

ITEM 1

THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Offering Circular, "We," "Us" or "Our" means Decor & You, Inc., the Franchisor. "You" means the person who is awarded the Unit or Regional Franchise. If the franchisee is a corporation, partnership, LLC or other entity, "you" includes the franchisee's owners, stockholders or partners.

The Franchisor and Its Predecessors and Affiliates. We are a Delaware Corporation incorporated January 26, 1998, and do business under the "Decor & You®" name. We do not do business under any other name. We maintain a principal address at 900 Main Street South, Building No. 2, Southbury, Connecticut 06488, Telephone (203) 264-3500.

We have no predecessors or affiliates.

Karen Powell our President, Chairman and CEO, is the co-founder and CEO of Decor and More, Inc. Josie Cicerale, our Vice President, COO and Director is the co-founder and Director of Decor and More, Inc. Decor and More, Inc. is located at the same address as we, and provides similar, but not the same services as we do. It has not previously engaged in franchising, nor will it in the future, offer franchises in any line of businesses.

The background of both persons is described in Item 2 of this Offering Circular.

Our agent for service of process in your state is disclosed in Exhibit "B" captioned "AGENT".

The Franchisor's Business. We offer and award Decor & You® "Decor Designer" single unit and Regional Franchises to third parties. We may also operate such franchises, but do not do so at present.

We are not engaged in any other business.

The DECOR & YOU® Decor Designer Unit Franchise. The Unit Franchise allows the franchisee to operate from a single location within a defined territory a business which provides the following services delivered principally through our Decor Vehicle: draperies, fabric, furniture, drapery hardware, interior decorating services, installation services, decorative shades, wallpaper, carpet, and all other related home furnishings merchandise, services and labor. The typical customer will be an adult person seeking decorating services and products for their home or office. As a DECOR & YOU® franchisee, you will have to compete with both independent, franchised businesses and other chain decorating operations businesses. The business is mature and year round.

The DECOR & YOU® Regional Franchise. The Regional Franchise is a service business whereby the Regional Director franchisee is responsible for marketing the DECOR & YOU® Decor Designer Unit Franchise in a defined market area (the "Territory") and providing support services to, and maintaining quality control over, the unit franchisees. The Regional Director franchisee will make proper disclosures under state and federal franchise laws, assist in pre-opening operations and training and furnish ongoing support. We will prepare your Franchise Offering Circular. We will also register/renew your Offering Circular in the states that require it. The Regional Franchise also includes two unit franchises, which the Regional Director must operate, opening unit 1 within three months of completing Part 1 training and unit 2 within six months of completing Part 1 training. A unit franchise agreement must be executed for each franchise concurrently with the execution of the Regional Franchise Agreement, a territory shall be defined in each unit franchise agreement and the franchisee must comply with all of the requirements of that agreement. The Regional and Unit businesses must be operated separately, each with its own accounting. As a DECOR & YOU® Regional Director franchisee, you will have to compete with both independent, franchised and other chain operators of decorating businesses, as well as other persons or entities offering franchises to

the general public. The typical customer will be an adult person seeking to purchase a franchise. The business is mature and year round.

Both the Unit Franchise Agreement and the Regional Franchise Agreement (both "Agreement") give you the right to operate the businesses (the "Franchised Business") under the "Decor & You®" name and service mark and other names, trademarks and service marks designated by us from time to time (all of which are referred to as "Service Marks"). You must operate in accordance with the standards and procedures designated by us (the "System" which term also includes all DECOR & YOU® Franchised Businesses) within a specified or defined area (the "Territory").

In addition to laws and regulations that apply to businesses generally, the Franchised Business is subject to federal, state and local occupational health and safety regulations, as well as licensing requirements for operation of Decor Vehicles, and businesses engaged in the offer and sale of franchises. You should also be aware of federal, state and local labor regulations, including commercial vehicle parking, minimum wage laws, bonding and other requirements, which may vary from place to place. We are responsible for registering and renewing the franchise offering in the states that require this at our sole expense.

Prior Business Experience of Franchisor and its Predecessor.

We have never engaged in any business other than operating a business similar to the Franchised Business.

We began offering and awarding Decor & You® franchises in 1998. Except as mentioned above with respect to our affiliate, Decor and More, Inc., we have never engaged in or offered franchises in, any other line of business.

Item 2

BUSINESS EXPERIENCE

Karen Powell, CEO, President and Chairperson of the Board of Directors

Ms. Powell has been CEO, our Chairperson and President since January 1998. From March 1994 to the present, she is also Co-founder and CEO of Decor and More, Inc., previously discussed. From 1984 to February 1994, she served in various positions with WLC Industries, d/b/a TransDesigns, Woodstock, GA, an interior decorating and design firm.

Josie Cicerale, COO, Vice President and Director

Ms. Cicerale has been COO, Vice President and Director since January 1998. From March 1994 to the present, she is also COO and co-founder of Decor and More, Inc. Prior thereto, from 1982 to February 1994, she served in various positions with WLC Industries, d/b/a TransDesigns, Woodstock, GA, an interior decorating and design firm.

Kristina D. Gumbulevich, Franchise Director

Ms. Kristina D. Gumbulevich is our Franchise Director (but not a corporate director), a position she has held since November 2001. Ms. Gumbulevich was formerly president of Southbury Training Associates, LLC of Southbury, Connecticut, a position she held from April 1999, through November 2001.

Shirley Warrington, Franchise Director

Ms. Shirley Warrington is our Franchise Director (but not a corporate director) a position she has held since July 2003. From before 1998 through June 2003, Ms. Warrington was marketing coordinator then Franchise Development Manager for Pro Forma, Cleveland, Ohio.

Paul Pieschel, Vice President, Franchise Development

Mr. Pieschel is our Vice President for Franchise Development and he's held this position since September, 2004. Mr. Pieschel was Vice President for Franchise Development for TES Franchising, LLC of Southbury, Connecticut, from July 2001 through August 2004. From 1983, through July 2002, Mr. Pieschel was employed by Moto Photo, Inc. of Dayton, Ohio, first as a Regional Developer and then as Senior V.P. of Franchise Development. From 1976 through 1983, Mr. Pieschel was the Director of Industrial Relations and then V.P. of Human Resources for Progressive Industries Corp., the major shareholder of Moto Photo, Inc.

Sub-franchisors and Franchise Brokers

We may offer Decor Designer Unit Franchises in certain parts of the U. S. through "Regional Franchises" as described in this Offering Circular. Regional Franchises act as exclusive recruiters for our Unit Franchise prospects. They also provide certain ongoing support services to those franchisees pursuant to their Agreement. We and the Regional Franchises share fees and monetary payments payable to Us.

A list of the names, addresses and telephone numbers of the Unit and Regional Franchises are in Exhibits "Owners" and "Regional," respectively, which are attached to this Offering Circular.

Except as in Exhibit "Brokers" there are no other Franchise Brokers.

Item 3

LITIGATION

In a civil action entitled Decor & You, Inc. v. Jill Metzler Weise (CV-05-4006569-S, State of Connecticut Superior Court for the Judicial District of New Haven, an action was filed on January 21, 2005, by Decor and You, Inc. against Jill Metzler Weise, our former franchisee in Durham, NC, claiming violation of her franchisee agreement. We are claiming that Weise has failed to comply with her obligations under the contract to operate the business, has violated the restrictive covenant against competition and has violated the Connecticut Unfair Trade Practices Act and the Connecticut Uniform Trade Secrets Act by engaging in competition with us and wrongfully appropriating our confidential and proprietary intellectual property. We further claim that Weise fraudulently misrepresented her intention and actions to us. We're seeking compensatory damages, punitive damages and attorneys' fees.

Other than the above, no litigation is required to be disclosed in this Offering Circular.

Item 4

BANKRUPTCY

No person previously identified in Items 1 or 2 of this Offering Circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed under this Item.

Item 5

INITIAL FRANCHISE FEE

In the State of Maryland, the franchise fee must be paid by franchisee to franchisor in certified funds once franchisor has fulfilled its preopening obligations to franchisee. This deferral not only applies to the franchise fee, but also to any other payment due to the franchisor before the business opens. You will draw a check payable to our attorney's client's trust fund account and our attorney will hold the funds until we fulfill the Maryland deferral requirements.

