is weak or if general macroeconomic or other factors do not continue to improve, we may be subject to additional pressure in maintaining compliance with our senior secured leverage ratio covenant. 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 covenant, or a breach of any of the other restrictive covenants, would result in a default under the senior secured credit facility.

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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 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 covenant 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 of principal or interest, 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, the First Lien Notes or the First and a Half Lien Notes,

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

If we were unable to repay the amounts outstanding under our senior secured credit facility, the lenders under our senior secured credit facility could proceed against the collateral granted to secure the senior secured credit facility and our other secured indebtedness. We have pledged a significant portion of our assets as collateral to secure such indebtedness. If the lenders under our 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. In the future, we may need to seek new financing, or explore the possibility of amending the terms of our 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 our senior secured credit facility, the indentures governing the Unsecured Notes, the First Lien Notes, 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 amortization of, our Apple Ridge Funding LLC securitization program.

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

At March 31, 2012, \$1,922 million of our borrowings primarily under our senior secured credit facility and other bank indebtedness was at variable rates of interest thereby exposing us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase even if the amount borrowed remained the same, and our net income would decrease. Although 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 variable rate borrowings, such interest rate swaps do not eliminate interest rate volatility for all of our variable rate indebtedness at March 31, 2012.

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

Our senior secured credit facility and the indentures governing the Extended Maturity Notes, the 12.375% Senior Subordinated Notes, the First Lien Notes and the First and a Half Lien Notes contain, and any future indebtedness we incur may contain, various covenants and conditions that limit our 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 our 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 us;

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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, the First Lien Notes, the First and a Half Lien Notes and debt that is junior in right of payment to the Unsecured Notes, the First Lien 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.

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 most recently shown signs of modest growth after having been in a significant and prolonged downturn, which began in the second half of 2005. However, we cannot predict whether the modest recovery will continue or if and when the market and related economic forces will return the U.S. residential real estate industry to a period of sustained 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 and grow our business. 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;  
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 ("GSEs") that provide liquidity to the U.S. housing and mortgage markets;  
increasing mortgage rates and down payment requirements and/or constraints on the availability of mortgage financing, including but not limited to the potential impact of various provisions of the Dodd-Frank Act and regulations that 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 certain mortgages;  
excessive or insufficient regional home inventory levels;  
renewed high levels of foreclosure activity including but not limited to the release of homes for sale by financial institutions;  
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 laws or regulations that burden residential real estate transactions or ownership, including but not limited to changes in the tax laws, such as potential limits on, or elimination of, the deductibility of certain mortgage interest expense, the application of the alternative minimum tax, real property taxes and employee relocation expense;  
shifts in populations away from the markets that we or our franchisees serve;  
decreasing home ownership rates, declining demand for real estate and changing social attitudes toward home

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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.

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, operating results 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 interest payments, facilities costs and certain personnel-related costs, are fixed and cannot be reduced during a seasonal slowdown. For example, interest payments of approximately \$215 million are due on our Unsecured Notes and Second Lien Loans in October and April of each year. Accordingly, one of our significant interest payments falls in, or immediately following, the period of our lowest cash flow generation. Because of this asymmetry and the size of our cash interest obligations, if the housing market does not experience a sustained recovery, we may be required to seek additional sources of working capital for our future liquidity needs. There can be no assurance that we would be able to obtain additional financing on acceptable terms or at all.

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 2011, annual U.S. existing homesale units declined by 40% and the median homesale price declined by 24%. Our revenues for the year ended December 31, 2011 compared to the year ended December 31, 2007, on a pro forma combined basis, decreased approximately 31%. 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 2011, 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 \$11 million for our Real Estate Franchise Services and our Company Owned Real Estate Brokerage Services segments on a combined basis.

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, 2011, NRT realized approximately 64% of its revenues from California (28%), the New York metropolitan area (25%) and Florida (11%). For the three months ended March 31, 2012, NRT realized approximately 66% of its revenues from California (29%), the New York metropolitan area (25%) and Florida (12%). 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 profitability 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

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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 incentive 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, levels of unemployment, consumer confidence and the general condition of the U.S. and world economy.

The residential real estate market also depends upon the strength of financial institutions, which are sensitive to changes in the general macroeconomic environment. 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.

Potential reform of Freddie Mac and Fannie Mae or a reduction in U.S. government support for the housing market could have a material impact on our operations.

In September 2008, the U.S. government placed Fannie Mae and Freddie Mac in conservatorship and has provided funding of billions of dollars to these entities to backstop shortfalls in their capital requirements. Congress also has held hearings on the future of Freddie Mac and Fannie Mae and other government sponsored entities 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 in Congress. 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 or cause other disruptions in the mortgage industry, any of which could have a materially adverse affect on 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.

At present, the U.S. government also is attempting, through various avenues, to increase loan modifications for home owners with negative equity. There can be no assurance that these measures or any other governmental action will support a sustained recovery in the housing market.

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. 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 also establishes new standards and practices for

mortgage originators, including determining a prospective borrower's ability to repay their mortgage, removing incentives for higher

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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. These standards and practices include limitations, which are scheduled to become effective in 2013, on the amount that a mortgage originator may receive with respect to a "qualified mortgage," including fees received by affiliates of the mortgage originator. Based upon the current legislation and the definition of a qualified mortgage, such limitation could adversely affect the fees received by TRG, as provider of title and settlement services, in transactions originated by our joint venture, PHH Home Loans, LLC ("PHH Home Loans"). 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 down payment requirements, increase mortgage costs, curtail affiliated business transactions 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 other 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. 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 and these provisions may reduce the availability of mortgages to certain individuals. 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. We generally face intense competition in the residential real estate services business. 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 Brookfield Residential Property Services, an affiliate of Brookfield Asset Management, Inc. ("Brookfield"), which in December 2011 acquired Prudential Real Estate and Relocation Services and also operates the brands, Real Living in the U.S. and Royal LePage in Canada; RE/MAX International, Inc.; 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 deteriorate. In addition, we face the risk that at the time of contract renewal, our franchisees will decide not to renew their agreements with us, or that unaffiliated brokers will decide to remain independent because they believe they can compete effectively in the market without the need to license a brand of a franchisor and receive services offered by a franchisor. 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 were negatively impacted by the prolonged downturn in the residential

