



CLUTTERBUSTERS FRANCHISING, INC.

ISSUANCE DATE: July 31, 2005

**INFORMATION FOR PROSPECTIVE FRANCHISEES
REQUIRED BY FEDERAL TRADE COMMISSION**

TO PROTECT YOU, WE'VE REQUIRED YOUR FRANCHISOR TO GIVE YOU THIS INFORMATION. WE HAVEN'T CHECKED IT. AND DON'T KNOW IF IT'S 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. BUYING A FRANCHISE IS A COMPLICATED INVESTMENT. TAKE YOUR TIME TO DECIDE. 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'S 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
Clutterbusters Franchising, Inc..
A Delaware Corporation
15521 Grinnell Terrace
Derwood, Maryland 20855
(301) 309-9614
www.theClutterbusters.com

The franchise is to operate a "professional organizing" business that provides organizing products and services to residential clients.

The initial franchise fee paid to us for a Clutterbusters Franchise is \$25,000. The estimated initial investment required ranges from \$45,650 to \$73,500.

RISK FACTORS:

1. THE FRANCHISE AGREEMENT PERMITS YOU TO ARBITRATE AGAINST US ONLY WHERE OUR PRINCIPAL BUSINESS ADDRESS THEN IS LOCATED OR THE FEDERAL COURTS IN OUR HOME JUDICIAL DISTRICT WHERE OUR PRINCIPAL BUSINESS ADDRESS THEN IS LOCATED (CURRENTLY MONTGOMERY COUNTY, MARYLAND). OUT OF STATE LITIGATION MIGHT FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MIGHT ALSO COST YOU MORE TO SUE US IN MARYLAND THAN IN YOUR HOME STATE. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF FORUM PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW.
2. THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MIGHT NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MIGHT WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW ANY ADDENDA OR RIDERS ATTACHED TO THIS OFFERING CIRCULAR FOR DISCLOSURES REGARDING STATE FRANCHISE LAWS.
3. THERE MIGHT BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing franchisors is available. Call the state administrators listed in Exhibit A (as applicable) or your public library for sources of information.

Registration of this franchise with the 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 administrators listed in Exhibit A.

Effective Date: _____
FOR USE ONLY IN THE STATE OF CALIFORNIA

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EXHIBITS:

- Exhibit A: List of State Agencies/Agents for Service of Process
- Exhibit B: State Specific Addendum
- Exhibit C: Franchise Agreement
- Exhibit D: Financial Statements
- Exhibit E: List of Franchisees
- Exhibit F: List of Franchisees Who Have Left the System
- Exhibit G: Table of Contents of Operations Manual

ITEM 1
THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

The franchisor is Clutterbusters Franchising, Inc. (“we,” “us”, or “our”). “You” means the person to whom we grant a franchise. If you are a corporation, partnership, or other entity, your owners must sign our “Guaranty and Assumption of Obligations,” (which is Exhibit C to our Franchise Agreement). If your owners sign the Guaranty, all of the provisions of our Franchise Agreement also will apply to your owners. The Franchise Agreement is attached as Exhibit C.

We were formed in Delaware in July, 2005, and have just begun operations. Our principal business address is 15521 Grinnell Terrace, Derwood, Maryland 20855. We operate under our corporate name and the trademarks described in Item 13 (the “Marks”) and no other name.

If we have an agent in your state for service of process, we disclose that agent in Exhibit A.

We have no affiliates. Our predecessor is Choice Placements, Inc., a Maryland corporation, d/b/a “Clutterbusters!!” that was formed in March 2002. Its principal business address is the same as ours. It performs the same services as you will be performing under the “Clutterbusters” name. It operates in the Washington, DC and Greater Atlanta metropolitan areas only.

We grant franchises for businesses under the “Clutterbusters” name and other Marks. (We call these businesses “Clutterbusters”. We will call your business Clutterbusters (the “Business”). Clutterbusters offers organizing services for our clients, and we can perform our services either by the hour or by the project, like a garage, bedroom or home office that needs to be organized (the “Services”). Typically, a client of Clutterbusters is considerably disorganized and has a current need that motivates them to pay for professional help. Most jobs are done within the client’s residence or at a corporate location. If you acquire a franchise, you must operate your Business according to our business formats, methods, procedures, designs, layouts, standards, and specifications. Your Business must offer the products and services we specify. In certain instances we will offer franchises to individuals who are already in the professional organizing business and may discount our initial franchise fee to them.

We will begin offering franchises for Clutterbusters in September 2005. We do not operate and have not operated any Clutterbusters franchises. However, our predecessor operates Clutterbusters professional organizer businesses in the greater Washington, DC and greater Atlanta areas (See Item 20). It has operated the Washington, DC Business since March, 2002. We have no other business activities and have not offered franchises in other lines of business. Neither we nor our predecessor, has offered franchises in any other line of business.

You will compete with other businesses that offer organizing services to residential home owners and businesses, some of which might be franchise systems. You will offer your products and services to a specific target market, which is described in the Operations Manual. The professional organizing industry, while competitive, is relatively new and growing in most markets.

Most states do not have laws which regulate any aspects of your Business. You must comply with those that apply generally to all businesses. You should investigate these laws.

ITEM 2
BUSINESS EXPERIENCE

President: Betsy Fein

Mrs. Fein has been President of Clutterbusters Franchising Inc. since inception. From March 2002 to the present she has held the same position with our predecessor, Choice Placements; Previous to that, Ms. Fein was in the HR/Recruitment field for 10 years; six of those years she worked as a Recruiting Director for a Fortune 500 company, hiring over 10,000 employees and directly managing 15 employees.

Chief Executive Officer: Richard Fein

Mr. Fein, Betsy Fein's husband, has been our CEO since inception. From March 2002 to present he has also served as CEO of our Predecessor. During that time, he was also a practicing real estate attorney in Rockville, Maryland, a Mortgage Banker with a leading home finance company, Director of Government Affairs for the Direct Marketing Association in Washington, DC, and General Counsel and Director of Taxation and Government Affairs with the National Society of Accountants in Alexandria, Virginia.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Offering Circular.

ITEM 4
BANKRUPTCY

No person previously identified in Item 1, and no officer previously identified in Item 2, of this offering circular 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

You must pay to us an initial franchise fee of \$25,000 at the time you sign the Franchise Agreement. This amount is not refundable. If you wish to purchase a second franchise, we will discount the initial fee by 2/3's of the then current initial franchise fee, and this too is payable when you sign the Franchise Agreement and is not refundable.

In the State of Rhode Island only, we will defer the payment of the initial franchise fee, development fee and any other initial payment until all of our material pre-opening obligations have been satisfied. The initial franchise fee and development fee are deferred until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

If you are an existing organizer who wishes to join our system, and you have generated more than \$60,000 in sales over the prior twelve month period, you will pay 50% of the then current initial franchise fee when you sign our Franchise Agreement. This fee is not refundable. In addition, we intend to convert our Atlanta location to a franchise, and will be discounting their initial franchise fee, and we may sell to selected relatives and friends at a substantially discounted fee.

**ITEM 6
OTHER FEES**

Name of Fee	Amount	Due Date	Remarks (1)
Royalty	8% of Gross Revenues	Due every other Friday by automatic debit for the preceding 2 weeks. Week defined as Monday thru Sunday Royalty due following Friday.	Royalties are payment for the use of the Marks, System, Territory, and Manuals. "Gross Revenues" means all income you derive from the business including all sales and revenue shares (but excluding taxes collected from customers and paid to taxing authorities).
National Marketing and Advertising Fund	3% of Gross Revenues	Due every other Friday by automatic debit for the preceding 2 weeks. Week defined as Monday thru Sunday National Marketing and Advertising Fund fee due following Friday.	"Gross Revenues" means all income you derive from the business including all sales and revenue shares (but excluding taxes collected from customers and paid to taxing authorities).
Cooperative Advertising	As determined by cooperative	Weekly	A cooperative is formed by multiple franchisees operating in contiguous territories.
Local Advertising	No less than 4% of Gross Revenues of the preceding two weeks or \$125, whichever is greater.	Varies	Must have listings in local white and yellow pages. Must have a dedicated business phone line with a 24 hour answering machine/service. If more than one franchisee in local area, listing fees can be split between the franchisees equally.

