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**ARLENCO DISTRIBUTION
FRANCHISE DISCLOSURE DOCUMENT**

Arlenco Distribution Franchising, LLC

4774 S HWY 191 Suite #3
Rexburg ID 83440
208-356-6677
www.Arlenco.com

You will operate a business as a wholesale distributor of security and data-com supplies. You will provide businesses, government agencies, consumers, and facility maintenance groups with fire alarm and security systems, data-com products, surveillance cameras (CCTV), Personal Emergency Response Systems (PERS), wire and cable, intercoms, access control, batteries, music and sound systems, and home and building automation. You will provide the services operating under the Marks and using the System.

The total investment necessary to begin operation of an Arlenco Distribution Inc. franchised business is from \$99,700 to \$155,100. This includes an initial fee of \$5,000 that must be paid to the franchisor.

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 government 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 Administration Department, 4774 South Hwy 191 Suite #3, Rexburg, ID 83440, franchise@arlenco.com. The terms of your contract govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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, DC 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 January 15, 2015

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 administrator listed in Exhibit E for information about the franchisor, or about franchising in your state.

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

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

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN IDAHO. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN IDAHO THAN IN YOUR HOME STATE.

2 ANY DISPUTES NOT SUBJECT TO ARBITRATION MUST BE RESOLVED BY LITIGATION IN IDAHO. IT MAY COST YOU MORE TO LITIGATE WITH US IN IDAHO THAN IN YOUR OWN STATE. THE FRANCHISE AGREEMENT STATES THAT IDAHO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS.

3 WE ARE A NEW FRANCHISE SYSTEM AND HAVE NOT OFFERED FRANCHISES PRIOR TO THE EFFECTIVE DATE OF THIS DISCLOSURE DOCUMENT.

4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date 15, 2015

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EXHIBITS

- A - Financial Statements
- B - Franchise Agreement
- C - List of Current and Former Licensees
- D - Operations Manuals - Table of Contents
- E - List of State Administrators and Agents for Service of Process
- F - State Law Addendum
- G - Application for Franchise
- H - Statement of Prospective Franchisee
- I - Receipts for Franchise Disclosure Document

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