

Exhibits to the Uniform Franchise Offering Circular

- A. List of State Agencies and Administrators
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- C. Financial Statements of the Franchisor
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EFFECTIVE DATES

CALIFORNIA –
ILLINOIS –
INDIANA –
MARYLAND –
MINNESOTA –
NEW YORK –
RHODE ISLAND –
WASHINGTON –
WISCONSIN –

Item 1. THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Offering Circular, "CMIT" and "we" mean CM IT Solutions, Inc., the Franchisor. "You" means the person(s), partnership, Limited Liability Company, corporation, or other legal entity that buys the Franchise - the Franchisee.

We incorporated under the laws of the State of Texas in October 1996 with the name "computer moms international corporation", and in January 2004 changed our name to CM IT Solutions, Inc. We maintain our principal place of business at 1701 Directors Boulevard, Suite 300, Austin, TX 78744, and our telephone number is (512) 692-3710.

Since March 1998, we have offered franchises to establish and operate computer support and training businesses. From 1998 to January 2004 our franchisees operated under the primary trademark "computer moms[®]". As of January 2004 our new franchisees began operating under the primary trademark "CM IT Solutions". Although we do not own or operate any franchised offices we have the right to do so.

We do not have a predecessor or an affiliate. However, our Founder, Georgia Jones has sold and assigned the System and Marks (as these terms are defined below) to us. See Item 13 for a description of the assignment.

The CM IT Solutions Franchise program includes the common use and promotion of the trademark "CM IT Solutions[™]" and other marks we specify for use with the CM IT Solutions franchised business (the "Marks"); standards, specifications and procedures for the offering of our specialized IT Professional Services franchises; distinctive and uniform standards; quality and uniformity of services and products offered; procedures for financial control; training and assistance; and advertising and promotional programs.

You may operate your CM IT Solutions Franchise from an office in your home. However, at your option you may lease office space outside of your home. If you sign an Area Development Agreement or a Multi-Unit Agreement for the development of more than one franchised business we recommend that you establish a suitable leased office outside of your home, although it is entirely your option to do so. We have no obligation to help you locate this space or help you in negotiating the lease. We have no requirements with regard to type of space, square footage, or office layout.

In granting you a franchise to operate a CM IT Solutions franchised business, we retain all rights not expressly granted to you; and we expressly retain ownership of all customers and customer data generated in your business operations.

In all states except Illinois, we offer an Area Development Agreement ("ADA"), which grants the right to develop multiple CM IT Solutions businesses and serve as our area representative providing services to franchisees in a specified territory. As an Area Developer you may not sell or negotiate the sale of franchises on our behalf; we will do that ourselves directly. If you sign an ADA you will assist in recruiting and qualifying prospective franchisees, as well as providing support services, regular meetings and guidance to franchisees in your development territory. This ADA provides exclusive rights to a defined territory for a period of time (usually 10 years, with a right of renewal for an additional term of the same length) while the Developer undertakes to establish an agreed upon number of CM IT Solutions businesses in the territory, adhering to a development schedule. The Developer pays a lump sum of money at the time the ADA is entered, as detailed in Item 5, and receives compensation a portion of the initial franchise fees and royalties generated by CM IT Solutions businesses in the development territory. You will find a copy of the form of ADA at Exhibit H.

We also offer a Multi-Unit Agreement by which you may commit to the development of more than one CM IT Solutions business in a defined territory. You will find a copy of the form of the Multi-Unit Agreement at Exhibit H.

Your employees must be certified by us, or a third party we specify, in order to provide our customized IT Professional Services, and Item 6 describes fees that may be related to certification. See Item 11 for information about our training and certification programs.

You may offer *CM IT Solutions*® services to both businesses and individuals. We expect the primary market to be small and medium sized businesses, with opportunity to support home-based business owners, as well as, at your option, recreational home computer users. You will compete with support services companies, hardware and software manufacturers, independent, national or franchised training companies, independent consultants, and other businesses that offer technical support and computer training, services and products.

Our Beliefs

All of our current franchise agreements and multiple territory agreements contain important statements of "Our Beliefs" and our "Core Expectations." We consider these statements to be the essence of our business. The values described below constitute "Our Beliefs" in the CM IT Solutions System, and that conducting business according to these fundamental values is key not only to CM IT Solutions' and your success, but also to the success of all other developers and franchisees in the CM IT Solutions network. "Our Beliefs" are as follows:

WE BELIEVE:

IN A FOUNDATION BASED UPON CHARACTER AND INTEGRITY
IN A PASSIONATE COMMITMENT TO OUR CLIENTS; ALL ELSE IS SECONDARY
IN BEING DEDICATED TO CONTINUOUS TO PERSONAL GROWTH AND
PROFESSIONAL IMPROVEMENT
IN BEING DEVOTED TO ONE ANOTHER, FAMILY AND COMMUNITY
THAT A SPIRIT OF FUN AND SENSE OF HUMOR ARE ESSENTIAL
IN ACKNOWLEDGING THE BLESSINGS OF THIS AWESOME RESPONSIBILITY
AND PRIVILEGE

These values form the cornerstone of the CM IT Solutions franchise program. In our agreements you will acknowledge that the operation of your business under the Agreement will affect directly both the IT service experiences of CM IT Solutions clients and their overall perception and acceptance of the CM IT Solutions System, CM IT Solutions trademarks, and the members of the CM IT Solutions network of businesses. Accordingly, you must operate your franchised business in a manner consistent with the values contained in Our Beliefs.

CM IT Solutions represents and in the Agreement you acknowledge and agree that (1) the CM IT Solutions Franchise Program and the CM IT Solutions services are integral parts of a highly interrelated System, and (2) the successful operation of each CM IT Solutions business is critical to CM IT Solutions' overall business objectives and plans.

Core Expectations

CM IT Solutions is committed to the success and fulfillment of the highest expectations of our developers and franchisees. At every level our organization is driven to enhance the value of the information we provide and improve the quality of the developer and franchisee support we offer. A healthy franchised network of owners takes a similar commitment from each of its developers and franchisees to enhance its own performance in the operation of each franchised business. We therefore have adopted the following Core Expectations for each franchisee in the CM IT Solutions network:

(1) Each developer and franchisee must follow as carefully and as completely as possible the CM IT Solutions business operations guidelines that are such an important part of the franchised business granted to them;

(2) Each developer and franchisee must aggressively market its business, hire at least one sales associate, and implement and execute all aspects of the sales and marketing system. To that end each developer and franchisee must formalize, document and submit an acceptable plan of marketing to us within 30 days after on-site new owner training, submitting periodic updates to us as required; must spend sufficient sums on promotion and advertising; must use our CM IT Solutions alliance partners; and participate in our national accounts program and projects where feasible; and

(3) Each franchised business must meet the performance goals and minimums we adopt in the CM IT Solutions System. Monetary achievement levels are determined for the second and third years of operations, and provided to each franchisee in writing.

If, in our judgment, the business of a franchisee or developer does not meet any of these Core Expectations, CM IT Solutions may call for a Territory Review and Improvement Program. The owner's participation and cooperation in this program is mandatory. The process is a multi-step program by which we provide intense, individually tailored counseling and assistance, additional training, and coaching in the successful operation of a CM IT Solutions business. A Territory Review and Improvement Program generally lasts for up to 4 months. During this period, the franchisee or developer must cooperate and follow recommendations, including recommendations for the reasonable expenditure of money on advertising and promotion, and for the expense of any recommended training.

Business Regulation

We are unaware of any states that have any specific regulations or licensing requirements for offering IT professional services. However, you will have to comply with a number of laws that apply generally to the operation of businesses, including home-based businesses. These laws include those relating to zoning, permits and licensing. There may be other laws, rules or regulations that affect your Franchise. You may wish to consult with your attorney to understand these laws.

Item 2. BUSINESS EXPERIENCE

President and Chief Executive Officer – Gordon Bridge:

Mr. Bridge was named President of CM IT Solutions, Inc. January 1, 2004, and was appointed President and Chief Executive Officer in May 2005. He became a franchise owner in March 2002, and currently owns one CM IT Solutions franchise in North Central New Jersey. Mr. Bridge was Chairman and CEO of SurferNetwork located in Mt. Olive, New Jersey from December 1999 to September 2001. He was Chairman of Connect, Inc in Mountain View, CA from November 1995 through January 2000, and served as its CEO from April 1997 through March 1998. Mr. Bridge spent a combined 30 years with IBM and AT&T, holding senior executive positions at both firms.

Chairman of the Board – Michael J. Maples:

Mr. Maples has served as Director since April 1997 and as Acting President and Chief Executive Officer from May 1999 through August 2000. January 2004, he was named Chairman of the Board of Directors. Mr. Maples was an executive at IBM and senior executive at Microsoft.

Founder and Vice President of Alliance Programs – Georgia G. Jones:

Ms. Jones is the Founder of "computer moms international," the original name and concept of the Franchise System and has served as a Director on the Board since October 1996. Ms. Jones also serves as our Vice President of Alliance Programs.

Vice President of Operations—Victor Burzynski:

Mr. Burzynski has served as our Vice President of Operations since June 2005 and was Vice President of Franchise Development from September 2000 to June 2005. From July 1995 to August 2000, he served in various operational support roles for Molly Maid in Ann Arbor, Michigan.

Vice President of Franchise Development – Sara Harris

Ms. Harris has served as our Vice President of Franchise Development since January 2006. She served as our Director of Franchise Development from March 2005 to December 2005. Prior to that, Ms. Harris held the position of Controller from November 2001 to February 2005. From July 2000 to November 2001 she held an accounting position at the University of Texas in the Financial Aid Division of the Student Services Department.

Vice President of Franchise Services – Jill Fariss

Ms. Fariss has served as our Vice President of Franchise Services since January 2006. She been with CM IT Solutions, Inc. since June of 2002, serving as Director of Information Technology from June 2002 to June 2003, as Director of Franchise Development from June 2003 to February 2005, and from February 2005 to December 2005 serving as Director of Systems and Support. From May, 2000 to June, 2002 Ms. Fariss was self employed.

Director of Franchise Services and Development – Sheri L. Vandermause

Ms. Vandermause has served as our Director of Franchise Services and Development since June 2005. From May 2003 to June 2005 she served as our Director of Business Training in our Austin offices. From February 2002 to December 2002 Ms. Vandermause was Branch Manager for Staffing Solutions in Austin, Texas, and from April 1999 to January 2002 she was a Partner in Valeo Consulting Group, also located in Austin, Texas.