The Decor Designer Unit Franchise. The initial franchise fee ("IFF") for a DECOR & YOU® Unit franchise is \$17,000. It is calculated on a uniform basis for all franchisees. If you choose to acquire up to 3 additional units, you must elect to do so at the time you sign this Agreement. Your initial franchise fee will be \$23,000 for two units; \$29,000 for three units; \$35,000 for 4 units. If at any time during the term of your Agreement you choose to operate multiple DECOR & YOU® Unit franchises the IFF in existence for then current Agreements will be lowered by half (1/2). You must sign the then current Agreement for each subsequent franchise opened. If you choose to own and operate a Regional Franchise after being awarded a Unit Franchise, your then current Regional IFF will be reduced by the amount of the unit IFF initially paid for the initial base unit.

The Regional Franchise. The IFF for a DECOR & YOU® Regional Franchise is based upon a formula of 28.85¢ per target home, with a target home being defined as a household with an annual income of \$50,000 or above within the proposed Regional Franchise territory based on the most current federal census figures. The minimum territory is 260,000 target homes but could range to over 780,000 target homes. The IFF will thus range from \$75,000 to over \$225,000.

The IFF for both Unit and Regional Franchises is payable when you sign the Agreement. We do not provide financing of the IFF. The IFF is not refundable unless we reject you after initial training, in which case we may, in certain circumstances, refund up to 70% of your IFF.

Start-up Support Package. All Franchisees shall pay Us the sum of \$2,500 for a start-up support package of services, namely, initial public relations program, set-up of DecorNet™ space (our intranet), web access training, e-mail marketing program set-up, first-year conference registration fee and travel reimbursement during our initial three-month service program with you. This amount is not refundable for any reason.

Item 6

Other Fees

All of the fees listed below are imposed by and payable to Us. All fees are nonrefundable.

The Decor Designer Unit Franchise

NAME OF FEE	AMOUNT	DUE DATE/COMMENTS
Royalty (Continuing Service Fee)	10% (weekly minimum reconciled against minimum monthly; see note 1 below)	Weekly, based upon previous week's Gross Receipts (see note 1 below)

NAME OF FEE	AMOUNT	DUE DATE/COMMENTS
Marketing and Advertising	3%	Weekly, based upon previous week's Gross Receipts
Late Charges	1.5% per month; 18% annualized	After 10 days late
Additional Training	Up to \$1000 per day plus travel expenses	1 week before training, upon your request (Additional training is separate from regularly scheduled training classes for new franchisees).
Additional On-site assistance	\$250 per day	1 week before service; charged only if extraordinary assistance required.
Transfer & Training of Transferee	\$6,500	At closing; covers our legal and professional fees
Renewal	10% of our then current franchise fee	Upon execution of renewal and signing of then current form of franchise agreement
Audit	Out of pocket costs for professionals, including fees	Upon invoice
Technology Charges	Not applicable as of the effective date of this Offering	Following thirty days notice from US to You

The Regional Franchise

NAME OF FEE	AMOUNT	DUE DATE/COMMENTS
Marketing and Advertising Fund Fee (1)	\$500 per month (see note 2)	Within the first week of each month. Only used for development of marketing materials and recruiting unit franchisees and advertising.
Late Charges	1.5% per month	As invoiced. Imposed if 30 days past due.
Additional Training	Up to \$1000 per day plus travel expenses	7 days prior to training. If you require or request extraordinary training or for additional persons (Additional training is separate from regularly scheduled training classes for new franchisees).
Additional On-site assistance	\$250 per day	7 days prior to visit. If you require or request extraordinary services.
Transfer & Training of Transferee	10% of then current IFF	At closing
Renewal	10% of then current IFF	At closing
Audit	Cost of professionals	Upon invoice. Includes all out of pocket expenses.

Regional Franchise Share of Revenue

REVENUE ITEM	SHARE TO REGIONAL FRANCHISEE	DUE DATE/COMMENTS
Initial Franchise Fee (IFF)	50% of Net IFF	Paid to within 10 business days of Our acceptance of a proposed Unit Franchise.
Continuing Service Fee (CSF)	50% of Net CSF	Paid monthly on or before the 25 th day of each subsequent month

		based on actual receipts.
Renewal Fees	None.	You do not participate in renewal fees.

Footnotes:

- "Gross Receipts" shall include and mean all forms of revenue which Decor & You® Unit franchisees receive while conducting the Unit franchised business. These receipts may take the form of cash, check, credit, charge account or exchange. Gross Receipts will include money or credit which they receive from the sale of merchandise, from services which they or others may provide from the unit or for any other service or product for which they charge separately. Gross Receipts shall include personal purchases by Unit franchisees. Gross Receipts will not include the sale of merchandise for which refunds have been made in good faith to customers or from any form of tax imposed by a governmental authority which is collected by a Unit franchise and actually paid to such governmental authority. Gross Receipts will not include shipping costs, handling and installation charges that are third-party charges, appropriately documented and reasonable in our sole opinion. The minimum Continuing Service Fee shall be \$100 per week during the Year 0 and Year 1 of your Franchise Agreement, \$150 per week during the Year 2 of your Franchise Agreement, \$190 per week during the Year 3 of the term of your Franchise Agreement and \$240 per week during the remaining years of your Franchise Agreement. Year 0 means the point from the day you complete Part 1 training and 12/31 of that year.
- The Regional Franchisee must pay a Marketing and Advertising Fund Fee, which is subject to change as We may determine from time to time. The Regional Director is also required to expend a minimum of \$18,000 per year for regional advertising for unit franchise prospects. We will, during your initial year of operations, reimburse to you out of Regional Director Marketing and Advertising Fund up to \$4,000 for amounts spent greater than \$22,000 up to \$26,000 for regional advertising for unit franchise prospects. We will require proof of expenditure and proof of advertising within 120 days of the end of your initial year of operations. We do not represent nor guarantee that this required amount will be sufficient to achieve your minimum performance standards. In addition, when in our sole opinion, there are a sufficient number of Regional Franchises to advertise for prospective unit franchisees on a national or multi-unit level, you must contribute on pro-rata basis to an advertising cooperative which we will create for that purpose (Agreement, Articles 1.06 and 8).

Item 7

Franchisee's Initial Investment

The Decor Designer Unit Franchise

Name	Amount (Low in \$US)	Amount (High in \$US)	Payment Method	When Due	To Whom Made.
Initial Franchise Fee (1)	17000	35000	Lump Sum	At Signing of Agreement (non-refundable)	Us
Travel and living expenses while training (2)	2500	4000	As Incurred	During Training (non-refundable)	Airlines, Hotels, Restaurants
Samples and Supplies (3)	5000	6500	By check or credit card	Prior to Part 1 Training (non-refundable)	Vendors

<i>Name</i>	<i>Amount (Low in \$US)</i>	<i>Amount (High in \$US)</i>	<i>Payment Method</i>	<i>When Due</i>	<i>To Whom Made</i>
Equipment and Furnishings and Lease Deposits(4)	3500	3500	As Incurred	Prior to Opening (non-refundable)	Vendors
Computer Hardware and Software (5)	4200	5000	As Incurred	As Incurred (non-refundable)	Designated Source
Marketing Package (6)	1250	1750	As Incurred	Prior to Opening (non-refundable)	Designated Source
Insurance Deposits (7)	350	700	As incurred	Prior to Opening (non-refundable)	Vendors
License and registrations	100	200	As Incurred	As Incurred (non-refundable)	Vendors
Dedicated phone line/yellow page listing	300	500	As Incurred	Prior to opening (non-refundable)	Vendors
Start-up Support Package	2500	2500	Lump sum	At execution of Franchise Agreement (non-refundable)	Us (See Item 5)
Grand opening costs (8)	750	1200	As incurred	Prior to Opening (non-refundable)	Media, Printers, Caterers, etc.
Additional funds-6 months (9)	10000	15000	As Incurred	As Incurred (non-refundable)	Suppliers, Deposits, Utilities, Professionals, etc.
Real Estate and Improvements	0	0			
TOTAL (10)	47450	75850			

Footnotes

1. The initial franchise fee can range to up to \$35,000, depending upon the number of units elected at the time of signing of the Agreement. Therefore, the total cost range will increase by the number of units. However, because we do not require a site nor another Decor Vehicle, or more equipment or software to service these units, the other costs are very difficult, if not impossible to ascertain. See Item 5 of this circular for the conditions when this fee is partly refundable. We do not finance any portion of the IFF.