Name of Fee	Amount	Due Date	Remarks (1)
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Business's operation.
Initial Training	Included for 2-5 people (Travel, car rental, hotel and food expenses at franchisee expense)	Included	Five days on site at our headquarters, two days at franchise location. (Franchisee pays Travel, car rental, hotel and food expenses for corporate trainers to their location)
Additional Training/ Retraining	We will charge a per diem fee of not less than \$200 per day or our then current rate (Travel, car rental hotel and food expenses for corporate trainers are to be paid by franchisee)	Before start of the additional training session	
Transfer Fee	40% of our then current initial franchise fee.	Due upon signing of franchise agreement	No charge if the transfer is to an entity controlled by you or to a spouse, parent or child. All transfers must be approved by us
Renewal Fee	None	N/A	N/A
Audit Fee	Cost of inspection or audit, plus 100% of understated Royalty and interest, at the rate of 12% per annum or the maximum rate permitted by applicable law, whichever is greater, and all late fees, from the date originally due until the date of payment	Due by automatic debit 15 days after billing	Due if you understate royalty by 3% or more or if you fail to furnish us on a timely basis reports, records, or other related information we request.
Technology Fee	A one time setup fee of \$500 and a monthly fee of \$75. These fees will go towards proprietary software licensing fees and into a fund to provide all future technology based solutions to operations requirements.	All due on the first day of the month by automatic debit. Electronic fund transfer.	Payable to us

Name of Fee	Amount	Due Date	Remarks (1)
Product Purchases	Purchase a Dell or other high quality, high speed computer with current Microsoft Office package, including MS Outlook, and Windows XP Pro. Must include Word, Excel and PowerPoint. 4 - in - 1 printer/fax/scanner/copier high speed internet access Latest version of QuickBooks Pro (no exceptions) PDA cell phone with Internet access and e-mail	Before opening of franchise Ordered through local cellular provider	Third party Third Party Third party Third party
NAPO Fee	\$200	As incurred	You must become a member of this organization
IAPO Fee	If you choose to join this organization, the fee is \$200	As incurred	Membership in this organization is optional

- Our current Franchise Agreement states that all Businesses which are members of a Cooperative may vote to change the required cooperative allocation of expenditures among the media forms but not the total amount of contributions to the Cooperative or the allocation of expenses among the members. Each Business owner will have one vote regardless of the number of businesses that the owner operates within the Cooperative's area.
- You must generate a minimum amount of Gross Revenues in order to maintain your "Clutterbusters" franchise. During you first 12 months in operation you must generate no less than \$30,000 in Gross Revenues; \$60,000 during the second 12 months; and \$120,000 during the third year of operations. (See Item 12). If you fail to achieve one of the required Gross Revenues, we may, at our discretion, either terminate your Business or reduce your territory size.

Liquidated Damages. If we terminate the Franchise Agreement with cause, you must pay us liquidated damages equal to the present value (using the then-current 30-Year Treasury Bond rate) of the Royalty Fees you would have paid us on the product of (a) your Business' average monthly Gross Revenue during its most recent 12 months of operation before the termination multiplied by (b) the number of months remaining in the Franchise Agreement had we not terminated it.

**ITEM 7
INITIAL INVESTMENT**

Expenditures	Estimated Low-High Range	When Due	Method of Payment	To Whom Paid
Initial Franchise Fee (1)	\$25,000	Upon Signing Franchise	Lump sum	Us

		Agreement		
Leasehold Improvements (2)	\$250 - \$1,500	Before Opening	As Agreed	Third Parties
Furniture, Fixtures and Equipment (3)	\$3,250 - \$7,100	Before Opening	As Agreed	Third Parties
Signage	\$500 - \$1,500	Before Opening	As Agreed	Third Parties
Initial Inventory and operating supplies including uniforms	\$350 - \$950	At Order Placement	Lump sum	Us or Third Parties
Grand Opening Advertising and Promotion	\$3,000 - \$5,000	Before Opening	Lump sum	Us
Three Months' Rent and Security Deposit (4)	\$0 - \$2,500	Monthly	As Agreed	Landlord
Deposits and Business Licenses	\$0 - \$250	As Incurred	As Incurred	Third Parties
Insurance	\$300 - \$700	Before Opening		
Professional Fees	\$1,000 - \$2,000	Before Opening		
Training Expenses (5)	\$2,000 - \$4,000	As Incurred	As Incurred	Third Parties
Miscellaneous Opening Costs (6)	\$2,000 - \$3,000	As Incurred	As Incurred	Third Parties
Additional Funds (3 months) (7)	\$8,000 - \$20,000	As Incurred	As Incurred	Third Parties
Total Estimated Initial Investment	\$45,650 - \$73,500			

Explanatory Notes

1. We describe the initial franchise fee in Item 5.
2. We strongly recommend that you initially operate your Business from your home, thereby reducing your overhead expenses significantly. However, if you wish to operate the Business from an office location then the premises should be in an office building in a central location in the territory. We suggest that the premises be 500 to 1,000 square feet for most offices. Leasehold improvement costs, including floor covering, painting, window coverings, electrical, carpentry, and similar work, and contractor's fees, depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Business; and any construction or other allowances the landlord grants. The low-end of the range contemplates a situation where the landlord includes the build-out in the regular lease payments, in which case you would not have any initial expense.
3. Whether you operate from your home or not, you will need a computer, a telephone/fax/copier/scanner combo machine, a PDA phone and a vehicle that you will either already own, or that you will lease. If you choose to operate from office space, you will also need desks, chairs and a telephone system. We describe the telephone and computer systems in Item 11.
4. Rent and security deposit depend on the site's size, condition, and location and the demand for the site among prospective lessees. However, we believe that an average acceptable range for leased

space for your Business is \$10.00 to \$20.00 per square foot, depending on your location, plus common area maintenance charges.

5. This covers travel, car rental expenses, hotel and food for you while attending training. This also covers the travel, car rental expenses, hotel and food when our personnel travels to your location for the onsite training as part of the initial training program.
6. This covers miscellaneous opening costs and expenses, including installing telephones; deposits for gas, electricity, and similar items; business licenses; legal and accounting expenses; and insurance premiums.
7. This item estimates your initial start up expenses (other than the items identified separately in the table). These expenses include payroll costs and a reasonable draw or salary for you. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs depend on how much you follow our methods and procedures; your management skill, experience, and business acumen; local economic conditions; the local market for your products and services; the prevailing wage rate; competition; and the sales level reached during the initial period.

We relied on our Predecessor's experience since 2002 in operating the original Business during that time to compile these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment at the present time. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

Except where otherwise noted, all fees that you pay to us are nonrefundable. Third-party lessors, contractors, and suppliers will decide if payments to them are refundable.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must operate the Business according to our System Standards. System Standards may regulate, among other things, the types, models, and brands of fixtures, furnishings, furniture, equipment (including a recommended or approved computer system and telephone system), and signs (collectively, "Operating Assets") required for the Business; required and authorized product and service categories; and designated and approved suppliers of these items and services, which could be limited to us, our affiliates, and other restricted sources, in which case you must acquire certain items for your Business only from such restricted sources at the prices we decide to charge. Except as described in this section, there are no goods, supplies, fixtures, equipment, inventory, or real estate for the Business that you currently must buy or lease from us (or an affiliate) or designated suppliers. As described in Item 11, you must license certain proprietary software from us and from no other entity. Any purchases from us and our affiliates, whether required or voluntary, generally will be at prices exceeding our costs by between 5% to 25%.

To maintain the quality of the goods and services that the Businesses sell and our system's reputation, we may condition your right to buy or lease Operating Assets, (including components of the phone and computer systems) and other items on their meeting our minimum standards and specifications and/or their being acquired from suppliers that we approve. Also, you must purchase from approved suppliers your advertising and marketing materials. We will formulate and modify standards and specifications based on our (and franchisees') experience in the industry and in operating the Businesses.