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housing market, they may adjust their model and increase their market presence in the future. Listing aggregators and other web-based real estate service providers may also begin to compete for part of the service revenue through referral or other fees. Real estate brokers compete for sales and marketing business primarily on the basis of services offered, reputation, utilization of technology, 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. The ability of our company owned brokerage offices to retain independent sales associates is generally subject to numerous factors, including the sales commissions they receive and their perception of brand value. Given our substantial debt and negative perceptions in the media relating to our financial condition, our company owned brokerage offices may not be successful in attracting or maintaining independent sales associates. In addition, 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 2.50% in 2011.

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: Brookfield Global Relocation Services, an affiliate of Brookfield (including the recently acquired operations of Prudential Real Estate and Relocation Services), SIRVA, Inc., and Weichert Relocation Resources, Inc. As the relocation business becomes more global in nature with greater emphasis on relocation of employees throughout the world, we will face greater competition from firms that provide services on a global basis.

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 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 and/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.

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 certain duties 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, claims alleging that we improperly terminated franchises, 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, including treble damages, may harm our business and financial condition.

Our company owned real estate brokerage business, our relocation business, our mortgage origination joint venture, our title and settlement service business and the businesses of our franchisees (excluding commercial brokerage transactions) must comply with the Real Estate Settlement Procedures Act ("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

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interests that a broker has with providers of real estate settlement services. Pursuant to the Dodd-Frank Act, administration of RESPA has been moved from the Department of Housing and Urban Development ("HUD") to the new Consumer Financial Protection Bureau (the "CFPB") and it is possible that the practice of HUD taking very expansive readings of RESPA will continue or accelerate at the CFPB creating increased regulatory risk.

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, have been 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. In addition, any adverse changes in regulatory interpretations, rules and laws that would place additional limitations or restrictions on affiliated transactions could have the effect of limiting or restricting collaboration among our business units. We cannot assure you that future legislative or regulatory changes will not adversely affect our business operations.

Regulatory authorities also 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 protecting consumer data;
- 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 and U.K. Bribery Act, that impose sanctions on improper payments;
- 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;
- increases in state, local or federal taxes that could diminish profitability or liquidity; and
- consumer fraud statutes that are broadly written.

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.



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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 made by management could significantly change our reported results.

We may not have the ability to complete future acquisitions.

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 which are used in the Sotheby's International Realty® franchise system. In January 2006, we acquired our title insurance underwriter and certain title agencies. In addition, in 2010, we expanded the Cartus global footprint through the acquisition of Primacy. As a result of these and other acquisitions, we have derived a substantial portion of our growth in revenues and net income from acquired businesses. The success of our future acquisition strategy will continue to depend upon our ability to fund such acquisitions given our total outstanding indebtedness, find suitable acquisition candidates on favorable terms and to finance and complete these transactions. 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;
- the 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 have achieved cost savings from various restructuring initiatives targeted at reducing costs and enhancing organizational effectiveness while consolidating existing processes and facilities and will continue to identify additional cost savings. 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 are not sustained or do not continue to improve, our franchisees' financial results may worsen and our royalty revenues may decline. Gross closed commission income of our new franchisees may never materialize and accordingly we may not receive any material royalty revenues from new franchisees. 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

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franchisees to renew these agreements, then our royalty revenues may decrease, and profitability from new franchisees may be lower than in the past due to reduced royalty rates, non-standard incentives and higher expenses from licensing fees.

The success of our franchisees is largely dependent on the efforts and abilities of the independent sales associates, which is subject to numerous factors, including the sales commissions they receive and their perception of brand value. Given our substantial debt and negative perceptions in the media relating to our financial condition, our independent franchisees may not be successful in attracting or maintaining independent sales associates. If our franchisees fail to attract and retain independent sales associates, our business may be materially adversely affected. 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 industry 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. Improper actions by our franchisees may also lead to direct claims against us based on theories of vicarious liability and negligence.

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.

Clients of our relocation business may terminate their contracts and clients of our lender channel business may terminate their relationships with us 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. In addition, TRG's lender channel business is highly dependent on our relationships with institutional clients who have not historically entered into contracts with us. If a significant number of our relocation clients terminate their contracts with us or if our relationships with the institutional clients in TRG's lender channel business deteriorate, 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 joint venture. Rather, our joint venture partner, PHH, is the managing 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.



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In the event of a termination of our joint venture PHH Home Loans, our earnings derived from the business that had been conducted by the joint venture and the related marketing fees that our franchise segment earns from PHH could be materially adversely affected.

Either party has the right to terminate the joint venture upon the occurrence of certain events, such as a material breach by the other party of any representation, warranty, covenant or other agreement contained in the Operating Agreement, Strategic Relationship Agreement or certain other related agreements that is not cured following any applicable notice or cure period, or the insolvency of the other party. In addition, we may terminate the joint venture at our election at any time after January 31, 2015 by providing two years' prior notice to PHH, and PHH may terminate the venture at its election effective January 31, 2030 by notice delivered no earlier than three years, but not later than two years, before such date. Upon any termination of the joint venture by us, we may require that PHH purchases our interest or sells its interest to a buyer designated by us. Upon any termination of the joint venture by PHH, PHH will be entitled to purchase our interest. In each case, the purchase price would be the fair market value of the interest sold. If the joint venture is terminated, we may not be able to replace PHH with a new joint venture partner on terms comparable to us as those contained in the existing agreements governing the joint venture and, even if successful in finding a replacement partner, may incur expenses or loss of mortgage related earnings during any such transition. We may also decide not to continue to engage in the loan origination business conducted by the joint venture. In the event of a termination of the joint venture, our earnings derived from the business that had been conducted by the joint venture and the related marketing fees that we earned from PHH could be materially adversely affected.