2. You must pay your own entire out of pocket expenses while training during each of the two (2) training sessions.

3. Includes such items as catalogs for furniture, lighting, bedding, artwork mats, frame samples, fabric samples, rugs, wall coverings books/samples, window coverings books/samples. Please note that the range quoted is for the minimum amounts of supplies and samples you need to open; you have the option to purchase more than these minimums, consequently increasing your initial investment in these items. Please note that the items listed above must be purchased from approved suppliers or pursuant to our specifications.

4. Includes lease deposits for color fax machine, flat bed color copier, computer, color printer, high-speed modem, desk, chair, bookcase, file cabinet, worktable, fabric hanging wall unit and deposit on Decor Vehicle (white, black or silver).

5. Minimum Tablet Requirements

- 2 GHz Pentium Processor
- 1 Gig of RAM
- 60 Gig Hard Drive
- LAN & Wireless 802.11 b/g Adapter
- CD/CDR/DVD Optical Drive
- Win XP Edition Operating System
- Carrying Case

Software Requirements

- Microsoft Office 2003 Small Business Edition (Word, Excel, PowerPoint & Outlook)
- Adobe Photoshop Elements Version 3.0
- Quickbooks Pro 2005

Hardware Requirements

- USB Headset with Microphone (suggest Plantronics)

6. Includes such items as your business cards, brochures, letterheads, and the like (see ex. B to franchise agreement).

7. Franchisee must provide proof of insurance prior to the start of any training.

8. Includes media ads, catering costs etc., for a small party.

9. This estimates your first six months start up expenses, and includes possible payroll, advertising, Decor Vehicle, other travel, entertainment, minimum royalty payments, minimum advertising payments, and other overhead costs. The range is dependent upon the size and type of unit operated. The expenses are estimates only; we cannot guarantee that you will not have additional expenses starting the business. The costs will depend upon such factors as: how much you follow our methods and procedures; your management skills, experience and business acumen; the prevailing wage rate; local economic conditions; the local Market for our products and services; competition; the weather; and the sales levels reached during the initial three month period. You should separately budget living expenses for the first 6 months.

10. We have relied upon our management's combined experience in the decorating business to compile these estimates. You should review these figures carefully with a business advisor before making any decision.

The Regional Franchise

Name	Amount (Low in \$US)	Amount (High in \$US)	Payment Method	When Due	To Whom Made
Initial Franchise Fee (1)	75000	75000	Lump Sum	At Signing of Agreement	DECOR & YOU®
Real Estate Rental Deposits (2)	8000	11000	Lump Sum	As Incurred	Landlord
Travel and living expenses while training (3)	2500	4000	As Incurred	During Training	Airlines, Hotels, Restaurants
Equipment and	3500	3500	As Incurred	Prior to Opening	Vendors

Name	Amount (Low in \$US)	Amount (High in \$US)	Payment Method	When Due	To Whom Made
Furnishings(4)					
Computer Hardware and Software (5)	4000	4000	As Incurred	Prior to Opening	Designated Source
Insurance (6)	350	700	As Incurred	Prior to Opening	Vendors
Supplies and Samples	6500	10000	As Incurred	Prior to Opening	Vendors
Marketing and Advertising Minimum (6 months)	9000	9000	As Incurred	Includes 3 mailings during initial 90 days and 6 months of annual minimum payments	Advertisers
Start-up Support Package	2500	2500	Lump sum	At execution of Franchise Agreement	Us (See Item 5); this is a one-time payment and only one package is required for Regional and Unit franchises.
Marketing Package (7)	1500	2000	As Incurred	Prior to Opening	Designated Source
Regional Director Ad Fund Minimums (6 months)	3000	3000	As per Agreement	As per Agreement	Us
Dedicated phone line/yellow page listing	300	500	As Incurred	Prior to opening (non-refundable)	Vendors
Grand opening costs (8)	1000	1500	As incurred	One Month after Opening	Media, Printers, Caterers, etc.
Additional funds-6 months (9)	15000	20000	As Incurred	As Incurred	Suppliers, Deposits, Utilities, Professionals, etc.
TOTAL (10)	132150	146700			

Footnotes:

1. The Regional Franchise fee is based upon a formula of 28.85 cents per target home; a target home being defined as a household with an annual income of \$50,000 or above using the most current federal census figures. The minimum area is 260,000 target homes. See Item 5 for the conditions when this fee is partly refundable. We do not finance any portion of the IFF.

2. You must lease an office with conference room access for the purpose of meeting prospects and unit franchisees. Its size should comfortably support two decorators with their samples (approximately 700 to 1000 square feet). Rent is estimated at between 12,000 and 18,000 per year, depending upon your location.

3. You must pay all of your own out of pocket expenses while training during each of three (3) training sessions (2 Unit Training Sessions and 2 Regional Training Sessions; see Item 11 below).

4. Includes a color fax machine, flat bed color copier, computer, color printer, office furnishings, phone equipment and high-speed modem.

5. Minimum Desktop Requirements

- 2 GHz Pentium Processor
- 1 Gig of RAM
- 60 Gig Hard Drive
- LAN & Wireless 802.11 b/g Adapter
- CD/CDR/DVD Optical Drive
- Win XP Operating System

Software Requirements

- Microsoft Office 2003 Small Business Edition (Word, Excel, PowerPoint & Outlook)
- Adobe Photoshop Elements Version 3.0
- Quickbooks Pro 2005

Hardware Requirements

- USB Headset with Microphone (suggest Plantronics)

6. Deposits on required insurance; rates will vary by locality. Franchisee must provide proof of insurance prior to the start of any training.

7. Includes such items as your business cards, brochures, letterheads, and the like (see ex. B to franchise agreement).

8. Includes media ads, catering costs etc., for a small office party.

9. This estimates your first six months start up expenses, and includes possible payroll, rent and other overhead costs. The range is dependent upon the size and type of Region operated. The expenses are estimates only; we cannot guarantee that you will not have additional expenses starting the business. The costs will depend upon such factors as: how much you follow our methods and procedures; your management skills, experience and business acumen; the prevailing wage rate; local economic conditions; the local Market for our products and services; competition; the weather; and the sales levels reached during the initial three month period.

10. We have relied upon our management's combined experience in the business to compile these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. All other expenses set forth above will apply to each franchised location.

Item 8

Restrictions on Sources of Products and Services

Under the terms of your Agreement, you are required to equip your office with computers, various required software, color copier, fax machines, Decor & You® sales, and promotional materials and the like. We are the exclusive supplier of Decor & You® sales, promotional or Decor & You® Marketing materials. You are not required to purchase anything else from us. We have lists of approved suppliers for everything else. If you use other suppliers, we must approve them in writing. The portion of what you are required to purchase or lease to operate the Franchised Business relative to everything you need to operate the Franchised Business is one hundred (100%) percent. Neither we nor any affiliate of ours derives income from your required purchases

Among the purposes of these requirements are: (1) to ensure that the Decor & You® Service Mark and the national recognition and goodwill associated with it are maximized for everyone's benefit; (2) to ensure that the goodwill associated with the service mark(s) is not harmed by inconsistent or inferior public offerings; (3) to provide consistent and reliable sources of supply of Decor & You® products to you.

We derive \$2,500 in revenue (see Item 5 above) from your purchase of the Start-up Support Package from us.

The cost to you from required purchase's of samples, supplies, equipment, furnishings, computer hardware and software, dedicated phone line, yellow page listing, start-up support package and marketing package (see exhibit B in the Franchise Agreement) to establish your Franchised Business ranges from \$16,750 - \$19,750 for a unit franchise to \$18,300 - \$22,500 for an regional franchise, depending upon whether the equipment is leased or purchased, whether new or used and with how much equipment and inventory you start.

We have no required specifications or designated suppliers for goods, services or real estate relating to your Franchised Business except that it has the right to approve your site, and oversee the use of the service mark.

Specifications for the use of the service mark are contained in the Operations Manual. You must get our prior written approval before using the service mark on any products, promotional and advertising materials, services, broadcast or printed materials if these are not purchased from us. You must submit to us a written request for approval together with an exact copy of the proposed material containing the service mark (or have your supplier furnish this to us). We will respond in no more than 10 working days with our approval or disapproval, including the reasons for any disapproval.

We require that a unit level franchisee operate out of their home or a specified site approved in advance by us.

We do require that a Regional Franchisee operate out of an office acceptable to us in accordance with specifications contained in the Regional Operations Manual.

We derive no income from site improvements.