Our standards and specifications may impose minimum requirements for delivery of services, performance, reputation, prices, quality, design, and appearance. Our Operations Manuals or other communications will identify our standards and specifications and/or names of approved suppliers. We will notify you and, where appropriate, the suppliers. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier. We and our affiliates are approved (but not the only) suppliers of various marketing and promotional items. If you buy or lease any item from us (or an affiliate) because we are a designated or approved supplier (or the only supplier), we (or that affiliate) have the right to charge a price that exceeds our cost and includes a profit margin.

If we institute any type of restrictive sourcing program (which, as noted above, we have the right to do) and you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved, you first must send us sufficient information, specifications, and samples so we can determine whether the item or service complies with System Standards or the supplier meets approved supplier criteria. We may charge you or the supplier a reasonable fee for the evaluation (see Item 6) and will, within a reasonable time (typically 30 to 60 days), give you our decision. We periodically will establish procedures for your requests and may limit the number of approved items, services, and/or suppliers as we think best. Supplier approval might depend on product quality, delivery frequency, service standards, financial capability, customer relations, and concentration of purchases with limited suppliers to obtain better prices and service. Approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing.

Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You currently must have comprehensive general liability insurance of \$1,000,000 for bodily injury (per person), \$1,000,000 per accident, and \$1,000,000 for property damage; employer's liability insurance of at least \$1,000,000 per occurrence; a surety bond with a minimum limit of \$25,000; and workers' compensation insurance required by state law. Premiums depend on the insurance carrier's charges, terms of payment, and your history. A certificate of insurance designating us as an additional insured party is required to be sent to us before operations commence. Clutterbusters suggests you contact Bob Silverman of Silverman Insurance Associates, Rockville, Maryland before deciding upon your insurance provider ((800) 364-4249).

Before you use them, you must send us for approval samples of all advertising, promotional, and marketing materials which we have not prepared or have not previously been approved by us. If you do not receive written or verbal approval within 20 days after we receive the materials, they are deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have disapproved or that we have not specifically approved.

You are responsible for developing the Business. If you do not operate from your home office, we will give you mandatory and suggested specifications and layouts for a Business, including requirements for dimensions, design, image, interior layout, decor, operating assets, and color scheme. You must make sure that all required construction plans and specifications for the Business's site comply with applicable ordinances, building codes, permit requirements, and lease requirements and restrictions. We must review and approve all final plans and specifications before you begin constructing the Business. You must submit all revised or "as built" plans and specifications during construction. We may inspect the Business during its development.

You are required to become a member of the National Association of Professional Organizers

("NAPO") and, optionally, the International Association of Professional Organizers.

The Business must be at a site that we approve, which may be your home. We have the right to approve the Business's lease or sublease and to require that it include certain provisions (listed in Article 2B of the Franchise Agreement), including our right to the Business's site in certain circumstances. At our request, you must conditionally assign the lease or sublease to us to make sure you comply with the Franchise Agreement and obtain the lessor's consent to the collateral assignment. This means that, if you do not fulfill your obligations, we may take over the premises.

Collectively, the purchases and leases described above are 25% - 50% of your total purchases and leases to establish, and approximately 25% - 50% of your total purchases and leases to operate, the Business. These expenses are limited if the Business is operated from your home environment.

We or our Predecessor will derive revenue on items you must or may buy from us, our affiliates or designated suppliers or national accounts. This revenue could range from 5% to 25% of the cost of the service or item. During our fiscal year ended December 31, 2004, we did not derive any revenue as a result of required purchases or leases of our franchisees. We (and our affiliates) also have the right to receive payments from suppliers on account of their dealings with you and other franchise owners and to use all amounts we receive without restriction (unless the supplier instructs us otherwise) for any purposes we deem appropriate. There currently are no purchasing or distribution cooperatives. We do negotiate purchase arrangements with suppliers (including price terms) for franchisees. We do not provide material benefits to a franchisee for using designated or approved sources.

As the franchise system grows, we expect to facilitate purchasing cooperatives that will create volume discounts for us and for our franchisees.

ITEM 9 FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

Obligation	Article in Franchise Agreement	Item in Offering Circular
(a) Site selection and acquisition/lease	Articles 2A and B of Franchise Agreement	Items 7, 8, 11 and 12
(b) Pre-opening purchases/leases	Articles 2C, D, E and F of Franchise Agreement	Items 7, 8 and 11
(c) Site development and other pre-opening requirements	Articles 2C, D, E and F of Franchise Agreement	Items 7, 8 and 11
(d) Initial and ongoing training	Articles 4A and B of Franchise Agreement	Items 6, 7 and 11

(e) Opening	Article 2G of Franchise Agreement	Items 11 and 12
(f) Fees	Articles 3, 4A, B, and C, 10, 12B, 13C and 17D of Franchise Agreement	Items 5, 6, 7 and 11
(g) Compliance with standards and policies/Operating Manual	Articles 4C and 8 of Franchise Agreement	Items 8 and 11
(h) Trademarks and proprietary information	Articles 5 and 6 of Franchise Agreement	Items 13 and 14
(i) Restrictions on products/services offered	Articles 1D and 8B of Franchise Agreement	Items 8, 11, 12, and 16
(j) Warranty and customer service requirements	None	
(k) Territorial development and sales quotas	Articles 2 and 9B of Franchise Agreement	Item 12
(l) On-going product/service purchases	Articles 2D, E and F and 8 of Franchise Agreement	Items 8
(m) Maintenance, appearance and remodeling requirements	Article 8A of Franchise Agreement	Items 8, 11, 16 and 17
(n) Insurance	Article 8E of Franchise Agreement	Items 7 and 8
(o) Advertising	Article 10 of Franchise Agreement	Items, 6, 7, 8 and 11
(p) Indemnification	Articles 5E and 17D of Franchise Agreement	Item 6
(q) Owner's participation/management/staffing	Article 1B of Franchise Agreement	Items 11 and 15
(r) Records/reports	Article 11 of Franchise Agreement	
(s) Inspections/audits	Article 12 of Franchise Agreement	Items 6 and 11
(t) Transfer	Article 13 of Franchise Agreement	Item 17
(u) Renewal	Article 14 of Franchise Agreement	Item 17
(v) Post-termination obligations	Article 16 of Franchise Agreement	Item 17
(w) Non-competition covenants	Articles 7, 13C and 16D of Franchise Agreement	Item 17

(x) Dispute resolution	Article 18 of Franchise Agreement	Item 17
(y) Minimum number of Client Contracts	Article 9B of Franchise Agreement	Item 12

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or other obligation.

ITEM 11
FRANCHISOR'S OBLIGATIONS

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

Before you open the Business, we will:

1. If you do not operate from your home, give you our site selection criteria for the Business and, after you select and we approve the site, identify your specific territory. (See Item 12) You must sign a lease for the site within 30 days after you sign the Franchise Agreement. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. (Franchise Agreement - Articles 2A. and 2B.)
2. Give you mandatory and suggested specifications and layouts for a Business, including requirements for dimensions, design, image, interior layout, decor, Operating Assets, and color scheme, if you are not operating from your home. (Franchise Agreement - Article 2C.)
3. As discussed in Item 8, identify the Operating Assets, products, materials, supplies, and services you must use to develop and operate the Business, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which might be limited to or include us and/or our affiliates). (Franchise Agreement - Articles 2D, 2E, and 8.)
4. Loan you one copy of the Operations Manual. (Franchise Agreement - Article 4C.) We will allow you to view the Table of Contents before you sign the Franchise Agreement. (Exhibit G in this document)
5. Train up to five individuals, including your principal owners and key employees (who will be identified in the Franchise Agreement), including spending two days at your Business location. (Franchise Agreement - Article 4A.) We describe this training later in this Item.
6. Provide you with a copy of our then-current form of Client Contract. You are responsible for ensuring that the Client Contract complies with applicable law. If you believe that any portion of the Client Contract is contrary to applicable law you must tell us. (Franchise Agreement - Article 9A.)