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 or additional claims losses arising from the handling of escrow transactions and closings by our owned titled agencies or our underwriter's independent title agents. 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 Realty 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 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. In addition, insurance carriers may dispute coverage for various reasons and there can be no assurance that all claims will be covered by insurance.

Fraud, defalcation and misconduct by employees are also risks inherent in our business. We carry insurance covering the loss or theft of funds by employees of up to \$30 million annually in the aggregate, subject to a deductible of \$1 million per occurrence. We may also from time to time be subject to liability claims based upon the fraud or misconduct of our franchisees. 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. In the event we or the vendors with which we contract to provide services on behalf of our customers were to suffer a breach of personally identifiable information, our customers, such as our Cartus



corporate or affinity clients, could terminate their business with us. 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

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educate them about how we use personally identifiable information.

We could be subject to significant 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 any portion of our deposits, customers could seek to hold us responsible for such amounts and, if the customers prevailed in their claims, we could be subject to significant losses. These escrow and trust deposits totaled \$380 million at March 31, 2012.

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 or limit the scope of our relocation business.

At March 31, 2012, \$302 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. In such an event, without alternative sources of liquidity, our relocation segment's operations could be significantly curtailed.

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 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. The triggering events include but are not limited to: those tied to the age and quality of the underlying assets; a change of control; a breach of our senior secured leverage ratio covenant under our senior secured credit facility if uncured; and the acceleration of indebtedness under our senior secured credit facility, unsecured or secured notes or other 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 or result in termination of the facility, either of which would 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.

Our Apple Ridge securitization facility, as recently amended in December 2011, matures in December 2013. 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, and there can be no assurance in this regard, 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 each of the year ended December 31, 2011 and the three months ended March 31, 2012,

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revenues from these operations represented approximately 3% of our 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;
- changes in foreign taxation structures; and
- compliance with the Foreign Corrupt Practices Act, the U.K. Anti-Bribery Act or similar laws of other countries.

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, negligence and fiduciary duty claims arising from franchising arrangements or company owned brokerage operations, 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, and claims alleging violations of RESPA or state consumer fraud statutes. 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.

We are also party to an action pending in the United States District Court for the Central District of California, arising from the relationship of two of our subsidiaries with a former Coldwell Banker Commercial franchisee, whose 40.5% shareholder allegedly utilized the Coldwell Banker Commercial name in the offer and sale of securities. In an SEC civil proceeding asserting violations of various securities laws, by stipulated judgment dated September 2, 2009, the shareholder of the franchisee, REP, and REP's affiliated entities were ordered to disgorge approximately \$53 million in funds raised from investors. REP filed for Chapter 11 bankruptcy protection in 2007. The complaint, initially filed in April 2010 and subsequently amended twice, most recently in March 2011, alleges, among other things, that our subsidiaries Coldwell Banker Real Estate Corporation and Coldwell Banker Real Estate LLC, engaged in negligence, aiding and abetting fraud, negligent misrepresentation, and false advertising, and are vicariously liable for fraud and negligent misrepresentation, as they knew or should have known that REP was using the marks in connection with the promotion of securities but that the Coldwell Banker subsidiaries failed to take sufficient steps to stop that use. We dispute the allegations and have asserted numerous defenses, including lack of knowledge and participation in the fraud. The second amended complaint is a class action brought on behalf of REP investors. On September 8, 2011, the Court granted and denied in part the Coldwell Banker subsidiaries' motion to dismiss on the second amended complaint. On August 22, 2011, plaintiffs filed their motion to certify a class. On March 26, 2012, the Court granted

plaintiffs motion to certify a class as to all claims except for false advertising. On April 11, 2012, the Coldwell Banker subsidiaries filed a motion seeking permission to file an interlocutory appeal of the class certification order. Motions for summary judgment also were filed. On April 13, 2012, the court entered

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into an order stipulated by the parties to stay the case for 60 days while the parties pursue mediation. Our primary insurance carrier has disclaimed coverage of either liability or defense costs, which we are vigorously challenging. This case involves a complex series of securities offerings and raises certain unusual claims that make its resolution subject to significant uncertainties. As of June 5, 2012, the Company entered into a memorandum of understanding memorializing the principal terms of a proposed settlement of this action. The settlement is subject to court approval and there can be no assurance that the court will grant such approval.

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 and those of our suppliers 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.

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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 Corporation ("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: (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, or (3) 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.

We may incur substantial and unexpected liabilities arising out of our pension plan.

We have a defined benefit pension plan for which participation was frozen as of July 1, 1997, however, the plan is subject to minimum funding requirements. Although the Company to date has met its minimum funding requirements, the pension plan represents a liability on our balance sheet and will generate substantial cash requirements for us, which may increase beyond our expectations in future years based on changing market conditions. For example, as of the end of the fiscal year ended December 31, 2011, for financial reporting purposes, we estimated that required cash contributions will be between \$8 million and \$9 million each year for the next five years and approximately \$48 million over the succeeding five years. In addition, changes in interest rates, mortality rates, health care costs, early retirement rates, investment returns and the market value of plan assets can affect the funded status of our pension plan and cause volatility in the future funding requirements of the plan.