We do not receive payments from suppliers because of transactions with you. On a case-by-case basis we may negotiate purchase arrangements with suppliers for your benefit.

We consider a variety of factors when determining whether to renew or grant additional franchises. Among the factors is compliance with the requirements described above.

Item 9

Franchisee's Obligations

The Decor Designer Unit Franchise

OBLIGATION	SECTION IN AGREEMENT	ITEM IN OFFERING CIRCULAR
a. Site selection/ acquisition/lease	3.01	6 and 11
b. Pre-opening purchases/leases	10; 10.02	8

OBLIGATION	SECTION IN AGREEMENT	ITEM IN OFFERING CIRCULAR
c. Site development and other pre-opening requirements	N/A	
d. Initial and ongoing training	9.01-9.04	11
e. Opening	N/A	11
f. Fees	1.08; 1.09; 1.10., 1.13, 7.02; 7.03; 8.03	5, 6, and 7
g. Compliance with standards and policies/ Operations Manual	6.03; 10.01; 10.03; 10.09; 10.10; 10.11	11
h. Service marks and proprietary information	5 and 8	13 and 14
i. Restrictions on products and services offered	10.02	8 and 16
j. Warranty and customer service requirements	N/A	
k. Territorial development and sales quotas	2.04	12
l. Ongoing product/service purchases	N/A	8
m. Maintenance, appearance, remodeling requirements	10.01; 10.12	11
n. Insurance	10.05	7 and 11
o. Advertising	1.09-1.11; 8	6 and 11
p. Indemnification	10.18	
q. Owner's participation/ management/staffing	10.04; 16.08.	11 and 15
r. Records and reports	10.07	11
s. Inspections and audits	10.06; 10.07	11
t. Transfer	11	17
u. Renewal	4	17
v. Post-termination obligations	14 and 15	17
w. Non-competition covenants	15	17
x. Dispute resolution	16.06	17

The Regional Franchise

OBLIGATION	SECTION IN AGREEMENT	ITEM IN OFFERING CIRCULAR
a. Site selection/ acquisition/lease	6.01	6 and 11
b. Pre-opening purchases/leases	6.01	8
c. Site development and other pre-opening requirements	6.01	7 and 11
d. Initial and ongoing training	7.03-7.04	11
e. Opening	6.01	11
f. Fees	1.07; 1.10; 1.13; 4.01; 5.01; 5.02; 5.04; 6.06	5 and 6
g. Compliance with standards and policies/ Operations Manual	6.08	11
h. Service marks and proprietary information	2; 6.05	13 and 14
i. Restrictions on products and services offered	N/A	6 and 8
j. Warranty and customer service requirements	N/A	NA
k. Territorial development and sales quotas	1.04; 1.06; 6.11	NA
l. Ongoing product/service purchases	N/A	NA
m. Maintenance, appearance, remodeling requirements	6.01	11
n. Insurance	6.12	7 and 11
o. Advertising	1.10; 1.12; 8	6 and 11
p. Indemnification	6.13; 13.02	NA
q. Owner's participation/ management/staffing	6.01; 15.08	11 and 15
r. Records and reports	6.03, Exhibit C	11
s. Inspections and audits	N/A	11
t. Transfer	11	6, 17
u. Renewal	3.02	17
v. Post-termination obligations	10.04	17
w. Non-competition covenants	9	17
x. Dispute resolution	15.04; 15.05	17

Item 10

FINANCING

We do not offer any direct or indirect financing. We do not guarantee any lease, note or obligation for any Unit or Regional Franchise.

Item 11

FRANCHISOR'S OBLIGATIONS

The Decor Designer Unit Franchise

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

Pre-Opening Obligations.

Before you open your Franchised Business, we are obligated under the Agreement to make available to you, or assist you in obtaining, the following:

1. We will designate your exclusive Territory (Agreement, Article 2.02 and Exhibit A).
2. We will supply you with a list of start-up materials and equipment or specifications for you to purchase at your expense (Agreement, Article 9.04 and Exhibit B).
3. We will assist you with your preparations to open the Franchised Business (Agreement, Article 9.03 and 9.04).
4. We will lend you one copy of our Operations Manual for use during the term of the Agreement (Agreement, Article 9.03). The Table of Contents, the number of pages devoted to each subject and the total number of pages of the Operations Manual are set forth in Exhibit "OM" of this Offering Circular.
5. We will provide initial training for you in two (2) parts (separate sessions) at our headquarters in Southbury, CT (Agreement, Article 9.01). The subjects covered, the type of instructional material, and the hours of classroom and on the job training in the initial training program are described below:

Part 1 DAY/SUBJECT	INSTRUCTOR	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING (1)
Day 1 Welcome, Introduction, Design, System Overview, Sales, Business Management	Powell Cicerale	Manual Computer Videos, throughout	8.5	
Day 2 Business Management, Marketing, Design	Powell, Cicerale Vendor	Manual Computer Videos, throughout	8.5	
Day 3 Sales, Design, Product Knowledge	Vendor Powell Cicerale	Manual Computer Videos, throughout	8.5	

Part 1 DAY/SUBJECT	INSTRUCTOR	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING (1)
Day 4 Business Management, Sales, Design, Product knowledge	Vendor Powell Cicerale	Manual Computer Videos, throughout	8.5	
Day 5 Design and Product Knowledge	Vendor Powell Cicerale	Manual Computer Videos, throughout	8.5	
Day 6 Design, Business Management, Sales	Vendor Powell Cicerale	Manual Computer Videos, throughout	8.5	
Day 7 Business Management, Sales	Vendors Powell Cicerale	Manual Computer Videos, throughout	8	
Day 8 Sales, Design, Business management	Vendors Powell Cicerale	Manual Computer Videos, throughout	7	
Total			66	

Minimum Sales requirement of \$15,000 to attend Part 2—approximately 90 days after Part 1.

Part 2 DAY/SUBJECT	INSTRUCTOR	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING (1)
Day 1 Welcome, Introduction, Design, Sales, Product knowledge, Business Management	Powell Cicerale Vendor	Manual Computer Videos throughout	8.5	
Day 2 Design, Sales, Business management, System overview	Powell Cicerale	Manual Computer Videos throughout	8.5	
Day 3 Sales, Product Knowledge, design	Cicerale Powell Vendors	Manual Computer Videos, throughout	8.5	
Day 4 Product Knowledge, Design, Sales,	Vendors Powell Cicerale	Manual Computer Videos, throughout	8.5	
Total			34	

Footnote 1. There is no on the job training during the training sessions. The classroom training includes role-playing sessions. Unit franchisees will receive post-training ongoing assistance from

their Regional Director and/or Us if no region has yet been awarded. Regional Director Franchisees will receive post-training assistance from Us.

The experience of the instructors is as follows:

Karen Powell, CEO and Josie Cicerale, COO will be the lead training instructors. Their background and experience is described in Item 2 of this offering circular.

They will be assisted by persons who are active operations and administrative managers, as well as outside consultants and regional support staff, all of whom have industry or business management experience. In addition, we also expect to draw upon the substantial experience of our management, personnel from our various vendors', and occasionally from other franchisees.

Except as discussed below, all subjects are taught at one time during initial training classes during Part 1 and Part 2, which, depending upon the number of new franchise agreements executed, are held at various times during the year, at our headquarters in Southbury, CT. Part 1 training consists of 7 days generally Wednesday through Wednesday. Part 2 training is a 5 day program that takes place approximately 90 days after your completion of Part 1 training, but only after you've reported to Us \$15,000 in Gross Receipts from your operations. Part 2 training is generally Monday through Friday, including evenings.. There is evening self-study, too.

You must attend the initial training; both Part 1 and Part 2. You are responsible for your own meals, travel and lodging expenses. There is no charge for training materials. You must complete Part 1 training to our satisfaction before you can commence operations. You must begin operating your Franchised Business within 5 days of completion of Part 1 training (Agreement, Article 10.02(c)).

We will provide additional training, seminars and refresher courses during the term of your agreement, which will be mandatory unless otherwise specified but we will not charge a fee for same, except to reimburse us for food and meeting room costs and speakers/trainers. Your travel expenses to and from training will be at your own expense. We will offer advance training programs, depending on your level of experience, enhanced learning modules, teleconference classes, web classes, on-line classes and an annual conference to reinforce your mastery of the THE DECOR PLAN SYSTEM, design, sales, marketing, business management and products we offer as they relate to the residential and commercial markets in which you do business. Additional training is separate from regularly scheduled training classes for new franchisees.