During your operation of the Business, we will:

1. Advise you regarding the Business's operation based on your reports or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that the Businesses use; purchasing required; Operating Assets and inventory; advertising and marketing programs; employee training (including mandatory training and testing for newly hired organizers), administrative, bookkeeping, and accounting procedures. We will guide you in our Operation Manuals, bulletins, or other written materials, during telephone consultations, and/or during consultations at our office or the Business. (Franchise Agreement - Article 4B.)
2. Give you, at your request, additional or special guidance, assistance, and training. (Franchise Agreement - Article 4B.) (See Item 6)
3. Loan you one copy of the Operation Manual, containing the materials necessary to operate the Businesses. The Operation Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") that we periodically require. We may modify the Operation Manual periodically to reflect changes in System Standards. (Franchise Agreement -Article 4C.)
4. Inspect and observe the operation of the Business to help you comply with the Franchise Agreement and all System Standards. (Franchise Agreement -Article 12A.)
5. Let you use our confidential information. (Franchise Agreement - Article 6)
6. Let you use our Marks. (Franchise Agreement - Article 5)
7. Periodically offer refresher training courses. (Franchise Agreement -Article 4A.)
8. Periodically, provide you with our current form of the Client Contract (if revised) which you sign with each client of the Business prior to the commencement of services. You are responsible for ensuring that the Client Contract complies with applicable law. If you believe any portion of the Client Contract is contrary to applicable law, you must tell us. (Franchise Agreement -Article 9A.)
9. Periodically set a maximum price that you may charge under certain Client Contracts (Franchise Agreement - Article 8F.)

Advertising and Marketing

National Marketing and Advertising Fund. When created, you agree to contribute toward a "National Marketing and Advertising Fund" an amount equal to 3% of your weekly Gross Revenues every two weeks ending Sunday, and due on the following Friday. Businesses that we or our affiliates own will contribute to the National Marketing and Advertising Fund on the same basis as our franchisees.

We will direct all programs that the National Marketing and Advertising Fund finances, with sole control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The National Marketing and Advertising Fund may pay for preparing and producing local, regional or national advertisements, video, audio and written materials and electronic media; administering regional and multi-regional marketing and advertising programs, (including, without limitation, using in-house or outside advertising, promotion and marketing agencies and other advisors to provide assistance); and supporting public relations, market research and other advertising, promotion and marketing activities. The National Marketing and Advertising Fund periodically will give you samples of advertising, marketing and promotional formats and materials at no cost and will sell you multiple copies

of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges, or will arrange for you to purchase these materials directly from the printer or other supplier.

We will account for the National Marketing and Advertising Fund separately from our other funds and will not use the National Marketing and Advertising Fund for any of our general operating expenses, except to compensate the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the local media placement account and National Marketing and Advertising Fund and their programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials, and collecting and accounting for local media placement account funds and National Marketing and Advertising Fund contributions. The National Marketing and Advertising Fund will not be our asset. The National Marketing and Advertising Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the National Marketing and Advertising Fund or any other reason. We will not use National Marketing and Advertising Fund contributions for advertising that is principally a solicitation for the sale of franchises except that in certain ads with available space, we may insert a tag line regarding the availability of franchise opportunities. The National Marketing and Advertising Fund may spend in any fiscal year more or less than the total National Marketing and Advertising Fund contributions in that year, borrow from us or others to cover deficits, or invest any surplus for future use. We will use all interest earned on National Marketing and Advertising Fund contributions to pay costs before using the National Marketing and Advertising Fund's other assets. We will prepare, and furnish to you upon written request, an annual, unaudited statement of National Marketing and Advertising Fund collections and expenses and give you the statement upon of the funds collected and costs incurred. We may incorporate the National Marketing and Advertising Fund or operate it through a separate entity whenever we deem appropriate. Currently, our practice is to pass through all National Marketing and Advertising Fund monies we collect to our advertising agency. The National Marketing and Advertising Fund will not place any advertisements. Rather, the National Marketing and Advertising Fund, will create the advertisements that are placed with each franchisee's local media placement account monies. However, in the future, the National Marketing and Advertising Fund may also place advertisements.

We intend the National Marketing and Advertising Fund to maximize recognition of the Marks and patronage of the Businesses. Although we will try to use the National Marketing and Advertising Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Businesses, we need not ensure that National Marketing and Advertising Fund expenditures in or affecting any geographic area are proportionate or equivalent to the National Marketing and Advertising Fund contributions by Businesses operating in that geographic area or that any Business benefits directly or in proportion to its National Marketing and Advertising Fund contribution from the development or placement of advertising and marketing materials. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect National Marketing and Advertising Fund contributions at the National Marketing and Advertising Fund's expense. We also may forgive, waive, settle and compromise all claims by or against the National Marketing and Advertising Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the National Marketing and Advertising Fund.

We may at any time defer or reduce the National Marketing and Advertising Fund contributions of a Business and, upon thirty days' prior written notice, reduce or suspend National Marketing and Advertising Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the National Marketing and Advertising Fund. If we terminate the National Marketing and Advertising Fund, we will distribute all unspent monies to all Businesses (whether franchised or operated by us or our affiliates) in proportion to their respective National Marketing and Advertising Fund contributions during the preceding twelve month period.

Advertising By You. You will be required to spend no less than 4% of your Gross Revenues for the preceding two weeks or \$125, whichever is greater, on local advertising and marketing. Ad spending requirements may be expended over the period of two weeks preceding, in which the ad spending requirements are calculated, or may be carried over to the next bi-weekly period; however carry-over total ad spending requirements shall not exceed \$1,000. If you decide to spend more than the minimum bi-weekly requirement, your total expenditures may be credited towards future ad spending requirements. The amount will be determined based upon the location of your Business. You will spend each week the dollar amount which will be filled in your Franchise Agreement (See Item 6). You agree to list and advertise the Business in each classified telephone directory (including applicable internet yellow pages) covering the Site (in the business classifications we prescribe from time to time) and, if we require, to use our standard form of classified telephone directory advertisement. If there are other Businesses located within the distribution area of one or more of those directories, we require, and you agree to participate in a collective advertisement with those other Businesses and pay your share of that collective advertisement. The amount you spend on advertising in classified telephone directories will be credited toward the amount you are required to spend on local advertising.

You agree that your advertising promotion and marketing will be completely clear, factual and not misleading and conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. Before you use them, you must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved. If you do not receive written or verbal approval within twenty days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional or marketing materials that we have disapproved. Advertising promotional or marketing materials which we must approve include any information on a web home page or otherwise on the Internet. You may not operate any web site involving, referring to or in any way related to a competitive business. As described in Item 13, you may not use the Marks as part of any domain name, electronic address or search engine and cannot maintain your own website under any circumstances.

Advertising Cooperatives. Advertising Cooperatives are governed in a form and manner, and begin operating on a date, that we determine in advance. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area that the Cooperative covers. If, as of the time you sign the Franchise Agreement, we have established a Cooperative for the geographic area in which the Business is located, or if we establish a Cooperative in that area during the Franchise Agreement's term, you agree to sign the documents we require to become a member of the Cooperative and to participate in the Cooperative as those documents require. If we establish a Cooperative, it will operate from written governing documents which will be available for your review. A Cooperative will not be required to produce annual accounting statements.

You agree to contribute to the Cooperative the amounts determined by us and set forth in the governing document for the Cooperative. We shall determine the total amount of contributions to the Cooperative based upon the projected advertising, marketing and promotional expenditures within the Cooperative's area. We will allocate the Cooperative's expenses among the members based on equitable factors we establish. Changes to the allocation of the expenditures among media forms (but not for the amount of contribution to the Cooperative or the allocation of expenses among their members) may be recommended upon a majority vote of all Business owners who are members of that Cooperative, subject to our approval (which will not be unreasonably withheld). Each Business owner (including us, our affiliates and franchisees) will have one vote, regardless of the number of Businesses that the owner operates within the Cooperative's area.

You agree to submit to us and the Cooperative any reports that we or the Cooperative requires. The Cooperative will operate solely to collect and spend cooperative contributions for the purposes

described above. The Cooperative and its members may not use any advertising, marketing or promotional plans or materials without our prior written consent. There currently are no advertising cooperatives. We have the power to form, change, dissolve, or merge Cooperatives.