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 5% shareholders in any three-year period. It is possible that an ownership change occurs as a result of the sale of our Class A common stock pursuant to this offering, the conversion of the Convertible Notes, prior and future equity issuances, or the cumulative effect of such transactions. Pursuant to rules under Section 382 of the Code and a published IRS notice, a company's "net unrealized built-in gain" within the meaning of Section 382 of the Code may reduce the limitation on such company's ability to utilize NOLs resulting from an ownership change. Although there can be no assurance in this regard, we believe that, to the extent we undergo an ownership change, the resulting limitation on our ability to utilize our NOLs should be significantly reduced as a result of our net unrealized built-in gain.

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 (the "Tax Sharing Agreement"), 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

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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 \$76 million at March 31, 2012 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.

Although we have resolved various Cendant contingent and other corporate liabilities and have established reserves for most of the remaining unresolved claims of which we have knowledge, 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.

Risks Related to an Investment in Our Class A Common Stock and this Offering

There is no existing market for our Class A common stock and we do not know if one will develop, which could impede your ability to sell your shares and depress the market price of our Class A common stock.

Prior to this offering, there has not been a public market for our Class A common stock. We cannot predict the extent to which investor interest in the company will lead to the development of an active trading market on the or otherwise, or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling any of our Class A common stock that you buy. The initial public offering price for the Class A common stock will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. See "Underwriting." Consequently, you may not be able to sell our Class A common stock at prices equal to or greater than the price you paid in this offering.

The price of our Class A common stock may fluctuate significantly and you could lose all or part of your investment. Volatility in the market price of our Class A common stock may prevent you from being able to sell your shares of Class A common stock at or above the price you paid for them. The market price for our Class A common stock could fluctuate significantly for various reasons, many of which are outside our control, including:

- our operating and financial performance and prospects, including but not limited to the incurrence of additional indebtedness or other adverse changes relating to our debt;
- our quarterly or annual earnings or those of other companies in our industry;
- conditions that impact demand for our products and services;
- future announcements concerning our business or our competitors' businesses;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in earnings estimates or recommendations by securities analysts who track our Class A common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in government and environmental regulation;
- housing and mortgage finance markets;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;
- the number of shares to be publicly traded after this offering;
- sales of Class A common stock by us, Apollo, Paulson, or members of our management team;
- adverse resolution of new or pending litigation against us;
- changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events;
- and
- material weakness in our internal controls over financial reporting.

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Apollo controls us and Paulson will be a significant stockholder, and their interests may conflict with or differ from your interests as a stockholder.

Following the completion of this offering and related transactions, funds affiliated with our equity sponsor, Apollo, will indirectly beneficially own approximately % of our Class A common stock, assuming the underwriters do not exercise their over-allotment option. If the underwriters exercise in full their over-allotment option, funds affiliated with Apollo will indirectly beneficially own approximately % of our Class A common stock. As a result, subject to Paulson's right to designate one director, Apollo will have the power to elect all of our directors. Therefore, Apollo effectively will have the ability to prevent any transaction that requires the approval of our Board of Directors or our stockholders, including the approval of significant corporate transactions such as mergers and the sale of substantially all of our assets. Thus, Apollo will continue to be able to significantly influence or effectively control our decisions. See "Certain Relationships and Related Party Transactions" and "Description of Capital Stock—Composition of Board of Directors; Election and Removal of Directors."

In addition, following the completion of this offering, Paulson will indirectly beneficially own approximately % of our Class A common stock, assuming the underwriters do not exercise their over-allotment option. If the underwriters exercise in full their over-allotment option, Paulson will indirectly beneficially own approximately % of our Class A common stock. Pursuant to a securityholders agreement we have entered into with Paulson (the "Paulson Securityholders Agreement"), 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, in addition to certain other rights.

The interests of Apollo could conflict with or differ from your interests as a holder of our Class A common stock. For example, the concentration of ownership held by Apollo could delay, defer or prevent a change of control of the company or impede a merger, takeover or other business combination that you as a stockholder may otherwise view favorably. In addition, pursuant to our amended and restated certificate of incorporation, Apollo will continue to have 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 our Class A common stock, even if such amount is less than 50%, Apollo will continue to be able to strongly influence or effectively control our decisions.

Furthermore, a sale of a substantial number of shares of stock in the future by funds affiliated with Apollo or Paulson could cause our stock price to decline.

We are a "controlled company" within the meaning of the rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Upon the closing of this offering, funds affiliated with Apollo will continue to control a majority of our voting common stock. As a result, we expect to qualify as a "controlled company" within the meaning of the corporate governance standards. Under the rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a "controlled company" and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of the Board of Directors consists of independent directors;
- the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees.

Following this offering, we intend to utilize these exemptions. As a result, we will not have a majority of independent directors nor will our nominating/corporate governance and compensation committees consist entirely of independent

directors, and we will not be required to have an annual performance evaluation of the nominating/corporate governance and compensation committees. See "Management." Accordingly, you will not have the same protections afforded to

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stockholders of companies that are subject to such corporate governance requirements.

Texas insurance laws and regulations may delay or impede your ability to purchase our 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 would be presumed to have acquired indirect control of our title insurance underwriter subsidiary unless the Texas Department of Insurance, upon application, determines otherwise. Apollo and Paulson have previously received approvals for their current holdings from the Texas Department of Insurance. Certain purchasers of our Class A common stock could be subject to similar approvals which could significantly delay or otherwise impede your ability to complete such purchase.

We have no plans to pay regular dividends on our Class A common stock, so you may not receive funds without selling your Class A common stock.

We have no plans to pay regular dividends on our Class A common stock. Any declaration and payment of future dividends to holders of our Class A common stock will be at the sole discretion of our Board of Directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant.