[THE SPACE BELOW IS BLANK BY INTENTION]

Obligations After Opening.

During the operation of the Franchised Business, we will:

- a. Have a representative (regional director or franchise field consultant) visit you as close to your opening as possible, to provide you with opening assistance and refresher training, without charge to you. If the Region in which you are located has a Regional Franchise, the Regional Director will provide your opening assistance (Agreement, Article 9.02-9.04).
- b. Provide you access to continuing courses of training, seminars, refresher courses and conferences, at times and locations designated by us. You will be required to pay for your travel, meals and lodging (Agreement, Article 9.04). You are required to attend these additional and/or continuing training courses, seminars and conferences as they relate to new products, services and your level of mastery of our system, design, sales, marketing and business management. (Agreement, Article 9.04).
- c. Have a representative (regional director or franchise field consultant) visit and inspect your Franchised Business on a periodic basis (Agreement, Article 9.04).
- d. Provide you with bulletins concerning changes, improvements and new developments (Agreement, Article 9.04).
- e. Conduct research and development and disseminate this information to you (Agreement, Article 9.04).
- f. Provide you with marketing and technical assistance, and consultation and advice on supplier accounts, products and operating procedures (agreement, Article 9.04).
- g. Provide you with assistance by a variety of electronic means on an ongoing basis during normal business hours (Agreement, Article 9.04).

We do not provide any other supervision, service, assistance or advice during the term of the agreement.

Advertising

We provide advertising materials and services to you through a national marketing and advertising fund ("ad fund"). Materials provided by the ad fund to all franchisees include mats, brochures, marketing, print advertising and other point of sale materials (or camera-ready art for the foregoing).

In addition to your ad fund fee as in Item 6, you must spend a **minimum** of \$8000 per year (Agreement 1.10) for local advertising and \$750-\$1200 for your grand opening. These are the required minimums. We do not prohibit you from expending greater amounts on advertising if you wish to achieve greater results.

You must obtain our written approval before you use any advertising and promotional materials, signs, forms, fliers, business cards and stationery unless we have prepared or approved them during the 12 months before their proposed use. You may purchase these items from us if we have them available.

We do not currently provide placement of advertising on behalf of the entire System, although we reserve the right to use a portion of the ad fund for such purposes in the future. Most placement is done on a local basis, typically by local agencies hired by individual franchisees or a Regional franchisee cooperative.

We do not receive payment from the fund except that we may reimburse ourselves for reasonable out of pocket and administrative expenses (Agreement, Article 8). We do not use the fund to sell additional franchises. All franchisees contribute on the same basis.

We administer the fund. An annual unaudited financial statement of the fund we administer is available to any franchisee upon request.

We will require you to participate in a local advertising cooperative when there are three unit franchises operating in a market area where cooperative advertising makes economic and marketing sense. A copy of our form Cooperative Advertising Agreement is attached to this Offering as Exhibit K.

Required Equipment

We require you to use and purchase the following:

<i>Item</i>	<i>Description</i>
Color Fax, Flat Bed Color Copier, Scanner, and Color Printer	
Decor Vehicle	Mini-Van or SUV; color must be white, black or silver
Computer	See Footnote (1)
Cell Phone	
Merchant Credit Card installation	Equipped for electronic processing
Internet access with e-mail service	Not AOL or MSN; high-speed connection DSL or cable modem required
Digital camera with software	Camera 3 MP minimum. Adobe Photo Elements 2.0 or latest version
Headset with microphone for computer for web classes	Whatever's comfortable for you

Footnote 1: Minimum Tablet Requirements (Regional Directors use Desktops not Tablets)

- 2 GHz Pentium Processor
- 1 Gig of RAM
- 60 Gig Hard Drive
- LAN & Wireless 802.11 b/g Adapter
- CD/CDR/DVD Optical Drive
- Win XP Tablet Edition Operating System (Regional Directors use standard Win XP software)
- Carrying Case (no case with desktop)

Software Requirements

- Microsoft Office 2003 Small Business Edition (Word, Excel, PowerPoint & Outlook)
- Adobe Photoshop Elements Version 3.0
- Quickbooks Pro 2005

Hardware Requirements

- USB Headset with Microphone (suggest Plantronics)

Required Office Site

You are encouraged to work from home, although you may use an outside location. We do not provide site assistance, but have the right to approve your location. Among the factors we consider when approving locations include general location and neighborhood, nearby competitive

businesses, population and other demographics, and whether the location will enhance or damage our image and reputation. Any site disputes are subject to the mediation provisions of the Agreement.

Franchisees typically open their Franchised Businesses within 120 days after they sign the Agreement and pay the initial franchise fee. However, the length of time may vary and differs with the specific fact situation for each franchise. The factors that affect this time are weather, zoning and other local ordinances, construction delays, successful completion of initial training, and the like.

The Regional Franchise.

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

Pre-Opening Obligations.

Before you open your Franchised Business, we are obligated under the Agreement to make available to you, or assist you in obtaining, the following:

1. We will designate your exclusive Regional Territory which is subject to our mutual approval (Agreement, Articles 1.03, 2.22, 7.01 and Exhibit A).
2. At your expense, we will supply you with start-up materials and equipment or specifications for the same (Agreement, Article 7.02).
3. We will assist you with your preparations to open the Franchised Business (Agreement, Article 7.02).
4. We will lend you one copy of our Regional Franchise Operations Manual for use during the term of the Agreement (Agreement, Article 7.05). The Table of Contents, the number of pages devoted to each subject and the total number of pages of the Operations Manual are in Exhibit "OM" of this Offering Circular.
5. We will provide Regional Franchise initial training for you and your support manager, if any, at our headquarters in Southbury, CT (Agreement, Article 7.03). The subjects covered, the type of instructional material, and the hours of classroom and on the job training in the initial training program are described below:

The Regional Franchise

DAY/SUBJECT	INSTRUCTOR	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING
Same as Unit Franchise				None
Part 1 RD Training				
Day 1 Marketing; Business Management Role of Regional Director Franchise Development	Paul Pieschel	Manual Computer	7	
Day 2 Sales Management, Business Management, Award Process	Paul Pieschel Shirley Warrington	Manual Computer	7	
Day 3	Paul Pieschel	Manual	7	

DAY/SUBJECT	INSTRUCTOR	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING
Sales Management, Business Management		Computer		
Day 4 Sales Management, Business Management	Paul Pieschel	Manual Computer	7	
Part 2 RD Training— approximately 6 months later.				
Day 1 Marketing; Business Management Team Development and coaching	Paul Pieschel Karen Powell Josie Cicerale Shirley Warrington Vendor	Manual Computer	7	
Day 2 Sales Management, Business Management, team development and coaching, compliance	Paul Pieschel Karen Powell Josie Cicerale	Manual Computer	7	

The experience of the instructors is as follows:

Paul Pieschel will be the lead training instructor. Karen Powell, CEO and Josie Cicerale, COO, will be the support-training instructors. Shirley Warrington has been the last three years a senior franchisor director overseeing the Decor & You® Awards Process. Ms. Powell's, Ms. Warrington, Mr. Pieschel and Ms. Cicerale's background and experience are described in Item 2 of this offering circular.

They will be assisted by persons who are active operations and administrative managers, as well as outside consultants and regional support staff, all of whom have industry and business management experience. In addition, we also expect to draw upon the substantial experience of our management, personnel from our various vendors, and occasionally from other franchisees.

Except as discussed below, all subjects are taught at one time during initial training classes, the frequency of which depends upon the number of new regional franchise agreements executed. They are held at our headquarters in Southbury, CT. The initial training program consists of 4 sessions, generally during the week, including evenings. There are approximately 28 hours of instruction and self-study. Decor Designer Franchise training is also required for the Regional Director to enroll in themselves or their manager.

You and/or your manager, if any, must attend the initial training. You are responsible for your own meals, travel and lodging expenses. There is no charge for training materials. You must complete the training to our satisfaction before you can commence operations. You must begin operating your Franchised Business within 60 days of completion of your initial training (Agreement, Article 6.01).

We will provide additional training, seminars and refresher courses during the term of your agreement, some of, which will be mandatory (as in the case of new product introductions or new Marketing campaigns), but we will not charge a fee for same. If you request additional, extraordinary training or refresher courses, we may, at our option charge a per diem fee, as set forth in Item 6 of this Circular, of between \$250 and \$1,000 per day plus expenses. Additional training is separate from regularly scheduled training classes for new franchisees.