Advertising Council

Once we have between 15 and 20 franchisees we may choose to create a franchisee Advisory Council. We will select 6 franchisees. The first 3 will have an 18 month term, the next 3 will have a 12 month term. Elections will be held in December of each year to elect 6 new members. Members will hold two consecutive terms, then must sit out for 6 months before being reelected.

Computer System and Phone System

You agree to use in operating the Business the computer equipment, operating software and telephone equipment we specify. We may require you to obtain specified telephone equipment, computer hardware and software (as described below), and may periodically modify our specifications. If we modify our specifications, it may require you to acquire new or modified phone equipment, computer hardware or software. Although we cannot estimate the future cost of the phone or computer system, you agree to incur the costs of obtaining the phone and computer systems and required service or support. We have no obligation to reimburse you for any costs related to the phone system or computer system. You agree to acquire any components of the phone or computer system within 60 days after you receive notice from us.

No other provider of software outside of the Microsoft and QuickBooks Pro software are permitted to be used in conjunction with your Business. Anti-virus and firewall protection software are required, to prevent potential systemwide problems.

You must also purchase a Handheld PDA from any local representative. We recommend that you use the following hardware configuration:

Dimension 4600			
Catalog Number / Description	Product Code	SKU	Id
Dell Dimension 4600 Series: Pentium® 4 Processor with HT Technology 3GHz w/800MHz FSB	W308H	[221-3720]	1
Operating System: Microsoft® Windows® XP Professional	WPXP	[420-1922] [313-7222] [412-0409]	11
Memory: 512MB Dual Channel DDR SDRAM at 400 MHz (2x256M)	512M4	[311-9002]	3
Hard Drive: 80GB Ultra ATA/100 Hard Drive (7200 RPM)	80	[341-0834]	8
Floppy Drive and Additional Storage Devices: 64MB Dell USB Memory Key only	64MK	[341-0217] [340-8688]	10
CD or DVD Drive: Dual Drives: 16x DVD-ROM Drive + 48x CD-RW Drive	DVDCDR	[313-2610] [430-0594] [313-2238] [462-7810]	16
Enhanced Software for CD or DVD Burner:	RNDLX	[430-0579]	72

RecordNow! Deluxe: Burn, Copy CD Music/Data, Backup, Labeling (CD-RW/DVD+RW only)			
Limited Warranty, Services and Support Options: 3 Year Limited Warranty plus 3 Year At-Home Service	SQ3OS	[950-4400] [950-4402] [950-3339] [412-0359]	29
CompleteCare Accidental Damage Service: Add CompleteCare Accidental Damage Service to 4 Yr. Lim. Warranty	CCADP4	[960-0027] [412-0358]	33
Productivity Software: Microsoft® Office Professional 2003 w/Microsoft® Money Standard	XPEPROM	[412-0467] 412-0551]	22
Security Software: McAfee Security Center w/VirusScan, Firewall and Privacy, 1-year subscription	MCAFE1Y	[412-0634]	25
Monitor: 15 inch or above CRT Monitor	E773	[320-3818]	5
Video Card: 128MD DDR NVIDIA GeForce FX 5200 Graphics Card with TV-Out and DVI	128FX52	[320-0735] [320-2575]	6
Sound: Integrated 5.1 Channel Audio	IS	[313-2758]	17
Keyboard: Dell® Quietkey® Keyboard	QK	[310-1582]	4
Mouse: Dell® 2-button scroll mouse	SM	[310-1871]	12
Speakers: Dell A215 Speakers	ADA215	[313-1874]	18
Dell Media Experience: Dell Media Experience	DMX	[412-0519]	115
Digital Music: Dell Jukebox powered by MUSICMATCH	MMBASE	[412-0516]	27
Digital Photography: Dell Picture Studio, Paint Shop Pro Trial, Photo Album Starter Edition	DPS	[412-0521]	28
Network Card: Integrated Intel® PRO 10/100 Ethernet	IN	[430-0412]	13
Modem: 56K PCI Data Fax Modem	DFAX	[313-2279]	14

This hardware and Microsoft software can be purchased or leased from suppliers of computer equipment. We reserve the right to require you to download and utilize any proprietary software that we may develop. We estimate that this cost will be a one-time licensing fee of \$500 and a monthly maintenance fee of \$75. You must also maintain high speed Internet access (such as T1 line, cable modem or DSL) at all times.

All hardware components are the proprietary property of their manufacturers, who need not provide ongoing maintenance, repairs, upgrades, or updates unless you pay for them. Their charges depend on the length and nature of the service contract. We will have independent access to data on your computer system and there are no contractual limits on our rights to access your data.

You must upgrade the computer system, and/or obtain service and support, as we require or as is necessary because of technological developments or events. There are no contractual limitations on the frequency and cost of this obligation. We have no obligation to reimburse you for any of these costs. We will have independent, unlimited access to information on your computer system.

Site Selection

Unless you are operating from a home-based office, you are responsible for selecting the site for your Business, but you must obtain our written approval of any proposed site in accordance with our procedures. You must submit to us a complete site report for the proposed site which shall contain such demographic, commercial and other information and photographs as we require. We will approve or disapprove each site you propose by giving you written notice. We will use reasonable efforts to deliver such a notice to you within 7 days after we receive your complete site report. In evaluating a site, we may consider such factors as we deem material including demographic characteristics, traffic patterns, parking, the predominant character of the neighborhood, competition within the area, rental obligations, and the site's size, appearance and other physical characteristics. If we and you cannot agree on a site in time for you to sign a lease for the site within 30 days after you sign the Franchise Agreement, then we can terminate the Franchise Agreement.

Once we approve a proposed site, you must sign a lease for the site. You must sign a lease for the site within 30 days after signing the Franchise Agreement. Any site lease must be in a form satisfactory to us and must contain certain clauses which we require. You must deliver to us a copy of the lease for the site, and you may not execute a lease without our prior written approval of its terms. If we do not approve a proposed lease within 7 days after we receive it, it shall be deemed disapproved. If you have failed to sign a lease for the site within 30 days after signing the Franchise Agreement, we may, in addition to our termination rights, withdraw approval of the site.

Opening

We estimate that it will be 60 to 90 days after you sign the Franchise Agreement before you open the Business, but this depends on the site's location and condition, whether you operate from the home or external office, the Business's construction schedule, the extent to which you must upgrade or remodel an existing location, the delivery schedule for equipment and supplies, completing training, and complying with local laws and regulations. You may not open the Business until: (1) we determine that the Business meets our standards and specifications; (2) pre-opening training is completed to our satisfaction; (3) you pay the initial franchise fee and all other amounts then due to us; and (4) you give us certificates for all required insurance policies; Subject to these conditions, you must open the Business within 60 days after you sign a lease for the site, but no more than 90 days after signing the Franchise Agreement. (Franchise Agreement - Article 2G.)

Training

Before the Business opens, we will train up to five owners and/or operators (who will be identified in the Franchise Agreement) on operating the Business. Approximately one week of training will be held at our principal business address, an operating Business, or another location we designate. You and your operator must satisfactorily complete initial training and participate in all other activities required to operate the Business. Although we do not charge you separately for this training (provided that you attend a regularly scheduled training session, rather than a session scheduled specifically for you), you must pay all travel and living expenses which attendees incur. We may require you to replace the operator if we determine that he or she is not qualified to hold that position. You must pay us for

training a replacement. (Franchise Agreement - Article 4A.)

Training will occur after you sign the Franchise Agreement and while you are developing the Business. You and your operator must complete training before opening your Business. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel. There currently are no fixed (i.e., monthly or bi-monthly) training schedules, but there may be in the future. As of the date of this offering circular, we provide the following training:

Subject	Time	Instructional Material	Hours of Classroom Training	Hours of On-the-Job Training	Instructor
Professional organizing skills	6	Manual	6	0	Various
Sales training	3	Manual	3	0	Various
Computer training	6	Manual	6	0	Various
PR and marketing	6	Manual	6	0	Various
Hands on organizing	5	n/a	0	5	Various

Ms. Fein supervises our training program. Her experience is listed in Item 2. She will be assisted by Rick Fein, whose experience is also listed in Item 2.