Our debt instruments contain covenants that restrict the ability of our subsidiaries to pay dividends to us. See "Description of Indebtedness" and "Description of Capital Stock—Common Stock." Furthermore, we will be permitted under the terms of our debt instrument to incur additional indebtedness, which may restrict or prevent us from paying dividends on our Class A common stock. Agreements governing any future indebtedness, in addition to those governing our current indebtedness, may not permit us to pay dividends on our Class A common stock.

Future sales or the possibility of future sales of a substantial amount of our Class A common stock may depress the price of shares of our Class A common stock.

Future sales or the availability for sale of substantial amounts of our Class A common stock in the public market could adversely affect the prevailing market price of our Class A common stock and could impair our ability to raise capital through future sales of equity securities.

Our amended and restated certificate of incorporation will authorize us to issue million shares of Class A common stock, of which shares will be outstanding following the completion of this offering and related transactions. This number includes \_\_\_\_\_ shares that we are selling in this offering which will be freely transferable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act"). The remaining shares of our Class A common stock outstanding, including the shares of Class A common stock owned by certain of our securityholders, including Apollo and Paulson, and by certain members of our management, will be restricted from immediate resale pursuant to lock-up agreements with the underwriters, but may be sold in the near future. See "Underwriting." Following the expiration of the applicable lock-up period, shares of our Class A common stock will be eligible for resale under Rule 144 or Rule 701 of the Securities Act, except for any shares which are held or may be acquired by any of our "affiliates" as that term is defined in Rule 144 under the Securities Act, which will be subject to the resale limitations of Rule 144. The remaining shares of our Class A common stock outstanding will be restricted securities, as that term is defined in Rule 144, and may in the future be sold without restriction under the Securities Act to the extent permitted by Rule 144 or any applicable exemption under the Securities Act. See "Shares Eligible for Future Sale" for a discussion of the shares of our Class A common stock that may be sold into the public market in the future. Pursuant to our securityholders agreements with Apollo and Paulson, each of Apollo and Paulson have certain rights to demand underwritten registered offerings in respect of the approximately shares of Class A common stock that they will own immediately following this offering. Upon the effectiveness of such a registration statement, all shares covered by the registration statement would be freely transferable. See "Certain Relationships and Related Party Transactions."

As soon as practicable following the completion of this offering, we intend to file one or more registration statements on Form S-8 under the Securities Act covering shares of our Class A common stock reserved for issuance upon

exercise of outstanding options under the Stock Incentive Plan and the 2012 Incentive Plan. Accordingly, shares of our Class A common stock registered under such registration statements will be available for sale in the open market upon

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exercise by the holders, subject to vesting restrictions, Rule 144 limitations applicable to our affiliates and the contractual lock-up provisions described below.

We may issue shares of our Class A common stock or other securities from time to time as consideration for future acquisitions and investments. If any such acquisition or investment is significant, the number of shares of our Class A common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those shares of our Class A common stock or other securities in connection with any such acquisitions and investments.

We cannot predict the size of future issuances of our Class A common stock or the effect, if any, that future issuances and sales of our Class A common stock will have on the market price of our Class A common stock. Sales of substantial amounts of our Class A common stock (including shares of our Class A common stock issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our Class A common stock.

Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation and bylaws that will be effective upon completion of this offering may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our Board of Directors. Among other things, these provisions:

- classify our Board of Directors so that only some of our directors are elected each year;
- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- delegate the sole power of a majority of the Board of Directors to fix the number of directors;
- provide the power of our Board of Directors to fill any vacancy on our Board of Directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- authorize the issuance of "blank check" preferred stock without any need for action by stockholders;
- eliminate the ability of stockholders to call special meetings of stockholders;
- prohibit stockholders from acting by written consent if less than 50.1% of our outstanding Class A common stock is controlled by Apollo; and
- establish advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

The foregoing factors, as well as the significant Class A common stock ownership by funds affiliated with Apollo, could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for our Class A common stock, which, under certain circumstances, could reduce the market value of our Class A common stock. See "Description of Capital Stock."

We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Class A common stock, which could depress the price of our Class A common stock.

Our amended and restated certificate of incorporation will authorize us to issue one or more series of preferred stock. Our Board of Directors will have the authority to determine the preferences, limitations and relative rights of shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our Class A common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our Class A common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our Class A common stock.

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You will suffer immediate and substantial dilution in the net tangible book value of the Class A common stock you purchase.

Prior investors have paid substantially less per share than the price in this offering. The initial offering price is substantially higher than the net tangible book value per share of the outstanding Class A common stock after giving effect to this offering and related transactions. Accordingly, based on an assumed initial public offering price of \$ per share (the midpoint of the offering price range set forth on the cover page of this prospectus), and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds from such sale as described in "Use of Proceeds," and assuming the conversion of all of the Convertible Notes owned by certain of our securityholders, including Apollo and Paulson, purchasers of Class A common stock in this offering will experience immediate and substantial dilution of approximately \$ per share. See "Dilution."

We are a holding company and accordingly dependent upon distributions from our subsidiaries to generate the funds necessary to meet our financial obligations and pay dividends.

We are a holding company and have no business operations of our own. Our only material asset is our indirect interest in all of the outstanding capital stock of Realogy, through which we conduct our business. We have no independent means of generating revenue. As a result, we are dependent on loans, dividends and other payments from Realogy to generate the funds necessary to pay our expenses and to pay any cash dividends. There can be no assurance that Realogy will generate sufficient cash flow to dividend or distribute funds to us or that applicable state law and contractual restrictions, including negative covenants in our senior secured credit facility and indentures, will permit such dividends or distributions. Our senior secured credit facility and indentures currently restrict Realogy from paying dividends or making distributions to us.

If securities analysts do not publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our Class A common stock, the price of our Class A common stock could decline.