Client Development and Franchise Development Associate – Laurel Woytek

Ms. Woytek has served in Client Development for CM IT Solutions, Inc. since June of 2001. A graduate of the University of Texas, May 2002, she holds a Bachelor of Business Administration in Management Information Systems with a minor in Marketing.

Franchise Development Associate – Deborah Harlow

Ms. Harlow has served in our franchise development and franchise services departments since October of 2002. Prior to this position, she owned and operated her own business specializing in child care and personal assistance services in Austin, Texas from October 1996 to October 2002.

Demographer and Franchise Development Associate – Hillary Denham

Ms. Denham has served in our franchise development department since July of 2002. Starting in 1998, she attended the University of Texas, graduating with a degree in geography in May 2002.

Director of Information Technology – Gary Hallmark

Mr. Hallmark has served as our Director of Information Technology since November 2005. From May 2004 to November 2005 he was self-employed as a network consultant in Austin, Texas. From September 2001 to May 2004 Mr. Hallmark was Unix Systems Administrator for Electronic Arts in Austin, Texas; and from December 2000 to August 2001 he served as Unix Systems Administrator for Clear Commerce in Austin, Texas.

Director of Training – Andrew E. Burns

Mr. Burns joined CM IT Solutions in November 2004 as Training and Coaching Manager, and has served as our Director of Training since June 2005. From August 2002 to October 2004 he owned and operated Armadillo Consulting, a WSI franchise located in Austin, Texas. From April 2000 to July 2002 he was a Customer Account Manager for Kronos, Inc. located in Austin, Texas.

Corporate Director -- Linda L. Burzynski:

Ms. Burzynski has served solely as an outside Director on the Board since July 2005. Ms. Burzynski served as President, Chief Executive Officer and Director from August 2000 to December 2003, and as CEO and Director from January 2004 to May 2005, remaining an employee until July 1 2005. She was named CEO of Liberty Fitness Holdings, LLC located in Austin, Texas in May 2005. From July 1995 to August 2000, Ms. Burzynski was the President and Chief Operating Officer of Molly Maid, Inc. ("Molly Maid") in Ann Arbor, Michigan, a residential cleaning franchise company.

Corporate Director—Edward T. Jones:

Mr. Jones (no relation to Georgia Jones) has served as a corporate Director of CM IT Solutions, Inc. since October 1996. Since June 1996, Mr. Jones has also served as President/CEO of Export Management Services, Inc., located in Alexandria, Virginia and Austin, Texas.

Corporate Director -- David L. Moore

Mr. Moore has been a Board of Directors member since August 2005. Since January 2004, he has been Chairman & CEO of SMARTECH, an Austin TX-based IT services company that provides services to customers of very large services firms. From March 2002 through December 2003 he served as President of SMARTECH in Austin. From February 2000 through December 2001 he served as Executive Board Director, Vodafone Cellular Australia, located in Chatswood NSW, Australia, responsible for customer service. Prior experiences include senior executive positions in the U.S, UK and Australia for Unisys Corporation.

Corporate Director - Richard Benkendorf

Mr. Benkendorf has been a Board of Directors member since October 2005. From March 1990 to the present he has served as Managing Partner of Technology Impact Partners, a venture capital firm located in Austin, Texas. Prior to this position Mr. Benkendorf founded Travelers-Diebold Technologies, a venture investment firm, and was the senior executive responsible for mergers and acquisitions for Ameritech located in Chicago. Prior to 1976 he was employed for 16 years by IBM in sales and management.

Corporate Director - Jeffrey M. Connally

Mr. Connally has been a Board of Directors member since August 2005. In October 1998, he co-founded UpLink Golf (GPS/Golf business) located in Austin, Texas, serving as its COO until May 2003. In May 2003 he founded Gener8Biz (Sales/Marketing Consultancy) located in Austin, Texas and has served as its President & CEO since May, 2003. In August 2003, he also began to teach sales & marketing in the Acton School (an Entrepreneurial MBA program) located in Austin, Texas.

We employ the services of 3 organizations to provide contacts with people who may be interested in our franchise program. They are FranChoice, Inc., FranNet, and TES Franchising, LLC (The Entrepreneur's Source). We describe all 3 of these organizations below and provide detailed disclosure about them and their independent consultants in Exhibit G to this Offering Circular.

FRANCHOICE, INC.

FranChoice, Inc. ("FranChoice") is a Minnesota corporation incorporated on March 10, 2000. Its principal place of business is 6385 Old Shady Oak Road, Suite 290, Eden Prairie, Minnesota 55344, and its telephone number is (952) 942-5561. (Please see attached Disclosure Addendum, noted as "Attachment A.")

FranChoice is a franchise referral organization, registered as brokers for selling in the States of Illinois, New York and Washington, and works with 60+ independent franchise consultants located throughout the United States. FranchiseBuyer, LLC, a similar referral network of independent contractors, merged with FranChoice in February 2006, and the resulting organization operates under the FranChoice name. A list of current FranChoice independent franchise consultants and their biographies is included in Exhibit G. This information is also available by visiting the FranChoice website at: www.FranChoice.com.

FRANNET

Franchise Mutual Benefit Corporation ("FranNet"), is a California non-profit Mutual Benefit Corporation. Its principal place of business is 2385 Camino Vida Roble, Suite 114 Carlsbad, CA 92009, and its telephone number is (760) 448-2400.

FranNet Consultants explore options for their clients within a range of business models and franchise opportunities; not for the purpose of discussing the purchase or sale of any franchise. The FranNet Consultant is not prepared to discuss the purchase or sale of any particular franchise opportunity. Those discussions can only take place with the representative of CM IT Solutions. The FranNet Consultant receives a placement fee from us upon a successful placement of a FranNet Client.

TES FRANCHISING, LLC.

TES Franchising, LLC. ("The Entrepreneur's Source") is a Connecticut Limited Liability Company founded in 1984. Its principal place of business is 900 Main Street South, Building 2, Southbury, CT 06488, and its telephone number is (203) 264-2006.

TES Consultants explore options for their clients within a range of business models and franchise opportunities; not for the purpose of discussing the purchase or sale of any franchise. The TES Consultant is not prepared to discuss the purchase or sale of any particular franchise opportunity. Those discussions can only take place with the representative of each franchise company. The TES Consultant received a placement fee from the franchisor upon a successful placement of a TES Client.

Item 3. LITIGATION

No litigation required to be disclosed in this Offering Circular.

FranChoice, Inc., FranNet and TES Franchising, LLC have advised us that they have no litigation to disclose in the Offering Circular except for those cases described in Exhibit G.

Item 4. BANKRUPTCY

Neither CMIT nor any of its officers has been involved as a debtor in proceedings under the U. S. Bankruptcy Code required to be disclosed in this Item.

Item 5. INITIAL FRANCHISE FEE

Initial Fees

You must pay the Initial Fee ("Initial Fee"), which includes a Franchise Fee and any Territory Fee, as follows:

- (a) The Franchise Fee is \$39,500. The Franchise Fee will be discounted by 10% if you sign the Franchise Agreement within 14 days after you attend a "Discovery Day" or meet with us in person and we present the opportunity in your market. If this discount applies the Franchise Fee will be \$35,550, and any applicable Territory Fee (see below) will also be discounted by 10%. The fees

associated with the Multiple Franchise Agreement and Area Development Agreement are described in those sections, below.

(b) The Franchise Fee includes a geographic territory comprised of entire contiguous US Postal Zip Codes with a minimum total of 5000 Small Business Establishments (SBEs) within your territory (the "Territory") that meet our then current criteria for business size, as described in Item 12. In the event that there are more than 5000 SBEs, in your Territory, a Territory Fee will apply.

(c) The Territory Fee is \$5.00 for each SBE in excess of 5000 SBEs within the Territory. For example, in a Territory containing 5501 SBEs the Territory Fee would be \$2,505.00 (\$5.00 multiplied by 501).

The Initial Fee is due when you sign the franchise agreement, unless other arrangements are required in your state. See the state specific information in Exhibit K. No part of the Initial Fee is refundable except as described below.

We may return the Initial Fee (less any expenses that we have incurred) to you if you do not make satisfactory progress in initial training. There will be no refund of the Initial Fee under any other circumstances.

We participate in VetFran and offer a discount of \$3,500 off the Initial Fee to a Qualified Veteran.

Multiple Territories

If you desire to develop and operate more than one *CM IT Solutions* Franchise, and if you qualify, you will sign a Multi-Unit Agreement (See Exhibit H) in addition to the Franchise Agreement, permitting you to develop the agreed upon number of additional franchises. If you participate in the development of multiple territories you must sign a separate Franchise Agreement for each *CM IT Solutions* Franchise. Under the Multiple Territory Agreement, you would pay us a reduced Initial Fee (Franchise Fee and Territory Fee (if applicable)) based on the schedule below, and a portion of each Franchise Fee must be paid at the time the Multi-Unit Agreement is signed, which constitutes a non-refundable Development Fee. The balance of the Initial Fee is due and payable at the time you sign a Franchise Agreement for the unit. The Development Fee is 60% of the total of the Franchise Fees for the franchises you commit to develop, as detailed in the following fee schedule. (See Item 12)

The Initial Franchise Fee will be that fee required in each franchise agreement you sign under the Multi-Unit Agreement. (Multi-Unit Agreement – Section 4.2). As a courtesy, we will inform you in writing 60 days before any planned increase in Royalty Fees or other substantive changes to our franchise agreement. This will allow you to accelerate any franchise openings within the 60-day notice period so you can take advantage of the more favorable terms. (Multi-Unit Agreement – Section 3.4).

Initial Fees under a Multi-Unit Agreement are as follows:

Total Number of Units to Be Developed	Franchise Fee for each unit	Territory Fee for each unit (if applicable)	Portion of the Franchise Fee Payable as Development Fee (@ 60%)
2-3	\$35,500	\$4.50/SBE over 5,000	\$21,300
4-5	\$33,575	\$4.25/SBE over 5,000	\$20,145
6-7	\$31,600	\$4.00/SBE over 5,000	\$18,960
8-9	\$29,675	\$3.75/SBE over 5,000	\$17,775
10-14	\$27,650	3.50/SBE over 5,000	\$16,590
15-19	\$23,700	\$3.00/SBE over 5,000	\$14,220
20+	\$19,750	\$2.50/SBE over 5,000	\$11,850

Area Development Fee

If you sign an ADA to be appointed as our representative in a defined territory, you will pay us an Area Development Fee that will range from \$150,000 to \$1 Million, depending on the size of your area. We will consider several factors in determining the Area Development Fee for a given area, including the number of SBEs in the area, the number of CM IT Solutions businesses we think may be supported by the markets in the assigned area, the population of the area, and the growth potential of the area. The higher the number of development units and the larger the size of the development territory the higher will be the Area Development Fee within the range cited above. There will be no additional fee incurred by you should more than the targeted number of third-party owned unit franchises be opened within the area covered by the ADA during the initial term of the ADA.