You are permitted to bring up to four other persons to training. All of your personal expenses are your responsibility. We will send a staff member to your Business for a minimum of two days, one day before opening and opening day. You are responsible for paying their reasonable travel and entertainment expenses.

You and/or previously trained and experienced personnel must, at our request, attend up to five days of refresher training courses that we periodically provide at the times and locations we designate. You also must, at our request, attend our annual convention. However, we may not require you to attend more than two courses and/or conventions in any calendar year. (See Item 6) You are responsible for all related travel and living expenses.

The Table of Contents of our Operations Manual is attached to this Offering Circular as Exhibit G.

ITEM 12 **TERRITORY**

If you choose not to operate out of your home, you will operate the Business at a specific location that we first must approve. If you have not located the Business' site when you sign the Franchise Agreement, then you must sign a lease for a suitable site within 30 days after signing the Agreement. We will identify an exclusive area within which we expect you will look for a suitable site. We may terminate the Franchise Agreement if you fail to locate a site within this 30 day period.

Before you sign the Franchise Agreement, we will describe (or depict on a map) the Territory in Exhibit B to the Franchise Agreement. We will determine the size of the Territory at our sole discretion. We estimate that a territory will be determined by number of households, zip code coverage and media territory. Each territory will be determined by a series of contiguous 5 digit zip codes, and we estimate that a territory generally will have between 100,000 and 1,000,000, depending on household density,

demographic, income, and geographic criteria. You will be required to serve clients and solicit business throughout the entire territory. Except as limited below, and provided that you are in full compliance with the Franchise Agreement, we and our predecessor will not operate or grant a franchise for the operation of another Business at a location within the Territory during the term of this Agreement.

We and our predecessor retain all rights with respect to Businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

(A) the right to establish and operate, and to grant to others the right to establish and operate organizing service businesses or any other businesses offering similar or dissimilar products and services through similar or dissimilar channels of distribution, at any locations outside the Territory under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate;

(B) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services similar to and/or competitive with those provided at Businesses, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, the internet or similar electronic media) inside or outside the Territory and on any terms and conditions we deem appropriate;

(C) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside the Territory under the Marks and on any terms and conditions we deem appropriate.

(D) the right to operate, and to grant others the right to operate Businesses located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the Business;

(E) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided by a Business, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Territory); and

(F) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory.

You will not be permitted to sell or solicit business within another existing franchised or company-owned territory. You may only provide organizing services in another franchisee's territory if the customer was an unsolicited lead. You can sell and provide organizing services outside of your assigned territory, into an unassigned territory; however, you will be limited to only 10 percent of your total customers being outside of your assigned territory.

You may not relocate the Business from the approved site without our approval. This also includes a home based operation.

We also intend to maintain a National and Regional Accounts program. Except as provided below in this and the following paragraphs, you may not solicit or service the locations of a National or Regional Account (defined below) without our prior written consent. We may condition our consent (although we need not grant our consent) on your agreement to comply with certain requirements, and we

may withdraw our consent for any or no reason. If we withdraw our consent to your soliciting and/or servicing one or more National or Regional Accounts, you must cease all solicitation and servicing activity for that National or Regional Account(s) immediately.

We may provide any services and sell products to any National or Regional Account location, wherever operated. But you may, under your Franchise Agreement, offer and sell the products and services that we would provide to the National or Regional Account's locations. In these instances, we first will offer you the opportunity to provide those services and sell the products to the locations of the National or Regional Account on the terms and conditions we have established with the National or Regional Account. If you fail to accept the offer in the manner we specify, we may allow others to provide those services and sell the products to the locations of the National or Regional Account. The term "National or Regional Account" means any customer that has staff or employees in two or more locations. These rules do not prohibit you from seeking to provide the services and sell the products authorized to the locations of a National or Regional Account, after the Account has reached an agreement with us, on terms and conditions which may differ from those you have established with the National or Regional Account, and which require you to participate in any National or Regional Account program.

You are not permitted to negotiate cost with a National or Regional Account without our prior consent.

If during the term of the Franchise Agreement, you are unable to promptly and properly serve any of your customers, due to distance of the customer or excessive work, you must refer that customer to another franchisee in the System or us.

You may not engage in any promotional activities, or sell any related products or services, whether directly or indirectly, through or on the Internet, the World Wide Web, or any other similar proprietary or common carrier electronic delivery system, without our prior consent.

You have no options, rights of first refusal, or similar rights to acquire additional franchises within your Territory or contiguous territories.

We have not established other franchises or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in Item 12 what we may do within and outside your Territory.

Continuation of your territorial exclusivity does depend on your achieving a certain sales volume, market penetration, or other contingency, or we may reduce the size of your Territory or terminate your Franchise Agreement. You must generate a minimum amount of Gross Revenues in order to maintain your "Clutterbusters" franchise. During your first 12 months in operation you must generate no less than \$30,000 in Gross Revenues; \$60,000 during the second 12 months; and \$120,000 during the third year of operations. (See Item 12). If you fail to achieve one of the required Gross Revenues, we may, at our discretion, either terminate your Business or reduce your territory size. These minimums shall not be deemed to be a projection or estimation of how much money or revenues that you might be able to generate from your Territory. These minimums have been established to permit you to maximize the revenues to be generated from your Territory and to provide as much market penetration as possible so as to build brand-equity within the Territory.

There are no other circumstances that permit us to modify your territorial rights.

ITEM 13
TRADEMARKS

You may use certain Marks in operating the Business. Our principal Mark is:

CLUTTERBUSTERS

Our Predecessor owns the Service Mark registration with the United States Patent and Trademark Office (PTO) for the word "Clutterbuster", under Reg. 2218336, which was filed on June 24, 1997. We grant you a license to use the Mark "Clutterbusters" for use in operating your Business, which license is derived from the sublicense agreement that we have with our Predecessor, and which is non-cancellable.

The franchisor has not registered the Clutterbusters logo that is disclosed on the Cover Page. By not having a Principal Register federal registration for this logo, the franchisor does not have certain presumptive legal rights granted by a registration.

You must follow our rules when you use the Mark. You may not use any Mark (1) in your corporate or legal business name; (2) with prefix, suffix or other modifying words, terms, designs, or symbols (except for those we license to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, electronic address, or search engine you maintain on any Website; or (5) in any other way we have not expressly authorized in writing. (A "Website" is defined as an interactive electronic document contained in a network of computers linked by communications software, including the Internet and World Wide Web Home Pages.)

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. No agreement limits our right to use or license the Marks, except for: (A) an agreement exclusively licensing our trademark "Clutterbusters" in New York City, and (B) an agreement with an individual trading as "The Clutterbuster" in southern California that neither we nor the individual will object to each other's use of our respective marks in Southern California.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us and our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, PTO proceeding, or other administrative proceeding from the infringement, challenge, or claim or otherwise concerning any Mark. You must sign the documents and take the action that, in the opinion of our attorneys, are necessary or advisable to assist us in protecting and maintaining our interests in any litigation or PTO or other proceeding or otherwise to protect and maintain our interests in the Marks.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Business's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

We will reimburse you for all damages and expenses you incur in any trademark infringement proceeding disputing your authorized use of any Mark, provided you have notified us of the proceeding, have complied with the Franchise Agreement and comply with our directions regarding the proceeding.

We are aware of other unauthorized users of the name "Clutterbusters" around the U.S. We have issued cease and desist letters to have them stop their unauthorized use.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We claim copyrights in the Operation Manuals (which contain our trade secrets), advertising and marketing materials, and similar items used in operating the franchise. We have not registered these copyrights with the United States Registrar of Copyrights but need not do so at this time. You may use these items only as we specify while operating your franchise (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the PTO, Copyright Office (Library of Congress), or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials.

