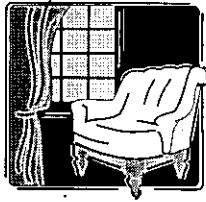


DECORATING DEN SYSTEMS, INC.



INTERIORS

by Decorating Den®

RECEIVED

MAR 27 2006

Department of Corporations
Los Angeles

INFORMATION FOR PROSPECTIVE FRANCHISE OWNERS
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

State: CALIFORNIA
(DDSI Unit Offering)
Effective Date: April __, 2006

FRANCHISE OFFERING CIRCULAR



I N T E R I O R S
by Decorating Den®

DECORATING DEN SYSTEMS, INC.

8659 Commerce Drive
Easton, Maryland 21601
Phone 410-822-9001
Fax 410-820-5131
www.decoratingden.com

The Franchise Owner will operate a Decorating Den Interiors interior decorating business using the "Decorating Den Interiors System".

The Initial Franchise Fee is \$29,900. The estimated initial investment ranges from \$40,326 to \$46,296.

Risk Factors:

- 1) THE FRANCHISE AGREEMENT PERMITS THE FRANCHISE OWNER TO MEDIATE AND ARBITRATE ONLY IN MARYLAND. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH DECORATING DEN IN MARYLAND THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) THE FRANCHISE AGREEMENT PROVIDES THAT FAILURE TO MEET CERTAIN MINIMUM SALES LEVELS MAY LEAD TO TERMINATION OF THE FRANCHISE AGREEMENT OR OTHER ACTION BY THE FRANCHISOR.
- 4) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Registration of this franchise by a state does not mean that the state recommends it or has verified the information in this Offering Circular. If you learn that anything in the Offering Circular is untrue, contact the Federal Trade Commission and the state agency for your state as may be listed in Exhibit I. Information comparing franchisors is available. Call the state administrators listed in Exhibit I of this Offering Circular or your public library for sources of information.