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Department of Corporations  
Los Angeles



Welcome to the Simple Office™

**FRANCHISE OFFERING CIRCULAR**

**INDIVIDUAL FRANCHISE**

CONCERTO NETWORKS, INC.  
A California Corporation  
610 West Ash Street, Suite 1501  
San Diego, CA 92101  
Tel: (619) 501-4530  
Fax: (619) 501-4531  
Corporate Toll-free: 866-551-4007

1-866-ITCONCERTO  
[www.concertonetworks.com](http://www.concertonetworks.com)

SU.FOC.040706

**CONCERTO NETWORKS, INC.**

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

To protect you, we've required your franchisor to give you this information. We have not 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 your entire 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



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Concerto Networks, Inc. ("CNI") offers franchises for the operation of businesses offering mobile, onsite and on-demand IT (Information Technology) business services and computer network technology solutions to small to medium-sized offices and home offices under the name "Concerto Networks".

The total initial fees for an individual Concerto Networks franchise range from \$34,250 to \$38,900, made up of an initial franchise fee of \$21,000, an individual training fee of \$4,800 and \$8,450-\$13,100 for the mobile and home-based office, Point of Sale (POS) equipment, licensed software tools, initial marketing start up and marketing supplies. When your application is accepted and approved by Concerto Networks, the franchise fee, training fee and \$8,450-\$13,100 for the mobile and home-based office, Point of Sale (POS) equipment, licensed software tools and initial marketing start up and marketing supplies are due at signing of the franchise agreement and payable in a lump sum to Concerto Networks Inc. The mobile and home-based office, Point of Sale (POS) equipment, licensed software tools and marketing supplies may require custom configuration, special ordering and delivery, special handling and/or custom design which may be subject to 4-8 weeks lead time delivery. The estimated initial investment to start up an individual Concerto Networks franchise business is between \$52,100 and \$61,200 (Please refer to Item 7). These figures are estimates only and it is possible to exceed these estimated costs.

**RISK FACTORS:**

1. THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS, EXCLUDING ANY CLAIM CONCERNING CONFIDENTIAL INFORMATION OR THE MARKS, BE SETTLED BY ARBITRATION IN SAN DIEGO COUNTY, CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE IN CALIFORNIA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF CONCERTO NETWORKS INC'S HOME STATE 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. IF YOU AGREE TO THE ROYALTY OPTION (A) PLAN, YOU MUST PAY A MINIMUM ROYALTY OF \$1,800 PER YEAR WHETHER OR NOT YOU GENERATE ANY REVENUE COMMENCING 90 DAYS AFTER YOU SUCCESSFULLY COMPLETE TO OUR SATISFACTION OUR INITIAL TRAINING PROGRAM.
4. YOU MUST PAY AT SIGNING OF THE FRANCHISE AGREEMENT, NON-REFUNDABLE FEES WHICH INCLUDE: YOUR FRANCHISE FEE, TRAINING FEE AND ADDITIONAL FEES FOR THE MOBILE AND HOME-BASED OFFICE, POINT OF SALE (POS) EQUIPMENT, LICENSED SOFTWARE TOOLS AND CUSTOM MARKETING START UP AND SUPPLIES, PAYABLE IN A LUMP SUM TO CONCERTO NETWORKS INC.
5. CONCERTO NETWORK INC. IS NOT OBLIGATED TO PROVIDE YOUR BUSINESS WITH A CUSTOMER BASE. CONCERTO NETWORK INC. IS NOT OBLIGATED TO PROVIDE YOUR BUSINESS WITH EMPLOYEES OR SUBCONTRACTORS. YOU MUST REVIEW, SIGN AND ACKNOWLEDGE EXHIBIT G-2 (RISK FACTORS ASSOCIATED WITH THE PURCHASE OF A CONCERTO NETWORKS® FRANCHISE)
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing franchisors is available. Call the state administrators listed in Exhibit C or your public library for sources of 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 state administrators listed in Exhibit C.

Even though the Franchisee agreement provides that "Home State" law applies, local law may supercede it in your state. Please refer to Item 17 of this Offering Circular for details.

<b>Registered State:</b>	<b>Effective Date:</b>
California	April 20, 2005
Hawaii	May 2, 2005
Illinois	December 16, 2005
Indiana	August 4, 2005
Maryland	June 16, 2005
Michigan	December 16, 2005
Minnesota	May 11, 2005
New York	July 18, 2005
North Dakota	(Renewal Pending)
Oregon	April 1, 2006
Rhode Island	April 30, 2005
South Dakota	April 30, 2005
Virginia	(Renewal Pending)
Washington	(Renewal Pending)
Wisconsin	July 1, 2005
Other NA States	April 1, 2006

**Notice to residents of the State of Hawaii**

THESE FRANCHISES WILL BE / HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE HAWAII COMMISSIONER OF SECURITIES, OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE HAWAII COMMISSIONER OF SECURITIES, OF THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.