We do not actually know of any infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state. We need not protect or defend copyrights, although we intend to do so if in our system's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Operation Manual and other materials contain our confidential information. This information includes (1) site selection and design specifications; (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating the Business; (3) marketing and advertising programs for the Business; (4) knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, materials, equipment and supplies; (5) knowledge of the operating results and financial performance of Businesses other than your Business; (6) client communication programs; (7) terms of the Franchise Agreement and the Client Contract; (8) the Operations Manual; (9) graphic designs and related intellectual property; and (10) the client list and information.

We (and our affiliates) have the perpetual royalty-free right to use and allow other Business owners to use, and you must fully and promptly disclose to us, all ideas, concepts, techniques, or materials for operating a Business that you and/or your employees or agents conceive or develop during your franchise term.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure agreements with those having access. We may regulate the form of agreement that you use and will be a third party beneficiary of that agreement with independent enforcement rights.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly, and diligently perform your contractual obligations. System Standards may regulate the Business's staffing levels and employee and/or independent contractor's qualifications, training, dress, and appearance. You need to participate full-time in the day-to-day operation of the Business, and devote substantial and continuing efforts to the operation of the

Business. You will need to work with organizers who will perform the organizing functions for your clients. You and your manager, if you choose to hire one, must satisfactorily complete our initial training. The manager need not have an equity interest in the Business but must agree in writing to preserve confidential information to which he or she has access. We may regulate the form of agreement that you use and be a third party beneficiary of that agreement with independent enforcement rights.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is part of the Franchise Agreement. If we do not require one of your owners to sign the full Guaranty, that owner still must comply with all non-monetary obligations, including the covenant not to compete, as if he or she were the franchise owner.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all products and perform all services that we periodically require for Businesses. You may not offer any products or perform any services that we have not authorized nor conduct any other business at your Business. (See Item 8) Our System Standards may regulate required and authorized products and services and product and service categories. We periodically may change required and/or authorized products and services and product and service categories. There are no limits on our right to do so. (See Items 8 and 12)

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE FRANCHISE AGREEMENT ATTACHED TO THIS OFFERING CIRCULAR.

Provision	Article in Franchise Agreement	Summary
(a) Term of the franchise	Article 15B.	5 years
(b) Renewal or extension of the term	Article 14	If we are still franchising and you are in good standing, you may renew your franchise for three additional 5 year terms. Upon the grant of a renewal franchise, you will sign our then current franchise agreement (which may be materially different, except that the Royalty and National Marketing and Advertising Fund contribution will remain constant)
(c) Requirements for you to renew or extend	Article 14	Give us timely notice, maintain possession of premises or find acceptable substitute premises, remodel Business according to our then current standards (at a

		cost not to exceed \$30,000), pay renewal fee, sign new agreement, release and other documents we use to grant franchises, and pay fee
(d) Termination by you	Article 15A.	If we breach agreement and do not cure default after notice from you
(e) Termination by us without cause	None	We may not terminate you without cause
(f) Termination by us with cause	Article 15B.	We may terminate only if you or your owners commit one of several violations
(g) "Cause" defined - defaults which can be cured	Article 15B.	You have 3 business days to cure monetary defaults, 30 days to cure operational defaults and other defaults not listed in (h) below
(h) "Cause" defined - defaults which cannot be cured	Article 15B.	Non-curable defaults include material misrepresentation, failure to sign a lease for Business's site within 30 days after signing Franchise Agreement, failure to open Business on time, failure to complete training, abandonment, unapproved transfers, conviction of a felony, failure to maintain insurance, interference with our right to inspect, dishonest or unethical conduct, unauthorized assignment or transfer, you lose required license, unauthorized use or disclosure of the Operation Manuals or confidential information, failure to pay taxes, understating Gross Revenue, repeated defaults (even if cured), an assignment for the benefit of creditors, appointment of a trustee or receiver, violation of a non-compete restriction, uncured default under your lease, failure to pay amounts due, violation of any law, ordinance or regulation relating to terrorist activities or if assets, property or interests are "blocked" due to said violations, failure to comply with any other provisions of the Agreement and

		does not correct failure within thirty days
(i) Your obligations on termination/non-renewal	Article 16	Obligations include paying outstanding amounts; complete de-identification; and returning confidential information (also see (o) and (r) below)
(j) Assignment of contract by us	Article 13A.	No restriction on our right to assign; we may assign without your approval
(k) "Transfer" by you -definition	Article 13B.	Includes transfer of Franchise Agreement, sale of Business's assets and ownership change
(l) Our approval of transfer by you	Article 13C.	No transfer without our prior written consent
(m) Conditions for our approval of transfer	Article 13C.	New franchisee qualifies, you pay us and third party vendors all amounts due and submit all reports, new franchise owner (and its owners and affiliates) are not in a competitive business, training completed, transferee signs our then current franchise agreement and other documents, transfer fee paid, we are reimbursed for our costs of evaluating and training the transferee, you sign release, we approve material terms, you subordinate to us, amounts due to you, lease transferred, owners of transferee sign guaranty, you agree to a non-compete restriction, and you remove any materials that identify you as an Clutterbusters franchise
(n) right of first refusal to acquire your business	Article 13G.	We may match any offer for your Business or an ownership interest in you
(o) option to purchase your business	Article 16E.	We may buy the Business and its premises at fair market value after the Agreement is terminated or expires
(p) death or disability	Article 13E.	Upon your death or disability, your representative must transfer your interest to an approved party within 30 days. Such a transfer is subject to the same terms and conditions as any other transfer.
(q) Non-competition covenants	Article 7	You and your owners agree that,

<p>during the term of the franchise</p>		<p>during the Agreement's term, neither you nor any owner, nor any member of your or an owner's immediate family will: (1) have any direct or indirect, controlling or non-controlling interest as an owner -(whether of record, beneficial or otherwise) in a Competitive Business (defined below), wherever located or operating; (2) perform services as a director, officer, manager, employee, consultant, representative or agent, or in any other capacity, for a Competitive Business, wherever located or operating; (3) recruit or hire any employee of ours, our affiliates or our or their franchisees or licensees without obtaining our or the employer's prior written permission; or (4) recruit or hire any director, officer, manager, employee, consultant, representative or other agent of a Competitive Business; or (5) divert or attempt to divert any actual or potential business or client of the Business to a Competitive Business. The term "Competitive Business" means business in the organization business or related industries, or business which grants franchise licenses to others to operate such business other than a Business operated under an agreement with us. Competitive Businesses include businesses that may provide organizing products or services. You agree that you will not, under the terms of the Franchise Agreement, operate or otherwise become affiliated with any Website referring to a Competitive Business</p>
<p>(r) Non-competition covenants after the franchise is terminated or expires</p>	<p>Article 16D.</p>	<p>No direct or indirect ownership interest in, or performing for, Competitive Businesses for 2 years at Business' premises, or within 50 miles of the Business</p>

		or of any Business (same restrictions apply after transfer).
(s) Modification of the Agreement	Article 19E.	No modifications generally, but we may change Operation Manuals System Standards.
(t) Integration/Merger Clause	Article 19F.	Only the terms of the Franchise Agreement (including the Operation Manuals) are binding (subject to state law). Any other promises might not be enforceable.
(u) Dispute resolution by arbitration or mediation	None	Binding arbitration
(v) Choice of forum	Article 18C.	Arbitration must be in our home county and state (subject to state law).
(w) Choice of law	Article 18B.	Except for federal law, Maryland law governs.

These states have statutes which might supersede the franchise agreement in your relationship with us, including the areas of termination and renewal of your franchise: ARKANSAS [Ark. Code Sections 4-72-201 to 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000 to 20043], CONNECTICUT [Gen. Stat. Sections 42-133e to 42-133h], DELAWARE [Code Sections 2551 to 2556], HAWAII [Rev. Stat. Section 482E-6], ILLINOIS [815 ILCS Sections 705/19 and 705/20], INDIANA [Code Sections 23-2-2.5-4- and 23-2-2.7], IOWA [Code Section 537A, 10] MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Sections 75-24-51 to 775-44424-63]. MISSOURI [Rev. Stat. Sections 407.400-JQ_407.410], NEBRASKA [Rev. Stat. Sections 87-401-j2_87-410], NEW JERSEY [Rev. Stat. Sections 56:10-1 to 56:10-12], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code Section 13.1-557 to HI-574], WASHINGTON [Code Section 19.100.180], and WISCONSIN [Stat. Sections 135.01 and 135.07]. These and other states might have court decisions which supersede the franchise agreement in your relationship with us, including the areas of termination and renewal of your franchise.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
EARNINGS CLAIMS

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a Business franchise, except as stated below. Actual results vary from franchise to franchise and we cannot estimate the results of any particular franchisee. Substantiation of the data used in preparing these gross sales amounts is available upon your reasonable request.

