

Department of
Business Oversight

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Los Angeles Office

Franchise Disclosure Document
Stanley Convergent Security Solutions, Inc.
a Delaware corporation
8350 Sunlight Drive
Fishers, Indiana 46037
(317) 567-6810
www.sonitrol.com
Bruce.Winner@sbdinc.com

Brief Description of the Franchised Business: You will receive a franchise to own and operate a Sonitrol business, involving the sale and installation of integrated security services for (i) a New Type A franchised business, an initial term of ten years with the right, upon payment of a renewal fee and compliance with other conditions, to renew for up to one additional five year renewal term; (ii) a Type B franchised business, a term of ten years, with no right to renew, and (iii) a Renewing Type A franchised business, 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 total investment necessary to commence operation of a Sonitrol New Type A franchised business ranges from \$261,500 to \$484,000 if you purchase central monitoring equipment and \$191,500 to \$364,000 if you do not purchase central monitoring equipment. This includes the \$30,000 to \$185,000 that must be paid to Stanley Convergent Security Solutions, Inc.

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

The total investment necessary for an existing franchisee operating under a Sonitrol Renewing Type A franchise to commence operation of a new Sonitrol franchised business ranges from \$178,500 to \$455,150 if you purchase central monitoring equipment or \$38,500 to \$215,150 if you do not purchase central monitoring equipment. This includes the \$0 to \$148,150 that must be paid to Stanley Convergent Security Solutions, Inc.

The total investment necessary for an existing franchisee to commence operation of a Sonitrol Type B franchised business ranges from \$50,000 to \$100,000, which is the range of amounts associated with overhead expenditures that you may incur in connection with the Type B franchise. For Type B franchised businesses, franchisees are not required to pay any amount to Stanley Convergent Security Solutions, Inc. to commence operation of a Type B franchised business.

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 Mr. Bruce Winner, Director Sonitrol Franchise Program and Sonitrol Operations, Stanley Convergent Security Solutions, Inc., 12000 Research Parkway, Suite 128, Orlando, Florida 32826.

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, N.W., 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.

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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 Exhibit P 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:

EACH OF THE NEW TYPE A FRANCHISE AGREEMENT AND THE TYPE B FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US 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 US IN DELAWARE THAN IN YOUR HOME STATE.

THE RENEWING TYPE A FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE CERTAIN DISPUTES WITH US BY ARBITRATION ONLY IN THE WILMINGTON, DELAWARE AREA OR ANY LOCATION AGREED TO BY YOU AND US. 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 DELAWARE THAN IN YOUR HOME STATE. DISPUTES NOT REQUIRED 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 US IN DELAWARE THAN IN YOUR HOME STATE.

THE 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.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for State Effective Dates.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/sonitrol>