The trading market for our Class A common stock will depend in part on the research and reports that third-party securities analysts publish about our company and our industry. We may be unable or slow to attract research coverage and if one or more analysts cease coverage of our company, we could lose visibility in the market. In addition, one or more of these analysts could downgrade our Class A common stock or issue other negative commentary about our company or our industry. As a result of one or more of these factors, the trading price of our Class A common stock could decline.



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FORWARD-LOOKING STATEMENTS

Forward-looking statements included in this prospectus or other public statements that we make from time to time are based on various facts and derived utilizing numerous important assumptions and 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. Forward-looking statements include the information concerning our future financial performance, business strategy, projected plans and objectives, as well as projections of macroeconomic and industry 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 similar expressions or future or conditional verbs such as "will," "should," "would," "may" and "could" are generally forward-looking in nature and not historical 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:

risks associated with our substantial indebtedness and interest obligations, including risks associated with our ability to comply with our senior secured leverage ratio covenant under our senior secured credit facility, interest rate risk, risks related to an event of default under our outstanding indebtedness, risks related to our ability to refinance our indebtedness and to incur additional indebtedness, and risks related to having to dedicate a substantial portion of our cash flows from operations to service our debt;

risks related to general business, economic, employment and political conditions and the U.S. residential real estate markets, either regionally or nationally, including but not limited to:

a lack of 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 future recessions, slow economic growth, disruptions in the banking system and high levels of unemployment in the U.S. and abroad;

increasing mortgage rates and down payment requirements and/or constraints on the availability of mortgage financing, including but not limited to the potential impact of various provisions of the Dodd-Frank Act and regulations that may be promulgated thereunder relating to mortgage financing;

legislative, tax or regulatory changes that would adversely impact the residential real estate market, including potential reforms of Fannie Mae and Freddie Mac;

negative trends and/or a negative perception of the market trends in value for residential real estate;

renewed high levels of foreclosure activity including but not limited to the release of homes for sale by financial institutions;

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; and

lower homeownership rates or failure of homeownership rates to return to more typical levels;

our geographic and high-end market concentration, particularly with respect to our company owned brokerage operations;

our inability to securitize certain assets of our relocation business, which would require us to find an alternative source of liquidity that may not be available, or if available, may not be on favorable terms;

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 enter into franchise agreements with new franchisees or to realize royalty revenue growth from them;

our inability to renew existing franchise agreements or maintain franchisee satisfaction with our brands;

the inability of our existing franchisees to survive the challenges of the downturn in the real estate market or to grow their businesses;



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

actions by our franchisees that could harm our business or reputation, non-performance of our franchisees or controversies with our franchisees or actions against us by third parties with which our franchisees have business relationships;

competition in our existing and future lines of business;

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

seasonal fluctuations in the residential real estate brokerage business which could adversely affect our business, financial condition and liquidity;

the loss of any of our senior management or key managers or employees;

risks related to our international operations;

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

- the cumulative effect of adverse litigation, governmental proceedings or arbitration awards against us and the adverse effect of new regulatory interpretations, rules and laws; 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.

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USE OF PROCEEDS

Assuming an initial public offering price of \$            per share, which is the midpoint of the offering price range set forth on the cover page of this prospectus, we estimate that the net proceeds to us from the sale of shares of our Class A common stock in this offering will be \$            million (or \$            million if the underwriters exercise in full their option to purchase additional shares of Class A common stock from us), after deducting estimated underwriting discounts and offering expenses.

We intend to use the net proceeds that we receive in this offering to (i) repay certain outstanding indebtedness and (ii) redeem any Convertible Notes that remain outstanding on the closing date of this offering at a redemption price equal to 90% of the principal amount thereof. Certain of our securityholders, including Apollo and Paulson, have indicated that they intend to convert all of their Convertible Notes into Class A common stock, representing in the aggregate approximately \$2.0 billion principal amount of outstanding Convertible Notes. To the extent that any Convertible Notes not owned by such securityholders are surrendered to us for conversion prior to the closing date of this offering, the portion of the net proceeds of this offering that would have been used to pay the redemption price for such Convertible Notes will instead be applied to the repayment of other outstanding indebtedness. The Convertible Notes bear interest at a rate of 11.00% per annum and mature on April 15, 2018.

A \$1.00 increase (decrease) in the assumed initial public offering price of \$            per share, the midpoint of the offering price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by \$            million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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## CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of March 31, 2012:

on an actual basis;

on a pro forma basis giving effect to conversion of all of the Convertible Notes held by certain of our securityholders, including Apollo and Paulson, who have indicated that they intend to convert such Convertible Notes simultaneously with the closing of this offering; and

on a pro forma, as adjusted, basis giving effect to our sale of shares of Class A common stock in this offering at an initial public offering price of \$ per share, which is the midpoint of the offering price range set forth on the cover page of this prospectus, and our expected use of the net proceeds of this offering to repay certain outstanding indebtedness and redeem any Convertible Notes that have not been surrendered to us for conversion prior to the closing date, as described in "Use of Proceeds."

For every \$1,000 principal amount of Series A Convertible Notes and Series B Convertible Notes that is converted by the holders thereof (other than our securityholders who have indicated that they intend to convert their Convertible Notes) into Class A common stock, an additional shares of Class A common stock will be issued and our total outstanding indebtedness will be reduced by \$1,000. For every \$1,000 principal amount of Series C Convertible Notes that is converted by the holders thereof (other than our securityholders who have indicated that they intend to convert their Convertible Notes) into Class A common stock, an additional shares of Class A common stock will be issued and our total outstanding indebtedness will be reduced by \$1,000.

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.