When you establish a franchised CM IT Solutions business under the ADA you will sign a unit Franchise Agreement for each CM IT Solutions business. If you are not already a CM IT Solutions franchisee, the Area Development Fee will include the initial fee of the CM IT Solutions business you agree to develop. The royalty and other fees associated with this unit franchise will be paid as required in the franchise agreement. Any additional unit franchises acquired by you under an ADA must be purchased using the then-prevailing standard terms in the CM IT Solutions system. If you are an existing franchisee in the CM IT Solutions system who owns and operates at least one CM IT Solutions unit franchise, you will not be required to purchase an additional unit franchise.

The ADA is not offered in Illinois.

During the term of the ADA we will pay to you a portion of the initial franchise fees and royalty revenue we collect from franchises assigned to you and your territory. The portion paid to you will be within the range of 10% to 50% of the revenues collected, and it will be paid on a regular monthly basis. Where your share of initial franchise fee and royalty revenue will fall within the quoted range will depend on several factors, including the number of franchisees already established in your territory, the length of time that franchisees in your territory have been in business, the scope of the services you agree to provide, and the level of training you will provide. For example, in an area where there are no existing CM IT Solutions franchisees and you plan to provide the full scope of training and support services, we expect that your percentage would be at the upper end of the range. All payments to you are based on funds we actually receive, and your account will be adjusted appropriately to reflect refunds made or broker commissions paid, if any. We will consult with you prior to our making a decision regarding a

refund of fees or payment of a broker's commission on a franchise grant in your territory. We will not share revenues from franchises directly developed and owned by you; and the revenue sharing formula does not apply in any way to company-owned unit offices that we may establish in your territory. The revenue sharing formula applies only to third-party franchisees assigned to you and your territory.

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Item 6. OTHER FEES

In addition to the Initial Fees described above, you must pay to us fees and payments as described in the following Table:

Name of Fee	Amount	Due Date	Remarks
Royalty ^{1/}	<p>a) The following minimum royalty payments is adjusted annually to reflect changes in the CPI ^{2/}; No Royalty Fee is due for the first 60 days after the date you complete the initial training; then</p> <p>b) A fee of 6% of Gross Professional Services revenue ("GPS") or a minimum fee of \$500³, whichever is greater per month for each of the following 10 months; then</p> <p>c) A fee of 6% of GPS, or a minimum fee of \$700³, whichever is greater per month for each of the following 12 calendar months; then</p> <p>d) A fee of 6% of GPS, or a minimum fee of \$900³, whichever is greater, per month thereafter for each calendar month remaining in the Franchise Agreement.</p> <p>e) There is an annual royalty cap of \$25,000 per calendar year per franchise.</p>	Payable monthly as described in the Policies and Procedures Manual	<p>a) This time period is referred to as Months One and Two</p> <p>b) This time period is referred to as Months Three through Twelve</p> <p>c) This time period is referred to as Months Thirteen through Twenty-Four</p> <p>d) The remainder of the ten year Franchise Agreement</p> <p>We may annually increase the minimum fee amounts but not by more than the CPI.²</p>
Marketing Development Fund ("Fund") Contribution ^{1/}	<p>The following Marketing Development Fund (MDF) minimum contribution is adjusted annually to reflect changes in the CPI ^{3/}:</p> <p>a) No Fund Contribution is due for the first 60 days after the date that you complete the initial training; then</p> <p>b) A Fund Contribution of 2% of GPS or a minimum fee of \$150, whichever is greater, per month for each of the following 10 months; then</p> <p>c) A Fund Contribution of 2% of GPS or a minimum fee of \$300, whichever is greater, per month for each of the following 12 calendar months; then</p> <p>d) A Fund Contribution of 2% of GPS or a minimum fee of \$450, whichever is greater, per month thereafter for each calendar month remaining in the Franchise Agreement.</p> <p>e) There is an annual MDF cap of \$10,000 per calendar year per franchise.</p>	Payable monthly as described in the Policies and Procedures Manual	<p>a) This time period is referred to as Months One and Two</p> <p>b) This time period is referred to as Months Three through Twelve</p> <p>c) This time period is referred to as Months Thirteen through Twenty-Four</p> <p>d) The remainder of the ten year Franchise Agreement</p> <p>We may annually increase the minimum fee amounts but not by more than the CPI.²</p>

Name of Fee	Amount	Due Date	Remarks
Regional Cooperative Advertising Fund (if applicable)	To be determined by members of the cooperative, but not to exceed \$1,000 per month	Established by members of cooperative	Payable only if we require you to join a local advertising cooperative organized or approved by us (See Item 11)
Additional Training ^{1/}	\$500 per person for the entire Initial Training Program, or our then-current fee.	As incurred	CMIT trains up to 2 persons as part of your agreement (See Item 11)
Support Materials Replacement Fee ^{1/}	\$100 per item, or our then-current fee	As incurred	You must pay us for any replacement Manual, videotape, diskettes or disk that you request
Electronic Fund NSF Fee	Amount charged by our financial institution, or \$25, whichever is greater	Upon notification of draft dishonor	If any electronic fund transfer is not honored by your bank, you must pay the service charge by us and the bank, if any
On-Site Remedial Training and Coaching ^{1/}	Per diem fee of the trained representatives plus their costs of travel, lodging, meals and wages or the costs of travel, lodging, meals for our staff for training and/or coaching.	As incurred	We provide on-site remedial training and coaching upon your request, subject to the availability of personnel
Software Enhancements ^{1/}	To be determined by the type of enhancement	As incurred	We or a third party may develop customized software configurations. We may make available to you any enhancements developed, for which we may charge a reasonable fee
IT Support Fee ^{1/}	\$15 per month per unit franchise	Payable monthly as described in the Policies and Procedures Manual	Internet/Web and email support provided by CM IT Solutions.
Email Marketing.	\$20 per month	Payable monthly as described in the Policies and Procedures Manual	To support the opt-in email service, including CM IT Quick Tips for clients
800# Franchise Locator Service	\$13.95 per month and \$.16 per minute or the then current fees	Payable monthly as described in the Policies and Procedures Manual	This service routes calls received in the system's toll-free telephone system

Name of Fee	Amount	Due Date	Remarks
TermsPlus	\$350 (One time set up fee)	Payable the first month after the on site training as described in the Policies and Procedures Manual	This is a one time charge for the TermsPlus invoicing/payments options.
AutoTask	\$50 per month plus \$50 set up fee	Payable monthly as described in the Policies and Procedures Manual	Comprehensive franchise automation system.
Certification Fees	\$15 to \$50 per test or the current fee	Upon invoice	Certification Fees are paid to 3 rd party suppliers
Renewal Fee ^{1/}	\$500 for one or more Franchise Agreements being renewed at the same time	Upon renewal	You must sign the then current Franchise Agreement and pay a renewal fee instead of an initial franchise fee. You also must attend training classes and be re-certified
Franchise Resale Assistance Fee ^{1/}	10% of the purchase price if lead comes through us	Due at the time escrow funds are released following the buyer's successful completion of the Initial Training Program and certification	Due only if you request us to find a buyer for the Franchised Business, and we do so. This fee is in addition to the Transfer Fee (see below), and any applicable Broker's commissions.
Transfer Fee ^{1/}	\$8,000	Prior to closing	Payable if you sell your Franchise. No charge if Franchise is transferred to a corporation that you control.
Guarantee Expenses	Varies	As incurred	Expenses associated with your offering and honoring our guarantee and warranty programs
Late Payment Fee ^{1/}	1-1/2% interest per month (or maximum legal rate, if lower) on unpaid balance		Payable with all fees or assessments that are more than 5 days delinquent.

Name of Fee	Amount	Due Date	Remarks
Late Report Fee ^{1/}	\$100 per violation	Due on demand	Payable only if a required report or financial statement is more than 30 days delinquent
Collection Costs ^{1/}	All collection costs including reasonable attorneys' fees	Due on demand	Payable only if CMIT is required to retain an attorney or collection agency to collect delinquent payments
Indemnification ^{1/}	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from the operation of your Franchised Business

- 1/ Except as otherwise described, these fees are charged by and payable to us, and are non-refundable.
- 2/ We will adjust the monthly royalty fee minimums and the Marketing Development Fund minimums by any increase in the CPI. CPI refers to the Metropolitan Area Consumer Index for Urban Consumers—All Items (1982-1984 =100), as published by the US Department of Labor, or a comparable successor index we select. This index measures a constant market price change for a basket of goods and services from one period to the next within the nation. It is one way to measure inflation. The CPI index information we use is published by the United States Department of Labor. On an annual basis, occurring shortly after December 31 each year, we will make and announce the annual adjustment, if any. For instance, the CPI for 2004 was 3.3%. You can calculate the adjusted 2005 royalty or minimum Marketing Development Fund contribution by multiplying the 2004 figure by 1.033. Any adjustment will not be more than the applicable CPI in any given year.
- 3/ The term Gross Professional Services revenue ("GPS") means all revenue from all professional services provided by your CM IT Solutions business, and includes consulting services, technical support, training, recurring services, services net-of-costs in conjunction with alliance partners and other services offered by your CM IT Solutions business. "GPS" does not include commissions paid by alliance partners or profits made on the margins of hardware or software sales.

