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CARPET NETWORK, INC.

OFFERING CIRCULAR

INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED  
BY FEDERAL TRADE COMMISSION

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TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT, AND DON'T KNOW IF IT IS CORRECT. IT SHOULD HELP YOU MAKE UP YOUR MIND. STUDY IT CAREFULLY. WHILE IT INCLUDES SOME INFORMATION ABOUT YOUR CONTRACT, DON'T RELY ON IT ALONE TO UNDERSTAND YOUR CONTRACT. READ ALL OF YOUR CONTRACT CAREFULLY. IF POSSIBLE, SHOW YOUR CONTRACT AND THIS INFORMATION TO AN ADVISOR, LIKE A LAWYER OR AN ACCOUNTANT. IF YOU FIND ANYTHING YOU THINK MAY BE WRONG OR ANYTHING IMPORTANT THAT HAS BEEN LEFT OUT, YOU SHOULD LET US KNOW ABOUT IT. IT MAY BE AGAINST THE LAW.

THERE MAY ALSO BE LAWS ON FRANCHISING IN YOUR STATE. ASK YOUR STATE AGENCIES ABOUT THEM.

FEDERAL TRADE COMMISSION  
WASHINGTON, D.C. 20580



## FRANCHISE OFFERING CIRCULAR

**CARPET NETWORK, INC.**  
a New Jersey Corporation  
109 Gaither Drive, Suite 302  
Mount Laurel, New Jersey 08054

The franchises offered are for the right to operate a Mobile "Shop-At-Home" Retail Business featuring the sale of carpet, laminate, hardwood, vinyl, ceramic floor coverings, window treatments and area rugs. The program is more fully set out below.

The Initial Franchise Fee currently charged for one Mobile "Shop-At-Home" Retail Business Franchise is \$24,500.

The estimated initial investment required for the Mobile "Shop-At-Home" Retail Business franchise ranges from \$42,585 - \$63,735.

### **RISK FACTORS:**

1. THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION IN NEW JERSEY. OUT OF STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN NEW JERSEY THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT NEW JERSEY LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information about comparisons of franchisors is available. Call the State Administrators listed in Exhibit 1 or Your public library for resource information.

Registration of this franchise with any state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in this Offering Circular is untrue, contact the Federal Trade Commission and the State Authority listed in Exhibit 1.

Effective Date: March 17, 2006

**STATE EFFECTIVE DATES - 2006**

<b>STATE</b>	<b>EFFECTIVE DATE</b>
California	
Florida	
Illinois	
Michigan	
New York	
Utah	
Virginia	
Wisconsin	