

FRANCHISE DISCLOSURE DOCUMENT



AMERICAN LENDERS SERVICE CO.

A Texas Corporation

312 East Second Street

Odessa, Texas 79761

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www.AmericanLenders.com

The franchisee will operate a vehicle and other collateral recovery and related services business.

The total investment necessary to begin operations of an American Lenders Service Company franchise ranges from **\$25,936.00 to \$118,436.00** (See Item 7 of this Disclosure Document.) This includes the initial set-up fee of \$3,436.00 and the cost of the franchise, which ranges from \$200.00 to \$20,000.00, which must be paid to us. (See Item 5 of this Disclosure Document.) These numbers are based upon the assumption that you bring NO equipment into your start-up, and that you receive no credit or reduction from ALSCO on the required start-up fees.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development office at P.O. Drawer 7238, Odessa, Texas 79760-7238, and 432-332-0361.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: _____

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Attachment A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND/OR LITIGATION ONLY IN TEXAS. OUT-OF-STATE MEDIATION, ARBITRATION AND/OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE AND/OR LITIGATE WITH US IN TEXAS THAN IN YOUR OWN STATE.

THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

THERE MAY BE OTHER RISK FACTORS CONCERNING THIS FRANCHISE.

Effective Date: _____

TABLE OF CONTENTS

ITEM 1	THE FRANCHISOR AND ANY PARENTS PREDECESSORS AND AFFILIATES	4
ITEM 2	BUSINESS EXPERIENCE	5
ITEM 3	LITIGATION	6
ITEM 4	BANKRUPTCY	6
ITEM 5	INITIAL FEES	6
ITEM 6	OTHER FEES	7
ITEM 7	ESTIMATED INITIAL INVESTMENT	9
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	11
ITEM 9	FRANCHISEE'S OBLIGATIONS	14
ITEM 10	FINANCING	15
ITEM 11	FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	17
ITEM 12	TERRITORY	20
ITEM 13	TRADEMARKS	21
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	21
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	22
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	23
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	23
ITEM 18	PUBLIC FIGURES	25
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	26
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	26
ITEM 21	FINANCIAL STATEMENTS	33
ITEM 22	CONTRACTS	34
EXHIBITS		
A	FRANCHISE AGREEMENT	35
B	FINANCIAL STATEMENTS	55
C	LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS	91
D	LIST OF FRANCHISEES	93
E	LIST OF FORMER FRANCHISEES	97
F	STATE SPECIFIC ADDENDUMS	98
G	OPERATIONS MANUAL TABLE OF CONTENTS	99
H	EQUIPMENT LEASE WITH OPTION TO PURCHASE	103
I	EQUIPMENT ACCEPTANCE	109
J	LANDLORD WAIVER	111
K	NOTE AND SECURITY AGREEMENT	113
L	INDUSTRY SPECIFIC REGULATIONS	118
ITEM 23	RECEIPTS	119

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