Obligations After Opening.

During the operation of the Franchised Business, we will:

- a. Provide you access to continuing courses of training, seminars, refresher courses and conferences, at times and locations designated by us. You will be required to pay for your travel, meals and lodging (Agreement, Article 7.03). You are required to attend these additional and/or continuing training courses, seminars and conferences (Agreement, Article 7.02, 7.03).
- b. Provide you with bulletins concerning changes, improvements and new developments (Agreement, Article 7.03, 7.04).
- c. Provide you with Marketing and technical assistance, and consultation and advice on products and operating procedures (Agreement, Article 7.04).
- d. Provide you with assistance by telephone on an ongoing basis during normal business hours (Agreement, Article 7.04).
- e. Provide you with current versions of the single unit Uniform Franchise Offering Circular.

We do not provide any other supervision, service, assistance or advice during the term of the agreement.

Advertising

We will assist you with respect to advertising for Decor Designer Unit Franchises. You are obligated to spend at least \$18,000 annually, beginning the first full month after completion of Regional Director Part 1 training, for lead generation for prospective unit franchises in your territory (Agreement, Article 8.01; Item 6, Offering Circular). Please be advised that this minimum amount in no way guarantees that you will receive sufficient leads to meet your minimum performance standards. We will, during your initial year of operations, reimburse to you out of the Regional Director Marketing and Advertising Fund up to \$4,000 for amounts spent greater than \$22,000 up to \$26,000 for regional advertising for unit franchise prospects. We will require proof of expenditure and proof of advertising within 120 days of the end of your initial year of operations.

You are further required to contribute to a Regional Director Marketing and Advertising Fund the sum of \$500 per month for the development of marketing materials and recruiting franchisees and advertising products and services. The amount of the advertising fee may change from time to time as We deem appropriate, but may not, during the entire term of the Franchise Agreement, exceed twice the initial monthly payment to the Advertising Fund. This contribution will be electronically debited from your checking account on the 15th of the month commencing with the month following Part 1 Regional Director Training.

We provide advertising materials and services to you at your expense. Materials provided include mats, brochures, print advertising and other point of sale materials (or camera-ready art for the foregoing).

You must obtain our written approval before you use any advertising and promotional materials, signs, forms, fliers, business cards and stationery unless we have prepared or approved them during the 12 months before their proposed use. You may purchase these items from us if we have them available.

Other than the foregoing, you have no other advertising obligations under the Regional Director Franchise Agreement.

Required Equipment We require you to use and acquire the following:

<i>Item</i>	<i>Description</i>
Color Fax, Flat Bed Color Copier, Scanner, and Color Printer	
Decor Vehicle	Mini-Van or SUV; color must be white, black or silver
Computer	See Footnote (1)
Cell Phone	
Merchant Credit Card installation	Equipped for electronic processing
Internet access with e-mail service	Not AOL or MSN; high-speed connection DSL or cable modem required
Digital camera with software	Camera 3 MP minimum. Adobe Photo Elements 2.0 or latest version
Headset with microphone for computer for web classes	Whatever's comfortable for you

Footnote 1: Minimum Tablet Requirements (Regional Directors use Desktop Computers)

- 2 GHz Pentium Processor
- 1 Gig of RAM
- 60 Gig Hard Drive
- LAN & Wireless 802.11 b/g Adapter
- CD/CDR/DVD Optical Drive
- Win XP Tablet Edition Operating System (Desktop uses regular Win XP)
- Carrying Case (no case with desktop)

Software Requirements

- Microsoft Office 2003 Small Business Edition (Word, Excel, PowerPoint & Outlook)
- Adobe Photoshop Elements Version.3.0
- Quickbooks Pro 2005

Hardware Requirements

- USB Headset with Microphone (suggest Plantronics)

Required Office Site

You must secure office space, including access to a conference room, within 60 days from the signing of your Agreement. We have the right to approve your location. Among the factors we consider when approving locations include general location and neighborhood, nearby competitive businesses, population and other demographics, and whether the location will enhance or damage our image and reputation. Any site disputes are subject to the mediation provisions of the Agreement.

Franchisees typically open their Franchised Businesses within 120 days after they sign the Agreement and pay the initial franchise fee. However, the length of time may vary and differs with the specific fact situation for each franchise. The factors that affect this time are office space availability, weather, zoning and other local ordinances, construction delays, successful completion of initial training, and the like.

Marketing and Advertising Fund

Further information about the above-referenced Marketing and Advertising Fund is as follows:

We advertise in print, direct mail, television, radio, Internet and other media. Coverage is national with local and regional components; e.g., ads that are ready for specific franchise customization to

facilitate local or regional marketing you conduct on your own. We use national advertising agencies and develop some advertising in house. Only materials approved in advance by us, including those for the Internet, whether developed by you or by our agencies, may be used in the operation of the Franchised Business. We do not have an advertising council, do not require you to join any type of advertising council and don't have any requirements regarding its future formation or operation or function, dissolution, change or merger.

All franchisees contribute the same percentage of revenue to the Marketing and Advertising Fund. We are not required to contribute to the Marketing and Advertising Fund. You must contribute 3% of gross revenue to the Marketing and Advertising Fund. The fund is audited as part of our annual audit and is available to any franchisee on request. We presently expend 100% of the fund each year. In the most recently concluded fiscal year, 70% of the fund was spent on production, 0% on placement and 30% on administration. Neither we nor any affiliate of ours receives remuneration of any kind from the Marketing and Advertising Fund. We are not obligated to spend any specific amount in your territory. None of the Marketing and Advertising Fund is used to solicit franchisees.

Computer Upgrades/Software Upgrades (Regional and Unit)

We do not have specific upgrade policies regarding computer hardware or software. We recommend that you maintain the latest version of all software. Our vendors may or may not have upgrade requirements. Our experience has been that prudent business people keep their equipment and software current sufficiently to run the Franchised Business. Since all of what we have is "off-the-shelf" hardware and software, we leave it to our franchisees to decide when the cost of an upgrade will lead to a more efficient operation. We will not have independent access to your computer system or to any data electronically collected by you.

Item 12

Territory

The Decor Designer Unit Franchise

You will receive an area of competitive protection ("Territory") as described in Exhibit A to your Agreement containing a minimum of 4000 target homes, a target home being defined as a household with an annual income of \$50,000 or above for a basic or unit level 1 franchise. You may elect to acquire up to 4 unit levels. Your Territory will be defined in such a way as to encompass the specified number of target homes chosen, but the borders of the territory must be contiguous. You may operate only from one location in your Territory and must get our permission before relocating. Except as stated below, we will not locate another franchisee or company-owned operation within your Territory, but any DECOR & YOU® franchisee or operation may provide services or accept customers from outside of their Territory as long as they or you do not solicit customers nor promote your services outside of your Territory. You may not advertise in any media that extends beyond your Territory without our prior written permission.

We have not, nor has any affiliate, established other franchises or company-owned outlets selling or leasing similar products or services under a different trade name or service mark; we have no present plan or policy to do so.

You do not receive the right to operate or acquire additional unit franchises within your Territory unless you elect to do so at the time you first sign the Agreement.

You maintain your rights to the exclusivity in the Franchise Agreement even if the population increases. However, if you do not meet your minimum annual sales quota we may operate or locate other Decor Designer Unit Franchise in your Territory, or terminate your franchise (Agreement, Par. 2.02).

To maintain your territory rights, you must do the following:

Unit Level	Gross Receipts Year 0	Gross Receipts Year 1 (1/1 – 12/31)	Gross Receipts Year 2 (1/1 – 12/31)	Gross Receipts Year 3 (1/1 – 12/31)	Gross Receipts Each Remaining Year
1	Prorated Year 1 Gross Receipts from end of Part 1 Training through 12/31 of your first partial year.	\$50,000	\$75,000	\$100,000	\$125,000
2		\$75,000	\$75,000	\$100,000	\$125,000
3		\$100,000	\$90,000	\$125,000	\$150,000
4		\$125,000	\$90,000	\$125,000	\$150,000
5		\$150,000	\$300,000	\$425,000	\$500,000
Five unit owners must achieve \$625,000 by the end of year 5					
We will provide you with guidelines regarding Minimum Continuing Service Fee, minimum staffing levels, office requirements and advertising requirements from time-to-time.					