Item 7. INITIAL INVESTMENT

Your Estimated Initial Investment

Item	Amount	Method of Payment	When Due	To Whom Payable
Franchise Fee (Note 1)	\$39,500	Lump Sum	At Signing of Franchise Agreement	Us
Territory Fee (Note 2)	\$0 to \$15,000	Lump Sum	At Signing of Franchise Agreement	Us
Business Licenses	0 to \$500	As required by local agency	Before engaging in business	Local agency
Food & lodging while training, not including cost of transportation.	\$1,000 to \$2,000	As Incurred	During Training	Hotels & Restaurants
Real Estate and Leasehold Improvements (Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)
Furniture and Equipment (Note 4)	\$0.00 to \$5,000	As Incurred	Before Opening	Suppliers
Advertising and Marketing (Note 5)	\$12,000 for 3 months (\$4,000 monthly minimum)	As Incurred	Monthly	Suppliers
Start-up Supplies	\$1,000 to \$2,000	As Incurred	Before Opening	Suppliers
Additional Funds (Note 6)	\$10,000 to \$25,000 for 3 months	As Incurred	As Incurred	Various Suppliers Utilities
Total (Note 7)	\$63,500 to \$101,000	(Does not include real estate costs – see Note 3)		

Notes:

(1) The Franchise Fee includes the Initial Training Program for you and another person. An additional training fee will be charged for any additional person attending the Initial Training Program. The Franchise Fee is partially refundable under certain conditions, as discussed in Item 5. As noted in Item 5, a 10% discount on the Franchise Fee will apply if you sign the Franchise Agreement within 14 days of meeting with us in Austin for a discovery day or personal meeting to present the opportunity in your market.

(2) The Territory Fee is \$5.00 for each Small Business Establishment (SBE) in excess of 5000 SBEs. As noted in Item 5, a 10% discount on the Territory Fee will apply if you sign the Franchise Agreement within 14 days of meeting with us in Austin for a discovery day or personal meeting to present the opportunity in your market.

(3) We do not require you to obtain outside office space from which to operate your *CM IT Solutions* Franchise. If you do lease or purchase the premises for your *CM IT Solutions* office, we will not negotiate your lease or purchase. The amount of rent will vary substantially, depending on the size, condition and location of the premises. Leasehold improvements may be provided by the Landlord; but if not, these will be at your expense. These costs will vary greatly, depending on the condition of the premises and what improvements you require.

(4) You must purchase or lease for use in your *CM IT Solutions* business a computer system that consists of recommended components as identified in Exhibit E. You also must purchase other items of office equipment as described in the Manuals. The high estimate assumes that you will purchase these items. The low estimate assumes that you already own these items. Both estimates assume that you currently own a vehicle that is suitable for use in operating the franchise.

(5) You must begin marketing for your Franchise and be prepared to provide IT Professional Services within 60 days after successful completion of the initial training program in Austin, Texas, unless we extend this time period in writing. Under normal circumstances, you are expected to spend a minimum of \$4000 per month on sales and marketing, which would include a base salary for a new account sales person. Our estimate shows 3 months of the minimum expenditure.

(6) This estimates your expenses during the first 3 months of operation. These expenses include professional fees, bank fees, telephone line installation fees, cellular phone charges, 800-locator service, internet service provider, e-mail marketing service, insurance premiums, payroll costs, miscellaneous expenses and working capital. These figures are estimates, and you may have additional expenses starting the business. Your costs will depend on factors such as: your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level achieved during the initial period.

(7) These figures are estimates only. You should review these figures carefully with a business advisor before making any decision to purchase the Franchise.

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must comply with all of our standards and specifications relating to the purchase of all supplies, materials, equipment (including the computer system) and other products and services that you or your employees use or offer for sale. We may revise the standards and specifications based on our own experience and that of our franchisees, or developments in the industry. You must comply with each new or changed standard.

Approved Suppliers

Except with respect to certain materials bearing our Marks, proprietary products and software configurations licensed by us, for which we have one or two mandatory designated suppliers, you must obtain specific items from suppliers we have approved in writing. Our criterion for supplier approval is not available to you. We maintain a list of suppliers whose standards and specifications meet or exceed those we require. This list is included in the confidential Operations Manuals. We are not an approved supplier of any products or services. For materials bearing our Marks, proprietary products and software configurations licensed by us, our current designated supplier is Henry Wurst, Inc. of Denver, Colorado.

If you desire to obtain any items from any other supplier, you must submit to us a written request for its approval. If you do not receive an approval notice within 30 days, the supplier is deemed disapproved. We do not presently charge a fee for our review of suppliers or products, but we may do so in the future. You must not purchase or lease items for which we have established standards and specifications from any supplier unless we have approved the supplier in writing. We are not required to approve any particular supplier.

Except as noted below, we do not derive any revenue as a result of purchases you make from approved suppliers or your customers make from our service affiliates. Service affiliates are third party vendors that provide a service distinctly different from our services, and when you purchase from a service affiliate we generally receive a referral fee. When you purchase training manuals for use with your clients/customers, we receive from the supplier \$4.50 for each manual. We use these monies to help defer the cost of annual licensing agreements with our courseware vendors. Whenever your customers purchase products or services from our approved vendors or suppliers, we reserve the right to retain a percentage of the commission collected ranging from 0% to 50%.

We estimate that your purchase of supplies, materials, equipment (including the computer system) and other products and services from approved suppliers will represent approximately 90% of your overall purchases in establishing the business, and approximately 90% of your overall purchases in operating the business.

We may negotiate purchase arrangements with approved suppliers for your benefit. We do not provide material benefits to you for your purchases from approved suppliers.

Computers, Telephones, Internet and Electronic Mail

Before you open your business you must obtain and install, at your expense, all computer equipment components, other office equipment, supplies and related items that we require, as described in the Manuals or otherwise in writing. A list of the required components for the computer system is included in Exhibit E. You must maintain the computer system in good working order, and obtaining any upgrades, new components or new equipment that we may require. It will be your responsibility to enter into contracts for the maintenance, support, upgrades and updates to the computer system.

You must subscribe to a high-speed Internet service provider (ISP). Your ISP account must be compatible with and interface with Microsoft Outlook.

You must maintain a separate business telephone line for the exclusive use of your Franchise. You must maintain a local telephone listing in the primary telephone book for each market area included in your Territory. You must also install and maintain a high-speed broadband Internet connection (such as DSL or cable-based service), in accordance with our specifications, and permit us direct access to information on your computer concerning your Franchise. We must have this access at the times and in the manner we may specify. You must submit to us your client database in a form and timeframe we require in the Manuals. (See Item 11)

We may adopt a standard VoIP (which stands for "Voice over Internet Protocol", and is also called, IP Telephony, Internet Telephony, and Digital Phone) telephone system for the CM IT Solutions system. VoIP systems convey voice conversations over the Internet and may substantially enhance our communications capabilities at a lower cost. Should we adopt and deploy a system-wide VoIP, you will be required to purchase/lease the necessary equipment and participate in the use of the system.

At our request, you must enter into a software license agreement with us in the form that we require, for the license of certain proprietary software that we may provide for the operation of your Franchise.

You must subscribe to a franchise locator service that routes calls to you via the toll free number used in your advertisements, currently 800-399-2648 (800-399 CMIT).

You must subscribe to the approved e-mail marketing program and to the approved Automation Systems, including Autotask.

Training Materials

The CM IT Solutions customer training guides contain proprietary information, and may not be copied under any circumstances, even for your own use.

Vehicle

Any vehicle that you or your employees use to deliver goods or services in connection with your Franchise must meet our standards. You must keep the vehicles clean and in good working order.

Our Revenues from Your Purchases

In fiscal year 2005, none of our revenue was attributable to the sale of items to our franchisees.

Item 9. FRANCHISEE'S OBLIGATIONS

THESE TWO TABLES LIST YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, MULTI-UNIT AGREEMENT, AND AREA DEVELOPMENT AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

Franchise Agreement and Multi-Unit Agreement

Obligation	Article or Section in Franchise Agreement (FA)/Multi-Unit Agreement (MA)/Development Agreement (ADA)	Item in Offering Circular
a. Site selection and acquisition/lease	FA Section 2.1/ MA Section 3.2	Item 11
b. Pre-opening purchases & leases	FA Sections 2.2, 2.4, 3.1, 3.2, 4.7, and 9.10	Items 7, 8 and 11
c. Site development and other pre-opening requirements	FA Sections 2.2, 2.3, and Article 3/ MA Article 3	Items 6, 7 and 11
d. Initial and ongoing training	FA Section 4.1, 4.2, 4.3 and 4.4	Item 11
e. Opening	FA Article 3/ MA Article 3	Item 11
f. Fees	FA Article 5/ MA Article 4	Items 5 and 6
g. Compliance with standards and policies/Operating Manuals	FA Sections 4.5 and Article 9	Item 11
h. Trademarks and proprietary information	FA Articles 6 and 7	Items 13 and 14
i. Restrictions on products/services offered	FA Section 9.2	Items 13, 14 and 16
j. Warranty and customer service requirements	FA Section 9.4	Items 8 and 16
k. Territorial development and sales quotas	FA No obligation imposed/ MA Article 3	
l. Ongoing product/service purchases	FA Sections 9.2 and 9.3	Item 8
m. Maintenance, appearance and remodeling requirements	FA Section 2.3 and Article 13	Item 11
n. Insurance	FA Section 9.8	Item 7
o. Advertising	FA Article 10	Items 6 and 11
p. Indemnification	FA Sections 8.2 and 8.3	
q. Owner's participation/management/staffing	FA Sections 4.1, 4.2, 9.7 and 9.9	Items 11 and 15
r. Records/reports	FA Sections 9.14, 11.1, 11.2, 11.3, 11.5 and 11.6	Items 6 and 11
s. Inspections/audits	FA Section 11.4	Items 6 and 11
t. Transfer	FA Article 12	Item 17
u. Renewal	FA Article 13	Item 17
v. Post-termination obligations	FA Section 14.4, 14.5 and 14.6/ MA Article 5	Item 17
w. Non-competition covenants	FA Section 14.5 and 14.6	Item 17

Obligation	Article or Section in Franchise Agreement (FA)/Multi-Unit Agreement (MA)/Development Agreement (ADA)	Item in Offering Circular
x. Dispute resolution	FA Section 16.5 / MA Article 9	Item 17

Area Development Agreement

Obligation	Section in Area Development Agreement	Item in Offering Circular
a. Site selection and acquisition/lease	N/A	Item 11
b. Pre-opening purchases/ leases	N/A	Items 5,7, and 8
c. Site development and other pre-opening requirements	N/A	Items 6, 7 and 11
d. Initial and ongoing training	N/A	Item 11
e. Opening	N/A	Item 11
f. Fees	§ II	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	N/A	Item 11
h. Trademarks and proprietary information	§ I.D	Items 13 and 14
i. Restrictions on products/services offered	N/A	Items 8 and 16
j. Warranty and customer service requirements	N/A	Item 11
k. Territorial development and sales quotas	§ I	Item 12
l. Ongoing product/service purchases	N/A	Item 8
m. Maintenance, appearance and remodeling requirements	N/A	Item 8
n. Insurance	N/A	Items 7 and 11
o. Advertising	N/A	Items 6, 7 and 11
p. Indemnification	§ X.C	Item 6
q. Owner's participation/ management/staffing	N/A	Items 11 and 15

Obligation	Section in Area Development Agreement	Item in Offering Circular
r. Records and reports	N/A	Item 6
s. Inspections and audits	N/A	Item 6 and 11
t. Transfer	§ VII	Item 17
u. Renewal	§ IV	Item 17
v. Post-termination obligations	§§ VI.D and VIII	Item 17
w. Non-competition covenants	§ VIII	Item 17
x. Dispute resolution	§ XIII.A	Item 17

Item 10. FINANCING

We do not offer you, either directly or indirectly, any financing arrangements. We will not guarantee your obligations under any note, lease or other obligation.