Gross Receipts:

For the period January 1, 2004 through December 31, 2004, our gross sales totaled \$164,528.

Note 1: We have no defined territory, although the vast majority of our business comes from Northern Virginia, Montgomery County, Maryland, and Washington, D.C.

Note 2: One large client generated \$30,861 in sales during this period.

Note 3: These figures were generated by company-owned stores.

THE SUCCESS OF YOUR FRANCHISE WILL DEPEND LARGELY UPON YOUR INDIVIDUAL ABILITIES AND YOUR MARKETPLACE, AND THE FINANCIAL RESULTS OF YOUR FRANCHISE ARE LIKELY TO DIFFER, POSSIBLY SIGNIFICANTLY, FROM THE RESULTS OF THE ABOVE BUSINESS. FURTHER, WE DO NOT REPRESENT, WARRANT OR OTHERWISE GUARANTEE THAT ANY FRANCHISEE WILL ATTAIN THESE SALES FIGURES. A NEW FRANCHISEE'S INDIVIDUAL FRANCHISE RESULTS ARE LIKELY TO DIFFER FROM THE RESULTS STATED ABOVE.

The gross sales figures set forth in this statement have not been audited by us. **The figures used in this statement are gross sales figures only. Net income will vary from franchise to franchise depending upon such factors as rental or real estate costs, costs of goods sold, labor costs and other costs relating to the operation of the franchise.**

This Business offered substantially the same products and services to the public as any other Franchised Business.

THESE GROSS SALES ARE OF SPECIFIC CLUTTERBUSTERS BUSINESS AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR PROBABLE SALES THAT WILL BE REALIZED BY ANY FRANCHISE OWNER. CLUTTERBUSTERS DOES NOT REPRESENT THAT ANY FRANCHISE OWNER CAN EXPECT TO ATTAIN SUCH GROSS SALES. YOUR RESULTS WILL VARY AND SUCH VARIANCES MAY BE MATERIAL AND ADVERSE TO THE SALES SHOWN HERE. WE DO NOT REPRESENT THAT YOU WILL GENERATE SALES EQUAL TO OR EVEN SIMILAR TO THOSE STATED ABOVE. YOU SHOULD USE THE ABOVE INFORMATION ONLY AS A REFERENCE IN CONDUCTING YOUR OWN ANALYSIS. WE STRONGLY URGE YOU TO CONSULT WITH YOUR FINANCIAL ADVISOR OR PERSONAL ACCOUNTANT CONCERNING FINANCIAL ANALYSIS THAT YOU SHOULD MAKE IN DETERMINING WHETHER OR NOT TO PURCHASE A CLUTTERBUSTERS FRANCHISE. WE SPECIFICALLY INSTRUCT OUR SALES PERSONNEL, AGENTS, EMPLOYEES AND OFFICERS THAT THEY MAY NOT MAKE ANY CLAIMS OR STATEMENTS AS TO EARNINGS, SALES OR PROFITS, OR PROSPECTS OR CHANCES OF SUCCESS OF A CLUTTERBUSTERS FRANCHISE OTHER THAN WHAT IS STATED IN THIS ITEM 19. THEY ARE NOT AUTHORIZED TO REPRESENT OR ESTIMATE DOLLAR FIGURES AS TO A FRANCHISE'S OPERATION OTHER THAN WHAT IS SHOWN ABOVE. EXCEPT AS PROVIDED BY APPLICABLE LAW, WE WILL NOT BE BOUND BY ALLEGATIONS OF ANY UNAUTHORIZED REPRESENTATION AS TO EARNINGS, SALES, PROFITS, OR PROSPECTS OR CHANCES FOR SUCCESS, AND YOU WILL BE REQUIRED TO ACKNOWLEDGE THAT YOU HAVE NOT RELIED ON ANY SUCH REPRESENTATION IN PURCHASING YOUR CLUTTERBUSTERS FRANCHISE.

SUBSTANTIATION OF THE DATA USED IN PREPARING THESE SALES FIGURES WILL BE MADE AVAILABLE TO YOU UPON REASONABLE REQUEST. THE INFORMATION PRESENTED ABOVE HAS NOT BEEN AUDITED.

**ITEM 20
LIST OF OUTLETS**

**SYSTEMWIDE FRANCHISED BUSINESS STATUS
SUMMARY FOR YEARS ENDING DECEMBER 31, 2002/2003/2004**

State	Transfer	Cancelled or Terminated	Not Renewed	Reacquired By Franchisor	Otherwise Left the System	Total From Left Columns (1)	Franchises Operating at Year End
Alabama	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Alaska	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Arizona	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Arkansas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
California	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Colorado	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Connecticut	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Delaware	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
District of Columbia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Florida	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Georgia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Hawaii	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Idaho	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Illinois	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Indiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Iowa	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Kansas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Kentucky	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Louisiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Maine	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Maryland	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Massachusetts	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Michigan	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Minnesota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Mississippi	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Missouri	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Montana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Nebraska	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Nevada	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
New Hampshire	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
New Jersey	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
New Mexico	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
New York	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
North Carolina	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
North Dakota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Ohio	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Oklahoma	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Oregon	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Pennsylvania	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Rhode Island	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0

State	Transfer	Cancelled or Terminated	Not Renewed	Reacquired By Franchisor	Otherwise Left the System	Total From Left Columns (1)	Franchises Operating at Year End
South Carolina	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
South Dakota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Tennessee	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Texas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Utah	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Vermont	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Virginia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Washington	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
West Virginia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Wisconsin	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
Wyoming	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
TOTAL	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0

1. Note: Year end is December 31.

**STATUS OF COMPANY OWNED LOCATIONS
FOR YEARS ENDED DECEMBER 31, 2002/2003/2004**

STATE	LOCATIONS CLOSED DURING YEAR	LOCATIONS OPEN DURING YEAR	TOTAL LOCATIONS OPERATING AT YEAR END
Maryland*	0/0/0	1/1/1	1/1/1
Georgia*	0/0/0	0/0/1	0/0/1
Totals	0/0/0	1/1/2	1/1/2

*This is the location that is owned by our Predecessor.

PROJECTED OPENINGS THROUGH DECEMBER 31, 2005

State	Franchise Agreements Signed But Business Not Open	Projected Franchised New Business In The Next Fiscal Year	Projected Company Owned Openings In Next Fiscal Year (1)
Alabama	0	0	0
Alaska	0	0	0
Arizona	0	0	0
Arkansas	0	0	0
California	0	0	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
District of Columbia	0	0	0
Florida	0	0	0
Georgia	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0

State	Franchise Agreements Signed But Business Not Open	Projected Franchised New Business In The Next Fiscal Year	Projected Company Owned Openings In Next Fiscal Year (1)
Iowa	0	0	0
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	0	2	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	0	0
New Mexico	0	0	0
New York	0	0	0
North Carolina	0	0	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	2	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	2	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
TOTAL	0	6	0

Note: It is anticipated there will be no company-owned units established in this calendar year.

A list of the names of all franchisees and the addresses and telephones numbers of their Businesses will be provided in Exhibit E to this Offering Circular when applicable.

The name and last known home address and telephone number of every franchisee who has had a unit terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business

under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of our application date will be listed on Exhibit F when applicable.

ITEM 21
FINANCIAL STATEMENTS

Exhibit D contains our audited financial statements for the period ending August 31, 2005.

Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following agreements are exhibits:

Franchise Agreement - Exhibit C

ITEM 23
RECEIPTS

Our and your copies of the Uniform Franchise Offering Circular Receipt are located at the last 2 pages of this offering circular.