The Regional Franchise

You will receive a Regional Territory as described in Exhibit A to your Regional Franchise Agreement. You may operate only from one location in your Territory and must get our permission before relocating. As long as you comply with the terms of your Regional Franchise Agreement, including its development schedule, we will not directly or indirectly market Decor Designer Unit Franchises within your Territory. If you do not adhere to the development schedule, we have the right to terminate your Regional Franchise Agreement or reduce the size of your Territory, as we see fit. If terminated, we can open company-owned Unit operations or Decor Designer Unit Franchises in those portions of your former Territory where no Decor Designer Unit Franchises are located (Agreement. Article 6.11).

The size of your Territory and the nature of the development schedule will be determined by the size and demographics of your Territory.

If you desire to operate or acquire additional franchises, you may give Us notice of that desire and We will consider your request within thirty days of receipt of your notice. If We mutually agree that an additional franchise is prudent for the market in which you wish to open, We may grant you an additional franchise. We will evaluate whether or not the grant of a successor franchise would require your hiring a full-time manager for your existing franchise and/or for your new franchise.

As long as you comply with your Agreement, you maintain your rights to the exclusivity in the Regional Franchise Agreement even if the population increases.

To maintain your regional rights you must do the following:

Year	Minimum Number of active unit franchises in operation in your region/260,000 target homes	Year	Minimum Number of active unit franchises in operation in your region/260,000 target homes
1	3	6	30
2	6	7	36
3	12	8	36
4	18	9	36
5	24	10	36

Item 13

Trademarks

We are the exclusive licensee of the Decor & You® Marks and the Love The Space You're In® Mark, which are owned by our affiliate, Decor and More, Inc. Under and by virtue of our license agreement, we have the right to do all the matters and things in our franchise agreement.

The Service Marks presently registered or applied for with the USPTO are as follows:

Decor & You®	Registration Number: 2,134,603 Register: Principal Date of Registration: February 3, 1998
Love The Space You're In®	Registration Number: 3,037,819 Register: Principal Date of Registration: January 3, 2006
Decor & You – Comfort with Style [logotype]	Application Number: 78/655286 Register: Principal Date of Registration: TBD

The Marks are not registered in any state in the U.S. There are no effective material determinations of the United States Patent and Trademark Office or the Trademark Administrator of any State or of any Federal or State Court relating to the Marks. There is no pending material litigation involving the Marks.

There are no Agreements currently in effect, which significantly limit our rights to use or license the use of the Marks in a manner material to the Franchise.

The Agreement contains provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Marks, but not for any other Mark or matter. If such litigation is instituted or threatened against you, the Agreement requires you to notify us promptly and cooperate with us fully in defending or settling the action (Unit Agreement, Article 5.03; Regional, 6.05).

We have the right to require you to modify or discontinue your use of any of the Mark(s). If we exercise this right, we will provide all franchisees with advance notice (Unit Agreement, Article 5.04; Regional, Article 6.05).

Other than as mentioned above, we do not know of any infringing uses that could materially affect your use of the Marks.

Item 14

Patents, Copyrights and Proprietary Information

Except as described below, no patents or copyrights are material to this franchise.

Under the Agreement, we must provide you with one copy of the Operations Manual or Regional Operations Manual, as the case may be, on loan, at or before the time when you begin your initial training. We have not filed to copyright the Manual, but we claim a copyright and treat the contents of the Manual as confidential trade secrets.

The Agreement requires you to maintain all confidential information supplied by us as confidential, both during and after the term of the Agreement. Confidential Information includes all information, data, techniques, and know-how designated or treated by Decor & You® as confidential and includes the Manual. You may not at any time disclose, copy or use any Confidential Information except as specifically authorized by us. Under the Agreement, you agree that all techniques, know-how, information and data developed or assembled by you or your employees during the Term of the Agreement and relating to the System will be deemed a part of the Confidential Information protected under the Agreement.

Item 15

Obligation to Participate in the Actual Operation of the Franchise Business

Whether you are a Decor Designer Unit or Regional Franchisee, you are required personally to devote your full time to the Franchised Business, and you must use every energy and your best efforts in the operation of the Franchised Business. If you are a Regional Franchisee who also owns a unit franchise, you must hire a full-time manager to operate your unit franchise. You (or your full-time manager) must spend at least forty (40) hours per week operating your Franchised Business. You agree that you will at all times faithfully, honestly and diligently perform your obligations under the franchise agreement and not engage in any other business activity that conflicts with your obligations to operate the Franchised Business in compliance with the franchise agreement.

There are no limitations on who you may hire to act as an on-premises supervisor provided this person is trained by us. We do not require you to give an equity interest to the on-premises supervisor. All employees must sign our form confidentiality non-disclosure agreement.

Item 16

Restrictions On What The Franchisee May Sell

We require that you offer and sell only those goods and services that we have approved (see Item 9). Presently, we do not sell appliances, bath and kitchen fixtures or cabinets.

You must offer all goods and services that we designate as required for all franchisees. Current required goods and services are described in the operations manual.

We reserve the right to designate additional required services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements.

We will not restrict the customers to whom you sell, provided that you do not solicit them outside of your Territory, and, if you are a Regional Director, they meet our requirements for Decor Designer Unit Franchises.

Item 17

Renewal, Termination, Transfer and Dispute Resolution

This table lists important provisions of the Regional and Decor Designer Unit Franchise and related agreements. You should read these provisions in the agreements attached to this Offering Circular.

The Unit Franchise

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Term of the Franchise	4	10 years unless terminated sooner; the franchisee may terminate the agreement on any grounds available by law.
b. Renewal or extension of the term	4	Multiple additional consecutive 10 year terms
c. Requirements for you to renew or extend	4	Notice, no material default or money owed; sign then current Agreement; pay renewal fee
d. Termination by you	13.03	Grounds available by law.
e. Termination by DECOR & YOU® without cause	None	None
f. Termination by DECOR & YOU® with cause	13.01, 13.02	See g and h below
g. "Cause" defined-defaults which can be cured	13.02	Includes failure to pay, file reports or comply operationally
h. "Cause" defined-defaults which cannot be cured	13.01	Includes bankruptcy, abandonment, felonies, repeated defaults, false books
i. Your obligations on termination/non-renewal	14	Pay all fees and other sums, cease use of trademarks and proprietary information
j. Assignment of contract by DECOR & YOU®	11.01	Freely assignable with obligation to assume agreements.
k. "Transfer" by you-definition	11.02	Sale, assignment, pledge or mortgage
l. Decor & You® approval of transfer by franchisee	11.02	Transferee has background, financial resources, etc.
m. Conditions for Decor & You® approval of transfer	11.02	See l above
n. Decor & You® right of first refusal to acquire your business	11.02	30 days on same terms as bona fide offer
o. Decor & You® option to purchase your business	None	None
p. Your death or disability	11.02 B	Heirs can operate if qualified
q. Non-competition covenants during the term of the franchise	15.01	In decorating or similar business
r. Non-competition covenants after the	15.01	2 years in business located within 10

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
franchise is terminated or expires		miles of any DECOR & YOU® operation
s. Modification of the agreement	16.03	Only by both parties' written agreement
t. Integration/merger clause	16.02	Covers Agreement and Attachments
u. Dispute resolution by arbitration or mediation	16.06	Mediation requested
v. Choice of forum	16.06	State/Federal Courts in Connecticut*
w. Choice of law	16.06	Connecticut*

* Illinois requires that "Illinois" be substituted for "Connecticut."