Item 11. FRANCHISOR'S OBLIGATIONS

Except as disclosed below, we need not provide any additional assistance to you.

Pre-Opening Obligations: Before you open your business, we will provide the following assistance to you:

1. Designate the Territory for the Franchise (Exhibit 1 to the Franchise Agreement);
2. Lend 1 set of confidential Operations Manuals and other written materials that we may develop. These contain mandatory and suggested specifications, standards, policies and procedures. These Manuals are confidential and remain our property. We may modify these Manuals, but no modification will significantly alter your status and rights under the Franchise Agreement. The Tables of Contents of the confidential Operations Manuals are attached to this Offering Circular as Exhibit D. The total number of pages in the confidential Operations Manuals is 166. This includes the CM IT Solutions General Operating Policies and Procedures Manual (94 pages), the CM IT Solutions Marketing and Sales Policies and Procedures Manual (32 pages), and the CM IT Solutions Jump Start Manual (40 pages) (Franchise Agreement, Section 4.5);
3. A sample initial marketing plan (Franchise Agreement, Section 4.6);
4. An updated list of approved suppliers (Franchise Agreement, Section 9.6);
5. Make available the proprietary customer training guides that you will need, which you must use (Franchise Agreement, Section 9.3);
6. If developed, customized software database(s) and/or upgrades (Franchise Agreement, Section 4.7);
7. An initial training program (comprised of online and in-person training) and other training programs (Franchise Agreement, Sections 4.1, 4.2 and 4.3). Training is discussed below in this Item 11.

Post-Opening Obligations: During the operation of your Franchise, we will:

1. Administer an Marketing Development Fund and placement of trademark and other telephone-directory and business listings at our discretion (Franchise Agreement, Section 10.1);
2. Coordinate an annual regional and/or national convention to which each Franchisee in good standing, and who is within the applicable region will be invited (Franchise Agreement, Section 4.3);
3. If we develop customized software database(s) and/or upgrades, any enhancements or replacements to the software that we develop will be available to you (Franchise Agreement, Section 4.7);
4. Advertising:
 - a) We, or an affiliated third party of ours, will establish and oversee a Marketing Development Fund (the "Fund") to administer the contributions that you and all other Franchisees must pay according to the Franchise Agreement. (See Item 6). Each of our company-owned or affiliated *CM IT Solutions* businesses, if any, will make contributions to the Fund equal to the assessments required of our Franchisees. (Franchise Agreement, Section 10.1)
 - b) We, or the person we designate, will direct all marketing programs to be undertaken through the use of the Fund. We will have sole discretion over all creative concepts, materials and media used in these programs and the placement and allocation of the programs. The Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all *CM IT Solutions* businesses. In administering the Fund, we have no obligation to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular Franchisee benefits directly or pro rata from the placement of advertising. (Franchise Agreement, Section 10.1)
 - c) The Fund may be used to pay the costs of maintaining, administering, directing and preparing advertising, including the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns; direct mail and outdoor billboard advertising; on-line, public relations activities; employing advertising agencies to assist in the campaigns or other activities; and reasonable costs for our personnel and other departmental costs for advertising that we administer or prepare internally. (Franchise Agreement, Section 10.1)

For the fiscal year ending December 31, 2004, the Fund spent 74% of its monies on production, media placement, and public relations; 2% on administrative costs; and 24% on debt repayment. According to the Financial Statements for the year ended December 31, 2004 and Independent Auditors' Report (see Exhibit C) the balance due on the outstanding loan to CMIT was paid in full. For the fiscal year ending December 31, 2005, the Fund spent 97% of its monies on production, media placement, and public relations; 3% on administrative costs.
 - d) We have established an elected Franchise Advisory Council (FAC) to help formulate and monitor the advertising and other marketing programs. The FAC functions as a two-way communications entity between individual franchisees and CM IT Solutions offices. They help review and plan key franchise related activities including the annual Convention. We may change or dissolve the FAC. (Franchise Agreement, Section 10.1)
 - e) We will maintain all sums that you pay to the Fund in a separate account, and will not use the funds to defray any of our general operating expenses, except for reasonable administrative costs and overhead, if any, as we may incur in administering the fund. If we loan money to the Fund, we may charge a reasonable rate of interest. No portion of

the Fund will be used for advertising that is primarily for the sale of franchises. (Franchise Agreement, Section 10.1)

- f) If an affiliate of ours administers the Fund or places advertising/marketing in connection with the Franchise system, the affiliate may be paid a fee that will not exceed the fee that would be paid to an unrelated third party for comparable services. (Franchise Agreement, Section 10.1)
- g) All contributions to the Fund that are not spent during the year in which they were collected, will be carried forward to the following year. (Franchise Agreement, Section 10.1)
- h) We will prepare a financial statement of the operations of the Fund annually, and make it available to you upon request within a reasonable time after the end of its fiscal year. (Franchise Agreement, Section 10.1)
- i) Although the Fund is intended to be permanent, we may terminate the Fund. The Fund will not be terminated until all monies in the Fund have been expended for advertising or promotional purposes, or returned to the contributors, without interest, on the basis of their respective contributions. (Franchise Agreement, Section 10.1)
- j) You must conduct all your advertising and promotion in a professional manner, and they must conform to our standards and requirements as set forth in the Manuals or otherwise. You must obtain our written approval before placing any telephone listing. You must advertise only through the use of the advertising and promotional materials that are provided to you by the Fund. You must not deviate from these materials, or use advertising materials not provided by the Fund or approved by us in writing before their use. You must promptly discontinue use of any advertising or promotional plans or materials, upon notice from us. (Franchise Agreement – Section 10.2)
- k) We may require you to join a local advertising cooperative organized or approved by us. We do not have any advertising cooperative formed as of the date of this offering circular. The amount of contribution to this local advertising cooperative will be decided by the members of the cooperative, but will not exceed \$1,000 per month. Any cooperative, if organized or approved by us, will consist of one or more Franchisees who are located in the same geographic area, newspaper circulation area, or radio and television broadcasting area as the Franchised Business. Administrative responsibility of any cooperative, its governing documents, and annual reporting to members will be determined when a cooperative is formed. (Franchise Agreement - Section 10.2)
- l) We have established a Web site ("CMIT Web Site") listed on the Internet. We will determine the content and use of the Web site or other listing and will establish the rules under which you and other Franchisees will participate. You pay us a monthly IT fee for web site updates/maintenance. We will retain all rights relating to the Web site or other listing and may alter or terminate the Web site or other listing upon 30 days notice to you. Your participation in the CMIT Web Site is subject to the provisions of the Franchise Agreement. You acknowledge that certain information obtained through your participation in the CMIT Web Site may be considered proprietary and confidential information, including access codes and identification codes. Your right to participate in the CMIT Web Site or other listing will terminate when the Franchise Agreement expires at the end of its term or terminates. You may not establish your own Web site or other listing on the Internet using the name "CM IT Solutions", the Marks or the System. As we continue to develop strategies for taking advantage of the benefits the Internet may offer, you may be required to take part in our activities. You therefore agree that we, upon 60 days notice, may require you to participate in, and pay a proportionate share of, our System's future Internet activities. (Franchise Agreement - Section 10.3)

5. Site Selection

Most *CM IT Solutions* franchise owners operate their businesses from home-based offices. If you do purchase or lease office space, we have no obligation to help you locate the space or help you in negotiating the lease. We have no requirements with regard to type of space, square footage, or office layout, except as described below. (Franchise Agreement - Section 2.1)

If you intend to lease the Site for your *CM IT Solutions* Business, the lease will be subject to our prior approval, and you must provide us with a copy of the lease and details relating to square footage, rental per square foot, the term of the lease, and other terms as we reasonably require at least 10 days before signing the lease. Each lease must contain the provisions set forth in Exhibit 3 attached to the Franchise Agreement, and must specifically state that we are a third party beneficiary of the lease. If we cure any default by you under the lease, any amounts that we pay to cure the default will be payable by you to us on demand together with interest at the rate of 1% per month from the date we make the payment, or, if less, at the maximum rate that does not violate applicable state usury laws.

Under the Multiple Territory Agreement or Area Development Agreement the only aspect of your site we must approve is your lease. We have no requirements with regard to type of space, square footage, or office layout. Each lease must contain the provisions set forth in Exhibit 3 attached to the Franchise Agreement, and must specifically state that we are a third party beneficiary of the lease. If we cure any default by you under the lease, any amounts that we pay to cure the default will be payable by you to us on demand together with interest at the rate of 1% per month from the date we make the payment, or, if less, at the maximum rate that does not violate applicable state usury laws. If you do not receive our approval of the lease for the office space, you may be prohibited from opening your second location as a consequence.

6. Computer System

Before the opening of your *CM IT Solutions* Business, you must acquire and use a computer system during the operation of your *CM IT Solutions* Business. The recommended and required components of this system are identified in the Franchise Manuals and outlined in Exhibit E. You must maintain the Computer System in good working order and upgrade or update the Computer System. You may also be required to enter into service contracts for the maintenance, support, upgrades and updates to the Computer System. We are not aware of any contractual limitations on the frequency or costs associated with these steps.

We or third parties may develop software for use with your *CM IT Solutions* Business. We may require that you enter into a software license agreement with us or third parties for this software. We may also make available to you any enhancements or replacements to the software that are developed. We may charge a reasonable fee for these enhancements. (Franchise Agreement – Section 4.7)

You must subscribe to use the AutoTask project management program we have designated for use with the *CM IT Solutions* system. We have arranged for all of our franchise owners to use the AutoTask web-based program in their businesses; it is specially designed to manage the work of IT services, and will also allow you manage your customer relationships. You can read more about AutoTask on the Internet at www.autotask.com. This proprietary program is owned by AutoTask Corporation, 96 Thompson Hill Road, Rensselaer, NY 12144; telephone number 518-720-3500. The current cost of the AutoTask service is a one-time \$50 setup fee and \$50 per month. We have been using the AutoTask program in the *CM IT Solutions* system since December 2005.