	As of March 31, 2012		
	Actual	Pro Forma	Pro Forma As Adjusted
Capitalization (excluding securitization obligations)	(In millions)		
Cash and cash equivalents <sup>(1)</sup>	\$148	\$148	
Long-term debt (including current portion):			
Senior Secured Credit Facility:			
Extended revolving credit facility <sup>(2)</sup>	—	—	
Extended term loan facility <sup>(3)</sup>	1,822	1,822	
7.625% First Lien Notes due 2020	593	593	
7.875% First and a Half Lien Notes due 2019	700	700	
9.000% First and a Half Lien Notes due 2020	325	325	
Second Lien Loans <sup>(4)</sup>	650	650	
Other bank indebtedness <sup>(5)</sup>	100	100	
10.50% Senior Notes due 2014	64	64	
11.00/11.75% Senior Toggle Notes due 2014 <sup>(6)</sup>	52	52	
12.375% Senior Subordinated Notes due 2015 <sup>(7)</sup>	188	188	
11.50% Senior Notes due 2017 <sup>(8)</sup>	489	489	
12.00% Senior Notes due 2017 <sup>(9)</sup>	129	129	
13.375% Senior Subordinated Notes due 2018	10	10	
11.00% Convertible Notes due 2018 <sup>(10)</sup>	2,110		
Total long-term debt (including current portion)	7,232		
Total equity (deficit) <sup>(11)</sup>	(1,698	)	
Total capitalization <sup>(12)</sup>	\$5,534		



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- (1) Readily available cash as of March 31, 2012 was \$109 million. Readily available cash includes cash and cash equivalents less statutory cash required for our title business.  
Interest rates with respect to revolving loans under the senior secured credit facility are based on, at our option, adjusted LIBOR plus 3.25% or ABR plus 2.25% in each case subject to reductions based on the attainment of
- (2) certain leverage ratios. The available capacity under this facility was reduced by \$80 million of outstanding letters of credit. On , 2012, the Company had \$ million outstanding on the extended revolving credit facility and \$ million of outstanding letters of credit, leaving \$ million of available capacity.  
Interest rates with respect to term loans under the senior secured credit facility are based on, at our option, (a)
- (3) adjusted LIBOR plus 4.25% or (b) the higher of the Federal Funds Effective Rate plus 1.75% and JPMorgan Chase Bank, N.A.'s prime rate plus 3.25%.
- (4) The Second Lien Loans accrue interest at a rate of 13.50% per annum.  
Consists of revolving credit facilities that are supported by letters of credit issued under the senior secured credit
- (5) facility; \$8 million of capacity which expires in August 2012, \$50 million due in January 2013 and \$50 million due in July 2013.
- (6) On April 16, 2012, the Company redeemed \$11 million principal amount of the outstanding Senior Toggle Notes.
- (7) Consists of \$190 million of 12.375% Senior Subordinated Notes, less a discount of \$2 million.
- (8) Consists of \$492 million of 11.50% Senior Notes, less a discount of \$3 million.
- (9) Consists of \$130 million of 12.00% Senior Notes, less a discount of \$1 million.  
Certain of our securityholders, including Apollo and Paulson, have indicated that they intend to convert all of their Convertible Notes into Class A common stock, representing in the aggregate approximately \$2.0 billion
- (10) principal amount of outstanding Convertible Notes. If all of the approximately \$ million of Convertible Notes not held by such securityholders are submitted for conversion prior to the closing date of this offering, we would have an additional shares of Class A common stock outstanding and would reduce our indebtedness by an additional \$ million following the completion of this offering and related transactions.
- (11) We expect to have a loss on the extinguishment of debt in 2012 due to the conversion of convertible notes as well as the repayment of portions of our outstanding indebtedness.
- (12) Total capitalization excludes our securitization obligations which are collateralized by relocation related assets and appear in our current liabilities.

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If you invest in our Class A common stock, your interest will be diluted to the extent of the difference between the initial public offering price per share of our Class A common stock and the pro forma as adjusted net tangible book value per share of our Class A common stock upon completion of this offering and related transactions. Dilution results from the fact that the per share offering price of our Class A common stock is substantially in excess of the book value per share attributable to our existing equityholders.

Our pro forma net tangible book value (deficit) as of March 31, 2012 was \$ million, or \$ per share of Class A common stock. Pro forma net tangible book value per share represents the amount of our total tangible assets less total liabilities, divided by the number of shares of Class A common stock outstanding as of that date, assuming the conversion of the Convertible Notes held by certain of our securityholders who have indicated that they intend to so convert, including Apollo and Paulson.

After giving effect to the sale by us of shares of Class A common stock in this offering at the assumed initial public offering price of \$ per share (the midpoint of the offering price range set forth on the cover page of this prospectus), and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and the application of the net proceeds from such sale as described in "Use of Proceeds," our pro forma as adjusted net tangible book value (deficit) as of March 31, 2012 would have been \$ million, or \$ per share. This amount represents an immediate dilution of \$ per share to new investors. The following table illustrates this dilution per share:

Assumed initial public offering price per share of Class A common stock	\$
Net tangible book deficit per share of Class A common stock as of March 31, 2012 <sup>(1)</sup>	\$
Increase in net tangible book value per share attributable to this offering	
Pro forma as adjusted net tangible book value (deficit) per share after this offering	
Dilution in pro forma net tangible book value per share to new investors	\$

<sup>(1)</sup> Net tangible book deficit is calculated by subtracting goodwill, intangible assets, net deferred tax liabilities and deferred financing costs from total net assets.

If the underwriters exercise their over-allotment option in full, our pro forma as adjusted net tangible book value (deficit) will increase to \$ per share, representing an increase to existing holders of \$ per share, and there will be an immediate dilution of \$ per share to new investors.

Assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us in connection with the offering, a \$ increase (decrease) in the assumed public offering price of \$ per share would increase (decrease) the pro forma as adjusted net tangible book value attributable to this offering by \$ per share and the dilution to new investors by \$ per share and decrease (increase) the pro forma as adjusted net tangible book deficit after this offering by \$ per share.