The Regional Franchise

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Term of the Franchise	3.01	10 years unless terminated sooner
b. Renewal or extension of the term	3.02	Multiple additional consecutive 10 year terms
c. Requirements for you to renew or extend	1.09, 3.02	Notice, no material default or money owed; sign then current Agreement; pay renewal fee
d. Termination by you	None	None
e. Termination by DECOR & YOU® without cause	None	None
f. Termination by DECOR & YOU® with cause	10.01, 02, 03	See g and h below
g. "Cause" defined-defaults which can be cured	10.02, 03	Includes failure to pay, file reports or comply operationally
h. "Cause" defined-defaults which cannot be cured	10.01	Includes bankruptcy, abandonment, felonies, repeated defaults failure to comply with franchise laws
i. Your obligations on termination/non-renewal	10.04	Pay all fees and other sums, cease use of trademarks and proprietary information
j. Assignment of contract by DECOR & YOU®	11.01	Freely assignable
k. "transfer" by you-definition	11.02	Sale, assignment, pledge or mortgage
l. Decor & You® approval of transfer by franchisee	11.02	Transferee has background, financial resources, etc.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for Decor & You® approval of transfer	11.02	See l above
n. Decor & You right of first refusal to acquire your business	11.05	30 days on same terms as bona fide offer
o. Decor & You® option to purchase your business	11.05	DECOR & YOU® option to purchase before you offer to third party
p. Your death or disability	11.02 B	Heirs can operate if qualified
q. Non-competition covenants during the term of the franchise	9.01	In decorating or similar business
r. Non-competition covenants after the franchise is terminated or expires	9.01	2 years in business located within 10 miles of any DECOR & YOU® operation
s. Modification of the agreement	15.03	Only by both parties' written agreement
t. Integration/merger clause	15.04	Covers Agreement and Attachments
u. Dispute resolution by arbitration or mediation	15.04	Mediation requested
v. Choice of forum	15.04	State/Federal Courts in Connecticut*
w. Choice of law	15.04	Connecticut*

* Illinois requires that "Illinois" be substituted for "Connecticut."

These states have statutes that may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise:

Arkansas-Stat. Sec. 70-807; California-Bus. & Prof. Code Secs 20000-20043; Connecticut-Gen. Stat. Sec. 42-133e et seq.; Delaware- (Code Title); Hawaii-Rev. Stat. Sec. 482E-1; Illinois-Rev. State Chapter 1211/2, Article 1719-1720; Indiana-Stat. Sec. 32-2-2.7; Iowa-Code Sec. 532H.1-532H.17; Michigan-Stat. Sec. 19.854(27); Minnesota-Stat. Sec. 80C.14; Mississippi-Code Sec. 75-24-51; Missouri-Stat. Sec. 407.400; Nebraska-Rev. Stat. Sec. 87-401; New Jersey-Stat. Sec. 56:10-1; South Dakota-Codified Laws Sec. 37-5A-51; Virginia-Code 13.1-557-574-13.1-564; Washington-Code Sec. 19.100.180; Wisconsin-Stat. Sec. 135.03.

These and other states may also have court decisions that may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

Any provision in the franchise agreements that requires termination upon your filing for bankruptcy protection may not be enforceable under federal bankruptcy law.

No general release shall operate to relieve any party of responsibility for complying with COMAR 02.02.08.16L of Maryland law.

Item 18

Public Figures

We use the following public figure, Mary Gilliatt, to promote our franchise. Decor & You, Inc. pays Mary Gilliatt a monthly retainer for the ongoing use of her name in promoting the sale of our franchise. Ms. Gilliatt will also provide training, lecturing and consulting services to our franchisees. We have the right to renew our agreement with her on as yet undisclosed terms.

A native of England, Ms. Gilliatt began her career as the Home Design and Architecture columnist for the "Times" of London and Home Editor and Senior Feature Writer for the "Sunday Telegraph". After taking leave to raise her children, she became a regular contributor to several British and Australian magazines while starting her own decorating firm. In 1965 Mary was commissioned to write her first book, English Style which was simultaneously published in England, France and the U.S. to great acclaim. She has since written over 35 books including The Complete Guide to Home Design, Decorating: A Realistic Guide, Dream Houses, Period Style and Decorating with Mary Gilliatt, the companion guide to her highly rated 13 part PBS series, first aired in 1992 and repeated several times since.

Ms. Gilliatt's many design commissions have included the modernization of Liberty of London, and Liberty's Centenary Exhibition; the reception rooms for the East India Club in St. James Square, London; the public rooms for the new Roslyn Claremont Hotel in Roslyn, Long Island as well as numerous private homes including New York City apartments and country houses for several noted celebrities.

Mary has also designed her own lines of wallpaper and fabric, including several top selling faux finish and border collections, and has recently served as Consulting Editor and Columnist for Ladies Home Journal.

Item 19

Earnings Claims

We do not furnish or authorize our sales persons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits for a Franchised Business. Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

Item 20

FRANCHISED OUTLETS

See Exhibit G, Owners, for a complete list of owners and of those who have left the system or stopped communicating with us.

COMPANY OWNED OUTLETS FOR YEARS 2005/2004/2003

We have no company-owned outlets.

FRANCHISEE OWNED OUTLETS FOR YEARS 2005/2004/2003

STATE	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REAIQURED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING YEAR END
AZ	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/1/0
CA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	7/3/0
CO	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	3/2/2
CT	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/3/3
DE	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/0/0
FL	0/0/0	0/0/0	0/0/0	0/0/0	0/0/3	0/0/3	6/2/2
GA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/2/0
IA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	1/1/0
IL	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
KS	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/0
KY	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/0
MA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/0
ME	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
MD	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	6/5/2
MI	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1	1/1/1	2/3/1
NB	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/1/1
NH	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
NC	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/1
NE	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
NJ	0/0/0	0/0/0	0/0/0	0/0/0	0/0/2	0/0/2	7/3/2
NM	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
NV	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0	1/0/0	0/0/0
NY	0/0/0	0/0/0	0/0/0	0/0/0	0/0/2	0/0/2	5/3/3
OH	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	6/4/0
PA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/1/0
TX	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/2/1
VA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	6/4/1
WA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/0
WADC	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
WI	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
TOTAL	0/0/0	0/0/0	0/0/0	0/0/0	1/1/10	1/1/10	85/59/21

REGIONAL FRANCHISEE OWNED OUTLETS FOR YEARS 2005/2004/2003

STATE	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REAIQURED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING YEAR END
CA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/1/0
CO	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
CT	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
FL	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	0/1/0	1/0/1
KY	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
MD	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
MA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	0/0/0
MI	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
NY	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
NJ	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2

STATE	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REREQUIRED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS	FRANCHISES OPERATING YEAR END
OH	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
SC	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	0/0/0
TX	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0
VA	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/1
WI	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	0/1/0	0/0/1
TOTAL	0/0/0	0/0/0	0/0/0	0/0/0	0/2/2	0/2/2	16/12/8

**DECOR DESIGNER UNIT FRANCHISE
PROJECTED OPENINGS AS OF DECEMBER 31, 2006**

STATE	FRANCHISE AGREEMENTS SIGNED BUT NOT OPERATIONAL	PROJECTED FRANCHISES IN CURRENT FISCAL YEAR	PROJECTED COMPANY OWNED UNITS IN CURRENT FISCAL YEAR
CA	0	9	0
CO	0	2	0
CT	0	2	0
FL	0	5	0
MA	0	3	0
MD	0	2	0
NC	0	2	0
NJ	0	5	0
NY	0	4	0
SC	0	1	0
TX	0	8	0
VA	0	5	0
WI	0	2	0
Total	0	50	0

**REGIONAL FRANCHISE
PROJECTED OPENINGS AS OF DECEMBER 31, 2006**

STATE	FRANCHISE AGREEMENTS SIGNED BUT REGION NOT OPEN	PROJECTED NEW REGIONS IN NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR
AZ	0	1	0
CA	0		0
CO	0		0
CT	0		0
FL	0	1	0
GA	0	1	0
MA	0		0
MD	0		0
NC	0	1	0
NJ	0		0
NY	0		0
PA	0		0
SC	0		0

STATE	FRANCHISE AGREEMENTS SIGNED BUT REGION NOT OPEN	PROJECTED NEW REGIONS IN NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR
TX	0		0
VA	0		0
WA	0	1	0
WI	0		0
Total	0	5	0

Item 21

Financial Statements

Attached as Exhibit FIN to this Offering Circular are the audited financial statements dated December 31, 2003, 2004 & 2005 of Decor & You, Inc.

Item 22.

Contracts

Attached are copies of the following agreements relating to the Offer of the Franchise:

Exhibit UFA	Franchise Agreement with Schedules and Exhibits
Exhibit RFA	Regional Franchise Agreement with Schedules and Exhibits
Exhibit CC	Compliance Certification
Exhibit COOP	Cooperative Advertising Agreement
Exhibit Release	General Release

Item 23

Receipt

The last page of this Offering Circular is a detachable document acknowledging receipt of the Offering Circular. If this page or any other pages or exhibits are missing from your copy, please contact DECOR & YOU® at this address or phone number: 900 Main Street South, Building 2, Southbury, CT 06488 (203) 264 3500.

[The Disclosure Document Ends Here]