As discussed in Item 8, we will have direct, independent access to the information and data on your computer system.

7. Opening Your Franchise

Your Franchise is considered "open" on the day you graduate from the Initial Training Program. Your Royalty Fees and Marketing Development Fund Contributions are tied to your graduation date, unless we extend this time period in writing.

You must begin marketing for your Franchise and be prepared to provide computer support and training services within 60 days after successful completion of the initial training program in Austin, Texas, unless we extend this time period in writing. (Franchise Agreement – Section 3.1)

Typically, you will complete the Initial Training Program for your *CM IT Solutions* business within 3 months after you sign the Franchise Agreement. This time period may be shorter or longer, depending on the time of year and unanticipated delays.

8. Training

Our training for new franchise owners is comprised of 2 principal components: an online learning program, for which the trainee studies aspects of the CM IT Solutions business during online sessions from his/her home or office, followed by the in-person training program. The following tables indicate the subjects, the nature of the instructional material, and the number of hours of online, classroom, and "on-the-job" training for each subject to be covered during the Program.

INITIAL ONLINE LEARNING PROGRAM

CMIT University Modules		
Subject	Course Name	Time to Complete
Planning & Administration		
Intro to Intranets & Forums	Intro. to Intranets and Forums 101	1 hour
Business Plans	Business Plans 101	10 hours
Business Operations	hardcopy only – read General Operating Policy & Procedure manual)	2-4 hours
Vendors	Vendors 101	2 hours
Vendors	Ordering Supplies 101	30 min
Autotask	Autotask Implementation Plan 100	30 min
Autotask	Autotask Overview 101	30 min
Autotask	Autotask CRM I – Acct Management 102	1 hour
Autotask	Autotask Contracts – Billing Arrangements Creation & Application 103	1 hour
Autotask	Autotask Service Desk I – Ticket Creation and Completion 104	1 hour
Autotask	Autotask Tech Scheduling 105	1 hour
Autotask	Autotask CRM II – Opportunity and Quote Management 201	1 hour

Autotask	Autotask Service Desk II – Service Desk Management 202	1 hour
Autotask	Autotask Billing – Approve, Invoice, and Export 203	1 hour
Autotask	Autotask Workflow Rules 204	1 hour
Autotask	Autotask Client Access-Admin 205	1 hour
Autotask	Autotask Projects I – Project Creation and Task Completion 206	1 hour
Autotask	Autotask Projects II – Project Mgmt 207	1 hour
Leadership		
Vision Statements	Vision, Mission & Strategy 101	40 min
Behavior Styles	Request login from home office	30 min
Marketing & Business Development		
Services	Services 101	40 hours
Business to Business Marketing and Sales Manual	(hardcopy only – read manual)	2-4 hours
What do you do?	Elevator Speeches 101	30 min
Business to Business Foundation	BTB101 Business to Business Foundation	2-4 hours
Getting to the Business Issues	Getting to the Business Issues 101	45 min
Business Building Techniques	Business Building Techniques 101	3 hours
The Assessment	The Assessment 101	
Networking	Networking 101	30 min
List Management & Tracking	List Management and Tracking 101	45 min
Advanced Strategies	Advanced Marketing Strategies 101	5 hours
Team Building		
Recruiting	Recruiting 101	30 min
Recruiting	Selection 101	60 min
Sales Management for Peak Performance (SMPP)	(Download only – read manual)	1-2 hours

INITIAL IN-PERSON TRAINING PROGRAM

Module Name	Section	Time to Complete	Facilitators
Welcome Introduction, Objectives, Agenda	Housekeeping	1 hour	Andrew Burns
Practice Elevator Speeches	Marketing & Sales	15 min (Daily)	Andrew Burns
Creating Your Vision & Mission	Leadership	1 hour	Andrew Burns
QuickBooks	Planning & Administration	2 hours	Sandra Kaso
Insurance	Planning & Administration	30 min	Lisa Teeple, Wortham Insurance
Recruiting Placing Ads	Team Building	30 min	Sheri Vandermause
Selection Phone Screening & Interviewing	Team Building	1.5 hours	Sheri Vandermause
Selection Behavioral Interviewing	Team Building	1 hour	Laurel Woytek
Presentation Folders	Team Building/Marketing & Sales	1 hour	Deborah Harlow
Human Resources	Team Building	1.5 hours	Pam Henry, Pam Henry & Associates
Hiring	Team Building	30 min	Sheri Vandermause
Real Play: Interviewing & Debrief	Team Building	2 hours	Sheri Vandermause
Overview of Marketing & Sales Process	Marketing & Sales	30 min	Andrew Burns
Coaching, Team Meetings, & Communication Part 1	Team Building	1 hour	Sheri Vandermause
Business Building Techniques	Marketing & Sales	1.5 hours	Andrew Burns
Getting Past the Gatekeeper	Marketing & Sales	30 minutes	Misty Morgan
Prospecting	Marketing & Sales	1.5 hours	Andrew Burns
The Assessment	Marketing & Sales	1 hour	Andrew Burns
Real Play: Conducting an Assessment with Review	Marketing & Sales	1 hour	Sheri Vandermause / Andrew Burns
Proposals & Assessment Reports	Marketing & Sales	1 hour	Andrew Burns
Work on Assessment Report Presentations	Marketing & Sales	1.5 hours	Sheri Vandermause
Overcoming Objections & Closing	Marketing & Sales	1 hour	Sheri Vandermause
Networking & Real Play	Marketing & Sales	1 hour	Sheri Vandermause
Video Real Play	Marketing & Sales	1 hour	Andrew Burns

Module Name	Section	Time to Complete	Facilitators
CM IT Jeopardy	Marketing & Sales	1 hour	Andrew Burns / Jill Fariss
Final Presentations	Marketing & Sales	1.5 hours	Sheri Vandermause / Andrew Burns
Wrap up & Review	Housekeeping	1 hour	Andrew Burns

Our training is supervised by Sheri Vandermause and Andrew Burns whose backgrounds are summarized in Item 2. We also draw upon the experience of our other officers, corporate personnel, and certain Franchisees in conducting online and in-person training.

You must complete the online training program before attending the in-person Initial Training Program that will be held in Austin, Texas, or at other certified training centers within the US that we will designate. The Initial Training Program is mandatory and will be held on an as-needed basis. We will train you and, at your option, one of your employees or affiliates. At least one person must attend and complete the Initial Training Program to our satisfaction. If you are a legal entity, one of the people attending the training must be a principal owner. If you or your principal owners will not be directly involved in the supervision of the Franchise, you must employ a designated manager who also has completed the Initial Training Program to our satisfaction. All training will be provided at times and locations and for the duration we designate. You must pay your travel expenses, room and board during any in-person training, and those expenses incurred by any of your employees who complete the online training and attend the in-person program. We will determine whether you, or any of your employees attending the program, have successfully completed training.

These training programs may be changed without notice to reflect updates in materials, methods and manuals, and changes in personnel. The subjects taught and the time periods allocated for each subject may vary, based on the experience of the people being trained.

Item 12. TERRITORY

We award you a territory in which you may offer CM IT Solutions services to customers (Exhibit 1 of the Franchise Agreement). We identify Territories by US Postal Service Zip Codes. The Territory is also described by physical or political boundaries respective to the US Postal Service Zip Codes at the time the franchise is awarded. In the event of a change in US Postal Zip Code boundaries, the physical or political boundaries will define your territory. Within your Territory, you and we will agree that there are a specified number of businesses and/or commercial offices that meet our then current demographic formulation. The typical Territory includes approximately 5,000 to 8,000 Small Business Establishments.

You may relocate your Franchise to another place within your Territory. Relocation can occur only with our prior written consent.

Unless you sign a Multiple Territory Agreement or an Area Development Agreement for multiple franchise rights, you may not acquire additional franchises in neighboring territories.

Original concept "computer moms" Franchises did not receive the same rights to a Territory as we describe in this Item 12. These franchisees were awarded non-exclusive rights that permit them to sell our products or services anywhere within a specified demographic marketing area. All of these franchisees are located in Texas and Oklahoma. If any of these franchisees are located in or near your Territory, we cannot prohibit them from making sales in your Territory.

We will not operate ourselves, nor award to any other party, a *CM IT Solutions* Franchise within your Territory. Other than as described above, other *CM IT Solutions* Franchisees may not solicit sales within your Territory; however, they may make sales in your Territory to clients who are referred to them.

You also may make sales in another Franchisee's Territory, but only by referral. Referral policies are described in the Manuals. During the term of the Franchise Agreement, we will not modify your Territory without your prior written permission.

We may, either directly or through affiliated entities, operate or license others to operate businesses other than *CM IT Solutions* Franchises within your Territory provided that these other businesses do not offer Information Technology solutions, customized training and computer support services. Other *CM IT Solutions* franchises that now are, or that in the future may be, located near or next to your Territory, may offer opportunities for collaboration, and such *CM IT Solutions* offices may be owned by us, by an affiliate of ours, or by third parties.

We may, directly or through third parties, manufacture or sell, via electronic commerce (the Internet), products or services related to those that are sold by *CM IT Solutions* Franchises. If we do so, some of these sales may be made in your Territory, and we have no obligation to compensate you in any way for these sales.

We also may, directly or through third parties, manufacture or sell, within your Territory other products or services that are the same as or similar to those sold in *CM IT Solutions* Franchises, but that bear different trademarks from the trademarks you are authorized to use under the Franchise Agreement.

Multi-Unit Agreement / ADA. If you sign a Multi-Unit Agreement you will receive the exclusive right to develop multiple *CM IT Solutions* businesses within a defined geographic area. If you sign an Area Development Agreement ("ADA") you will receive exclusive rights to serve as the area developer for that area; we reserve the right to establish company-owned unit franchise operations in the Development Territory of the ADA. The size of the development territory will depend on the number of unit businesses to be developed, and will be defined as a collection of ZIP Codes, a town, city, county, or other political jurisdiction, as described above. The size of the territory will be a direct multiple of the territories for the number of franchises anticipated under the ADA or Multiple Territory Agreement.