The following table summarizes, as of March 31, 2012, on a pro forma as adjusted basis to give effect to this offering and related transactions, the difference between the number of shares of our Class A common stock purchased from us, the total consideration paid to us, and the average price per share paid by existing stockholders and by new investors, at the assumed initial public offering price of \$ per share (the midpoint of the offering price range set forth on the cover page of this prospectus), before deducting the estimated underwriting discounts and commissions and offering expenses payable by us in connection with this offering:

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount (in millions)	Percent	Per Share
Existing stockholders		%	\$	%	\$
New investors in this offering		%	\$	%	\$
Total		100	% \$	100	% \$



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The tables and calculations above assume no exercise of stock options outstanding as of , 2012 to purchase shares of Class A common stock at a weighted average exercise price of \$ per share. If these options were exercised at the weighted average exercise price, the additional dilution per share to new investors would be \$ million.

The tables and calculations above also assume that no holders of Convertible Notes other than those of our securityholders who have indicated that they intend to so convert, including Apollo and Paulson, convert their Convertible Notes into Class A common stock. For every \$1,000 principal amount of Series A Convertible Notes and Series B Convertible Notes that is converted by the other holders thereof into Class A common stock, the additional dilution per share to new investors would be \$ million. For every \$1,000 principal amount of Series C Convertible Notes that is converted by the other holders thereof into Class A common stock, the additional dilution per share to new investors would be \$ million.

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DIVIDEND POLICY

We do not currently anticipate paying dividends on our Class A common stock following this offering. Any declaration and payment of future dividends to holders of our Class A common stock will be at the discretion of our Board of Directors and will depend on many factors, including our financial condition, earnings, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our Board of Directors deems relevant. Because we are a holding company and have no direct operations, we will only be able to pay dividends from our available cash on hand and any funds we receive from our subsidiaries. The terms of our indebtedness restrict our subsidiaries from paying dividends to us. Under Delaware law, dividends may be payable only out of surplus, which is our net assets minus our liabilities and our capital, or, if we have no surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. See "Description of Indebtedness" and "Description of Capital Stock."

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## SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

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, 2011, 2010, and 2009 and the consolidated balance sheet data as of December 31, 2011 and 2010 have been derived from our audited consolidated financial statements included in this prospectus. The statement of operations data for the year ended December 31, 2008 and the periods from April 10, 2007 through December 31, 2007 and January 1, 2007 through April 9, 2007 (Predecessor Period as described below) and the consolidated balance sheet data as of December 31, 2009, 2008 and 2007 have been derived from our consolidated financial statements not included in this prospectus.

The consolidated statement of operations data for the three months ended March 31, 2012 and 2011 and the consolidated balance sheet data as of March 31, 2012 and 2011 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus and, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial position and results of operations as of the dates and for the periods indicated.

The financial data 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 selected historical consolidated 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. Historical results are not necessarily indicative of results that may be expected for any future period.

	Successor Three Months Ended March 31,		Year Ended December 31,				For the Period From April 10 Through December 31, 2007	Predecessor For the Period From January 1 Through April 9, 2007
	2012	2011	2011	2010	2009	2008		
(In millions, except per share data)								
Statement of Operations								
Data:								
Net revenue	\$875	\$831	\$4,093	\$4,090	\$3,932	\$4,725	\$4,472	\$1,492
Total expenses	1,070	1,067	4,526	4,084	4,266	6,988	5,708	1,560
Income (loss) before income taxes, equity in earnings and noncontrolling interests	(195 )	(236 )	(433 )	6	(334 )	(2,263 )	(1,236 )	(68 )
Income tax expense (benefit)	7	1	32	133	(50 )	(380 )	(439 )	(23 )
Equity in (earnings) losses of unconsolidated entities	(10 )	—	(26 )	(30 )	(24 )	28	(2 )	(1 )
Net loss	(192 )	(237 )	(439 )	(97 )	(260 )	(1,911 )	(795 )	(44 )
Less: Net income attributable to noncontrolling interests	—	—	(2 )	(2 )	(2 )	(1 )	(2 )	—
	\$(192 )	\$(237 )	\$(441 )	\$(99 )	\$(262 )	\$(1,912 )	\$(797 )	\$(44 )

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Net loss attributable to Realogy								
Net loss attributable to Holdings	\$(192 )	\$(237 )	\$(441 )	\$(99 )	\$(262 )	\$(1,912 )	\$(797 )	\$—
Earnings (loss) per share:								
Basic loss per share								\$(0.20 )
Diluted loss per share								\$(0.20 )
Weighted average common and common equivalent shares used in:								
Basic								217.5
Diluted								217.5

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	As of March 31,		As of December 31,				
	2012	2011	2011	2010	2009	2008	2007
	(In millions, except operating statistics)						
<b>Balance Sheet Data:</b>							
Cash and cash equivalents	\$ 148	\$ 93	\$ 143	\$ 192	\$ 255	\$ 437	\$ 153
Securitization assets	362	390	366	393	364	845	1,300
Total assets	7,797	7,913	7,810	8,029	8,041	8,912	11,172
Securitization obligations	302	311	327	331	305	703	1,014
Long-term debt	7,232	6,973	7,150	6,892	6,706	6,760	6,239
Equity (deficit)	(1,698 )	(1,297 )	(1,508 )	(1,072 )	(981 )	(740 )	1,203
	Three Months Ended		For the Year Ended				
	March 31,	March 31,	December 31,	December 31,			
	2012	2011	2011	2010	2009	2008	2007
<b>Operating Statistics:</b>							
Real Estate Franchise Services <sup>(a)</sup>							
Closed homesale sides <sup>(b)</sup>	197,458	184,643	909,610	922,341	983,516	995,622	1,221,206
Average homesale price <sup>(c)</sup>	\$ 194,071	\$ 193,710	\$				