

## FRANCHISE DISCLOSURE DOCUMENT FOR PROSPECTIVE FRANCHISES REQUIRED BY THE STATE OF CALIFORNIA



## **DISTRIBUTOR**

SONITROL SECURITY, INC.
A California Corporation
1300 Galaxy Way, #6
Concord, California 94520
(925) 687-1055
Registered Agent for Service of Process:
George Nicolino
Same address

The franchise will operate an integrated security services business

A renewing franchise obtained pursuant to this disclosure document shall be responsible for distributing within a specified geographic area integrated security services provided by Stanley Convergent Security Solutions, Inc. a Delaware corporation. Your renewal agreement is for an initial term of fifteen years with the right, upon compliance with certain conditions, to renew for up to one additional fifteen year renewal term

The initial license fee is based on the population of the area of primary responsibility served by the franchise and is established by the Distributor as set out in this Disclosure Document. The initial fees range from \$25,000 for populations under 250,000 to up to \$55,000 for populations over 1,000,000.

It is estimated that the total investment necessary to continue operation of a Sonitrol Renewing franchised business ranges from \$50,000 to \$220,000 if you purchase central monitoring equipment and \$50,000 to \$100,000 if you don not purchase central monitoring equipment. This includes the \$0 to \$120,000 that must be paid to Stanley Convergent Security Solutions, Inc.

THIS DISCLOSURE DOCUMENT MUST BE ACCOMPANIED BY A DISCLOSURE DOCUMENT FROM STANLEY CONVERGENT SECURITY SOLUTIONS, INC.

THIS DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE RENEWING DEALER FRANCHISE AGREEMENT THIS DISCLOSURE DOCUMENT AND ALL CONTRACTS AND AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.



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

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.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL TO OFFER OR SELL A FRANCHISE WITHOUT FIRST PROVIDING THIS DISCLOSURE DOCUMENT TO THE PROSPECTIVE FRANCHISEE AT THE EARLIER OF (1) THE FIRST PERSONAL MEETING, OR (2) FOURTEEN BUSINESS DAYS BEFORE THE SIGNING OF ANY FRANCHISE OR RELATED DOCUMENT; OR (3) FOURTEEN BUSINESS DAYS BEFORE ANY PAYMENT. NOTE, HOWEVER, THAT NO GOVERNMENTAL AGENCY HAS VERIFIED THE INFORMATION CONTAINED IN THIS DOCUMENT.

IN ADDITION, THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

IF THIS DISCLOSURE DOCUMENT IS NOT DELIVERED ON TIME, OR IF IT CONTAINS A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C 20580 AND THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT 1-866-275-2677

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF CORPORATIONS NOR A FINDING BY THE COMMISSIONER



## THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING

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

- 1 THE RENEWING FRANCHISE AGREEMENT REOUIRES YOU TO RESOLVE CERTAIN DISPUTES WITH STANLEY CONVERGENT SECURITY SOLUTIONS, INC. BY ARBITRATION ONLY IN THE WILMINGTON, DELAWARE AREA OR ANY LOCATION AGREED TO BY YOU AND STANLEY CONVERGENT SECURITY SOLUTIONS. OUT - OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE WITH STANLEY CONVERGENT SECURITY SOLUTIONS, INC. IN DELAWARE THAN IN YOUR HOME STATE DISPUTES NOT REOUIRED TO BE RESOLVED BY ARBITRATION MAY BE RESOLVED BY LITIGATION ONLY IN DELAWARE OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO LITIGATE WITH STANLEY CONVERGENT SECURITY SOLUTIONS, INC. IN DELAWARE THAN YOUR HOME STATE.
- 2. THE RENEWING FRANCHISE AGREEMENT STATES THAT DELAWARE 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.
- 3. THE RENEWING FRANCHISE AGREEMENT STATES THAT THE TERRITORY IS EXCLUSIVE. HOWEVER, THE TERRITORY IS NOT EXCLUSIVE IN THAT THE FRANCHISOR (STANLEY SECURITY SOLUTIONS) RESERVES THE RIGHT TO SELL AND MAINTAIN SECURITY SERVICES TO ALL U.S. GOVERNMENT FACILITIES.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date	
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