Item 13. TRADEMARKS

We will grant you the non-exclusive right to operate your Franchise under the trademark "CM IT Solutions". The principal design mark is reproduced at the end of this Item 13. Under the Franchise Agreement you are granted the non-exclusive right to use other current or future trademarks that we may designate in our Manuals as being available for use by Franchisees in the CM IT Solutions Franchise System. By "trademarks," we mean trade names, trademarks, service marks and logos used to identify your CM IT Solutions Franchise.

The following Marks have been registered on the Principal Register of the United States Patent and Trademark Office ("PTO"). At the appropriate times, we intend to renew each registration and to file all appropriate affidavits.

Mark	Registration Number	Registration Date
CM IT Solutions Your Technology Team	Reg. #2,986,348	August 16, 2005
CM IT Solutions plus design	Reg. #3,032,888	December 20, 2005

There is no presently effective determination of the PTO, the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation; and pending material litigation involving the Marks.

On January 31, 1997, we entered into an Intellectual Property Purchase Agreement and Assignment (the "Intellectual Property Agreement") with Ms. Georgia G. Jones. The Intellectual Property Agreement transfers to us, among other things, all of Ms. Jones' rights and title in the System and the Mark "computer moms." The Intellectual Property Agreement is permanent. It requires us to make certain continuing payments to Ms. Jones and grants to her a security interest in the transferred property. Ms. Jones may foreclose on the security interest or otherwise hold us in default if, among other things, we fail to make the required payments or certain bankruptcy or insolvency-related events occur. If Ms. Jones reacquires the transferred property, she must use commercially reasonable efforts to perform, or cause a qualified third party to perform, our Franchise Agreement obligations to you, as they relate to the computer moms intellectual property. Except for the license agreement, we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner significant to the Franchise.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks.

You may not take any action that would interfere with the validity of our rights with respect to the Marks. You will not have any right in or to any of the Marks or any of our service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of the Franchise Agreement for the operation of your Franchise, and only at or from an approved location or in approved advertising related to your Franchise. Any goodwill arising from your use of the Marks and the System will inure solely to our benefit. Upon expiration or termination of the Franchise Agreement and the license awarded in it, no monetary amount will be assigned as attributable to any goodwill associated with your use of the Marks.

You must not contest, or assist others to contest, the validity of our or any affiliate's interest in the Marks. Any unauthorized use of the Marks will constitute an infringement of our rights in the Marks, and a default. At our request, you must sign any assignments, affidavits and other documents to convey to us all rights, title and interest in and to the Marks. We may substitute different Marks for use in identifying the System and your Franchise if our current Marks no longer can be used, or if we determine that substitution of different Marks will be beneficial to the System. In such event, we may require you, at your expense, to discontinue or modify your use of any of the Marks or to use one or more additional or substitute Marks.

You must follow our rules when you use our trademarks. Unless we otherwise authorize or require, you must operate and advertise your Franchise only under the name "CM IT Solutions." You cannot use our trademarks as part of your formal business name. You may not use our trademarks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

You must identify yourself as an authorized Franchisee of our franchise system in conjunction with any use of the Marks, as we may designate in writing, including on receipts and contracts; your status is that of an Independent Contractor operating a Franchise under license from us. You must not use the Marks to incur any obligation on our behalf.

You must immediately notify us of any apparent infringement of, or challenge to your use of any of our trademarks, or any claim by any person of any rights in any of our trademarks. You must not communicate with any person other than us, and your legal counsel in connection with any infringement, challenge or claim. We will have the sole discretion to take action as we may deem appropriate to protect our trademarks and the right to exclusively control any litigation, PTO proceeding, or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to our trademarks. You must sign any documents, render any assistance, and do any acts and things as may in the opinion of our counsel be necessary or advisable to protect and maintain our interests in connection with any litigation or proceeding, or to otherwise protect and maintain our interests in our trademarks.

We will indemnify and hold you harmless for, from all claims, liabilities, and expenses, including reasonable attorneys' fees, arising out of any claim of infringement or unfair competition in connection

with your use of our trademarks, provided that the use is in accordance with the provisions of the Franchise Agreement.

We have the following rights:

- (a) To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees;
- (b) To develop and establish other systems using the Marks or other names or marks, and to grant licenses to them without providing any rights to you; and
- (c) To engage at wholesale or retail, in (i) the production, distribution, license and sale of products and services, and (ii) the use in connection with the production, distribution and sale, of the Marks and any other trademarks and trade names as we may develop or use.



Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents that are material to the Franchise. We do claim copyright protection and proprietary rights in the original materials used in the System, including our Manuals, software, bulletins, correspondence and communications with our Franchisees, training, training guides, advertising and promotional materials, and other written and electronic materials relating to the System and the operation of the Franchise.

There is no presently effective determination of the US Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or any other agreement, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could significantly affect the ownership, use or licensing of the copyrights.

We treat all of our System-related information, including our Manuals, software, bulletins, correspondence and communications with our Franchisees, training, training guides, advertising and promotional materials, and other written and electronic materials relating to the System and the operation of the Franchise, as trade secrets, and you must treat any of this information we communicate to you as confidential. You may not reproduce the Manual, teacher or training guides, software and accompanying documentation, or any other confidential information, knowledge or know-how during and after the term of the Franchise Agreement.

Item 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You, one of your principal owners, or a designated manager who has completed the Initial Training Program to our satisfaction, must provide on-site supervision of the Franchised Business. Neither you, nor your officers, directors, or persons owning 10% or more equity interest in your entity, nor your partners, if you are a partnership, nor your designated manager may maintain, engage in, have a controlling interest in, lend money to, consult with, or assist any business that is engaged in offering onsite Information Technology solutions, customized training and computer support services to both the business and residential market or related products or services.

If you employ a manager to provide on-site supervision of the Franchised Business, the manager must agree to be bound by certain provisions of the Franchise Agreement that restrict use and disclosure of our proprietary information and participation in any other business that competes with any *CM IT Solutions* office. In addition, any designated manager must complete the Initial Training Program to our satisfaction, and the manager must devote full time and energy to the management of the Franchised Business. There are no other restrictions imposed on the person you appoint as manager. If you are a corporation or limited liability company, each individual who owns a 10% or greater interest personally must guarantee your obligations under the Franchise Agreement.

You must conduct all customer interactions personally, or through your certified employees or designated manager. No other individual or entity may provide services or products to prospective or current customers on behalf of your Franchise.

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must sell or offer for sale all services and products that we require, and only the services and products that we approve, and only in the manner that we prescribe. You cannot deviate from our standards and specifications, without our prior written approval, and you must discontinue selling and offering for sale any services or products that we disapprove.

You and your employees can sell only those services for which we have certified you in writing. We may require you and your employees to be re-certified, with respect to offering certain services. Our Certification and Re-Certification will be based upon our assessment of your competence and abilities, with respect to these services. We may require you and your employees to successfully complete our training programs or seminars in order to become Certified or Re-Certified.

You may sell your services and products to local customers at prices you determine. Your participation in national accounts and projects may require you to offer services and products at pre-agreed to prices. We may establish maximum prices for any given product or service that you offer in conjunction with a promotional program. You must participate in all our customer programs, as described in the Manuals.

Item 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Tables below list certain important provisions of the Franchise Agreement, the Multi-Unit Agreement, and the Area Development Agreement. You should read the provisions in the Agreements attached to this Offering Circular.

Provision	Article or Section in Franchise Agreement (FA)/ Multi-Unit Agreement (MA)	Summary
a. Term of the Franchise or Development Agreement	FA Section 1.2/ MA Section 2	Franchise Agreement term is 10 years; the Development Agreement term depends on the number of franchises to be developed.
b. Renewal or extension of the Term	FA Article 13	If you are not in default and satisfy certain conditions, you may renew for an additional 10 years.

Provision	Article or Section in Franchise Agreement (FA)/ Multi-Unit Agreement (MA)	Summary
c. Requirements for you to renew or extend	FA Article 13	Sign a new Franchise Agreement; be in compliance with your existing agreement; pay a renewal fee; and sign a release; and comply with our then current qualification, training and re-certification requirements.
d. Termination by you	None	You may terminate the Franchise Agreement only by providing written notice to us before you complete our initial training program.
e. Termination by CMIT without cause	None	None
f. Termination by CMIT with cause	FA Sections 14.1, 14.2 and 14.3 / MA Article 5	We can terminate only if you default. We may terminate the Development Agreement if you do not meet the development schedule but not an underlying franchise agreement.
g. "Cause" defined - defaults that can be cured	FA Section 14.3/ MA Article 5	You have 30 days to cure non-payment of fees and any other default not listed in Sections 14.1 and 14.2. The Development Agreement gives you 30 days to cure a failure to meet the development schedule.
h. "Cause" defined - defaults that cannot be cured	FA Sections 14.1 and 14.2	Non-curable defaults: bankruptcy, insolvency and similar events; conviction of felony; repeated defaults even if cured; abandonment; trademark misuse; breach of confidentiality or non-competition covenants; unapproved transfers.
i. Your obligations on termination or non-renewal	FA Section 14.4	Obligations include complete de-identification and payment of amounts due; cessation of trademark use; return Manuals, software; cessation of advertising; transfer telephone numbers; maintain records; provide us with all customer lists and data; and provide us with evidence of compliance with these obligations within 30 days (also refer to paragraph r, below.)
j. Assignment of contract by CMIT	FA Section 12.1	No restriction on our right to assign.
k. "Transfer" by you - definition	FA Section 12.2	Includes transfer of contract or assets or ownership change.
l. CMIT's approval of transfer by Franchisee	FA Section 12.2	We have the right to approve all transfers, but we will not unreasonably withhold approval.

Provision	Article or Section in Franchise Agreement (FA)/ Multi-Unit Agreement (MA)	Summary
m. Conditions for CMIT's approval of transfer	FA Section 12.2	New Franchisee qualifies, no existing defaults, Transfer Fee paid, new Franchisee completes training, release signed by you, new Agreements signed.
n. CMIT's right of first refusal to acquire your Franchise	FA Section 12.3	We can match any offer for your Franchise.
o. CMIT's option to purchase your Franchise	FA Section 14.4	Upon termination of the Franchise Agreement or expiration at the end of its term, we may buy any equipment, supplies, inventory or other items bearing our trademarks at the lesser of cost or fair market value.
p. Your death or disability	FA Section 12.5	Franchise must be assigned to an approved buyer within 180 days.
q. Non-competition covenants during the term of the Franchise	FA Sections 9.7 and 14.5	No involvement in any competing business.
r. Non-competition covenants after the Franchise Agreement is terminated or expires	FA Section 14.5	No competing business for two years within a 50-mile radius of another <i>CM IT Solutions /computer moms</i> office.
s. Modification of the Franchise Agreement	FA Sections 4.4 and 16.8/ MA Section 5.2	Operations Manuals are subject to change. Otherwise no modifications unless in writing and signed by both parties. Under the Development Agreement extensions of the development schedule must be in writing.
t. Integration/merger clause	FA Section 16.10	Franchise Agreement supersedes all prior agreements (subject to state law.) Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	FA Section 16.5 / MA Article 9	Except for certain claims, all disputes must be mediated or arbitrated in Austin, Texas.
v. Choice of forum (subject to state law)	FA Section 16.1	Litigation must be in Travis County, Texas. See state specific addenda (Exhibit H) (subject to state law)
w. Choice of law (subject to state law)	FA Section 16.1/ MA Section 10	Except to the extent governed by the U.S. trademark laws or the franchise laws of any state, Texas law applies. See state specific addenda (Exhibit H) (subject to state law)

Area Development Agreement

Provision	Section in Area Development Agreement	Summary
a. Term of the franchise	Section IV.A.	The term of the ADA is: 10 years.
b. Renewal or extension of the term	Section IV.A	One additional 10-year term. Conditions for renewal include providing notice to us, meeting all development obligations, meeting training requirements, signing a release, and paying a \$25,000 renewal fee.
c. Requirements for you to renew or extend	Section IV.A	Conditions for renewal include providing notice to us, meeting all development obligations, meeting training requirements, signing a release, and paying a renewal fee.
d. Termination by you	N/A	
e. Termination by us without cause	Section VII.F	We reserve the right for a successor to repurchase your area development business and terminate the ADA. There are no other grounds for termination without cause.
f. Termination by us with cause	Sections VI.B and C	We can terminate only if you default under the Franchise Agreement or the ADA, as specified.
g. "Cause" defined - defaults which can be cured	N/A	
h. "Cause" defined - defaults which cannot be cured	Sections VI.B and C	Non-curable defaults under the ADA include an act of bankruptcy, conviction of certain crimes, commitment of certain acts that injure the trademark, and failure to meet the development schedule. A default under the ADA is not a default under or grounds to terminate a franchise agreement executed pursuant to the ADA.
i. Your obligations on termination/ non-renewal	Sections VI.D., VI.E, and VIII	Remaining options to develop CM IT Solutions businesses are void, rights to service franchisee cease, as does the right to compensation; restrictions on competition apply for 2 years following termination.
j. Assignment of contract by us.	Section VII.A.	No restriction on our right to assign the ADA.
k. "Transfer" by you – definition	Section VII.B and C.	Includes transfer of agreement, ownership and any interest in the business.
l. Our approval of transfer by you	Section VII.C.	We have the right to approve all transfers.

Provision	Section in Area Development Agreement	Summary
m. Conditions for our approval of transfer	Section VII.D.	Under the ADA the transferee must demonstrate qualifications, you must be in compliance with the ADA and any Franchise Agreement signed; the transferee must assume all obligations under the ADA, and pay a transfer fee.
n. Our right of first refusal to acquire your business	Section VII.E.	We can match any offer for your development business or your rights under the ADA.
o. Our option to purchase your business	Section VII.F	We reserve the right for our successor to purchase your business if we transfer ownership and you have operated under the ADA for at least 2 years. The ADA provides guidelines for the valuation of your business if the repurchase of your business occurs. See Section VII.F.
p. Your death or disability	Section VII	Under the ADA, this circumstance would be covered by general transfer provisions.
q. Non-competition covenants during the term of the ADA	Section VIII.A.	Under the ADA you may not engage in any business or activity that is the same or similar to a CM IT Solutions business within a 25-mile radius of an existing business in the CM IT Solutions system.
r. Non-competition covenants after the franchise is terminated or expires	Section VIII.A.	Under the ADA you may not engage in any business or activity that is the same or similar to a CM IT Solutions business within a 25-mile radius of an existing business in the CM IT Solutions system.
s. Modification of the agreement	Section XIII.B.	No modifications except by written agreement between the parties.
t. Integration/merger clause	Section XIII.B.	Only the terms of the ADA are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section XIII.A	Disputes referred to mediation and if not resolved then to binding arbitration. All mediation and arbitration proceedings will take place in the jurisdiction of our headquarters, currently Austin, Texas.
v. Choice of forum (subject to state law)	Section XIII.	All litigation, if not precluded by the arbitration requirements, will take place in the jurisdiction of our headquarters, currently Austin, Texas.
w. Choice of law (subject to state law)	Section XIII.A.	Texas law applies.

These states have statutes that may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your Franchise: ARKANSAS [Stat. Section 70-807],

CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523 H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with us including the areas of termination and renewal of your Franchise.

The ADA is not offered in Illinois.

Refer to Exhibit J for specific disclosures and contract amendments required by State Franchise Administrators.

Item 18. PUBLIC FIGURES

We currently do not use any public figure to promote our Franchise system.

Item 19. EARNINGS CLAIMS

We do not authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of any CM IT Solutions Business. Actual results vary from unit to unit, and we cannot estimate the results of any particular Franchise.

Item 20. LIST OF OUTLETS

As of December 31, 2005, there were 121 Franchises offering onsite Information Technology solutions, customized training and computer support services to both the business and residential markets under the name *CM IT Solutions®* or *computer moms®*. We have included in Exhibit F a list of all Franchisees that have commenced operations as of December 31, 2005. Exhibit F also provides a listing of all Franchisees that have not communicated with us for the 10 weeks prior to the date of this UFOC, or are no longer active, or have, by mutual agreement, terminated their Franchise Agreement for any reason, or left our system for any reason.

We have not signed any Multi-Unit Agreements nor any Area Development Agreements as of the date of this offering circular.

STATUS OF FRANCHISED UNITS FOR YEARS 2005/2004/2003

State	Transfers	Canceled/ Terminated	Not Renewed	Re- acquired by CMIT	Left the System Other	Total from Left Columns	Franchise Units Operating at Year End
Alabama	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
Arizona	0/0/0	3/1/1	0/0/0	0/0/0	0/0/0	3/1/1	6/8/7
California	0/0/0	2/0/0	0/0/0	0/0/0	0/0/0	2/0/0	20/11/4
Colorado	0/2/0	1/2/0	0/0/0	0/0/0	0/0/0	1/4/0	13/12/10
Connecticut	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/3/2
Delaware	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
Florida	0/0/0	1/1/1	0/0/0	0/0/0	0/0/0	1/1/1	2/2/1
Georgia	0/0/0	0/2/0	0/0/0	0/0/0	0/0/0	0/2/0	3/1/3
Idaho	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	0/0/0
Illinois	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/2/2
Indiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	4/3/2
Kansas	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	1/2/2
Kentucky	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
Louisiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Maine	0/0/0	0/1/0	0/0/0	0/0/0	0/0/0	0/1/0	0/0/1
Maryland	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	1/0/0
Massachusetts	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	2/3/1
Michigan	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0

State	Transfers	Canceled/ Terminated	Not Renewed	Re- acquired by CMIT	Left the System Other	Total from Left Columns	Franchise Units Operating at Year End
Minnesota	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	2/3/2
Mississippi	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
Missouri	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
Nevada	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/1/1
New Hampshire	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	1/2/1
New Jersey	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	5/3/2
New Mexico	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
New York	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	1/0/0	4/3/1
North Carolina	1/1/0	3/0/2	0/0/0	0/0/0	0/0/0	4/1/2	7/9/8
Ohio	0/0/0	0/3/0	0/0/0	0/0/0	0/0/0	0/3/0	2/0/3
Oregon	0/0/0	1/0/0	0/0/0	0/0/0	0/0/0	010/0	3/4/3
Pennsylvania	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/1/0
Rhode Island	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
South Carolina	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Tennessee	0/0/0	2/0/2	0/0/0	0/0/0	0/0/0	2/0/2	0/2/2
Texas ¹	0/0/0	8/10/3 ¹	0/0/0	0/0/0	0/0/0	8/10/3 ¹	19/25/32
Utah	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
Wisconsin	0/0/0	0/1/0	0/0/0	0/0/0	0/0/0	0/1/0	2/2/1
Wyoming	0/0/0	0/1/0	0/0/0	0/0/0	0/0/0	0/1/0	0/0/1
Totals	1/3/0	27/22/11	0/0/0	0/0/0	0/0/0	28/25/11	121/110/94

Note 1: The figures for Texas reflect the closing of several original computer mom's franchises.

As of January 2006, we do not operate company owned units but have the right to do so at any time.

PROJECTED OPENINGS DURING 2006

State	Franchise Agreements Signed but Office Not Open as of 12/31/05	Projected Franchised New Offices in 2006	Projected Company Owned Openings in 2006
Arizona	0	1	0
California	0	4	0
Connecticut	0	1	0
Colorado	0	1	0
Florida	0	2	0
Georgia	0	2	0
Michigan	0	1	0
New Jersey	0	1	0
North York	0	1	0
Ohio	0	1	0
Rhode Island	0	1	0
Texas	0	2	0
Utah	0	1	0
Totals	0	19	0

PROJECTED OPENINGS OF MULTI-UNIT AND ADA TERRITORIES DURING 2006

State	Multi-Unit Agreements or ADAs Signed but Office Not Open as of 12/31/05	Projected ADAs in the 2006	Projected Multi-Unit Agreements in 2006	Projected Company Owned Openings in 2006
Arizona	0	0	0	0
California	0	0	0	0
Connecticut	0	0	0	0
Colorado	0	0	0	0
Florida	0	0	0	0
Georgia	0	0	0	0
Michigan	0	0	0	0
New Jersey	0	0	0	0
North York	0	0	0	0
Ohio	0	0	0	0
Rhode Island	0	0	0	0
Texas	0	0	0	0
Utah	0	0	0	0
Totals	0	0	0	0

Item 21. FINANCIAL STATEMENTS

Attached to this Offering Circular at Exhibit C are the following financial statements:

- Audited financial statements for the periods ending December 31, 2005, December 31, 2004, and December 31, 2003.

Item 22. CONTRACTS

Attached as Exhibits to this Offering Circular are the following contracts and their attachments:

1. Area Development Agreement (Exhibit H)
2. Multi-Unit Agreement (Exhibit H)
3. Franchise Agreement (Exhibit I)

Item 23. RECEIPT

You will find two receipts at the back of this document. Please sign the Receipt labeled "CMIT's Copy" and return it to your CMIT representative.