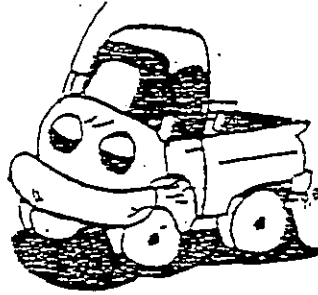


**FRANCHISE OFFERING CIRCULAR**  
*"The Pickup Truck Accessory People"*



**PICK-EM UP TRUCK STORE**

Franchisor: Pick-Em Up Truck Store Franchising Corporation  
A California Corporation  
Post Office Box 1287  
720 East Center Street  
Visalia, California 93279  
(559) 738-8023

Date of Issuance of Disclosure Statement

July 29, 2003

**INFORMATION FOR PROSPECTIVE  
FRANCHISEES REQUIRED  
BY THE 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 adviser, 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 about franchising in your State. Ask your State agencies about them.

**FEDERAL TRADE COMMISSION**  
*Washington, D.C.*

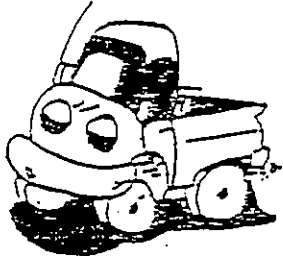
APPENDIX

CIRCULAR CONTAINS ALL  
PROPOSED AGREEMENTS

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY  
OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE  
BE DELIVERED TOGETHER WITH THE OFFERING CIRCULAR.

## UNIFORM FRANCHISE OFFERING CIRCULAR

*"The Pickup Truck Accessory People"*



Pick-Em Up Truck Store Franchising Corporation  
A California Corporation  
Post Office Box 1287  
720 East Center Street  
Visalia, California 93279  
(559) 738-8023

### PICK-EM UP TRUCK STORE

Pick-Em Up Truck Store Franchising Corporation is offering a franchise to operate a retail store for pick-up truck accessories.

The initial franchise fee is \$15,000.00. The estimated initial investment required, including the initial franchise fee, ranges from \$98,500.00 to \$124,000.00. This sum does not include rent for the business location or other ongoing costs of operating the business.

Information comparing franchisors is available. Call the California Commissioner of Corporations or your public library for sources of information.

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 this offering circular is untrue, contact the Federal Trade Commission and the California Commissioner of Corporations.

**REGISTRATION OF THESE FRANCHISES WITH THE CALIFORNIA COMMISSIONER OF CORPORATIONS DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.**

**THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO ARBITRATE WITH THE FRANCHISOR ONLY IN TULARE COUNTY, CALIFORNIA. ARBITRATION IN ANOTHER COUNTY MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE FRANCHISOR IN TULARE COUNTY THAN IN YOUR HOME COUNTY.**

**THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective date: July 29, 2003

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## ITEM 1

### THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this offering circular, "we" or "us" means Pick-Em Up Truck Store Franchising Corporation, the franchisor. "You" means the person who buys the franchise.

Pick-Em Up Truck Store Franchising Corporation is a California Corporation, incorporated on July 24, 1996 and does business under the name Pick-Em Up Truck Store. Our principal business address is 720 East Center Street, Visalia, California 93279.

Originally, the business we now operate was conducted as a partnership owned by Gary L. Owens of Visalia, California and Marlene Stickelman of Santa Rosa, California. The first store was opened in June, 1989 in Fresno, California. The partnership was operating eight stores, when, on April 1, 1994, Pick-Em Up Truck Store, Inc., our predecessor, purchased all the assets and assumed all of the liabilities of that partnership from Mr. Owens and Ms. Stickelman, and they received all of the common stock of Pick-Em Up Truck Store, Inc.

On September 9, 1996, Pick-Em Up Truck Store, Inc., our predecessor, sold to us, Pick-Em Up Truck Store Franchising Corporation, all of its proprietary information, trade secrets, and rights to sell and establish franchises. Pick-Em Up Truck Store, Inc. continues to operate the stores ("company stores") it owns. As of December 31, 2002, the number of company stores was seven and the number of franchise stores was eight. As of December 31, 2002, four company stores had been sold as franchises and are now operated as franchise stores.

We want any Pick-Em Up Truck Store you start to be substantially similar to the Pick-Em Up Truck Store company stores already in operation. We and our predecessors have developed a system for the operation of retail stores selling pickup truck accessories, each known as "Pick-Em Up Truck Store", and "The Pickup Truck Accessory People" and our logo, and programs for cooperative advertising, promotion, training, and management.

We are now offering franchises under which you buy the right to develop and operate a retail store for pickup truck accessories under the "Pick-Em Up Truck Store" system in defined geographic territories.

You will have to compete with other businesses providing similar products and services, including but not limited to some national and regional department store, motor vehicle dealership and other automobile and truck tire repair and accessory retail stores.

We have not previously offered franchises in any other type of business. We might consider other types of franchises in the future.

We reserve the right to allow Pick-Em Up Truck Store franchises to be placed with other related existing businesses when we conclude in our absolute discretion that the association will be beneficial for us.

## ITEM 2

### BUSINESS EXPERIENCE

Our Executive Officers and Directors with management responsibility and their principal occupations during the past 5 years, are set forth below:

|                                 |                      |
|---------------------------------|----------------------|
| <u>President:</u>               | <u>Gary L. Owens</u> |
| <u>Chief Financial Officer:</u> | <u>Gary L. Owens</u> |
| <u>Director:</u>                | <u>Gary L. Owens</u> |
| <u>Franchise Marketing:</u>     | <u>Gary L. Owens</u> |

From 1977, to June, 1980, Mr. Owens was employed as a regional sales manager by Zefflamb Industries. His responsibilities were the sales and distribution of pickup bed liners to independent distributors.

From June, 1980 to April, 1989, Mr. Owens was employed by Durakon Industries as a regional sales manager. His duties included the oversight of retail and wholesale operations which sold light duty truck accessories in California and Arizona. During his time with Durakon Industries he was involved in the training of outside sales people, the establishment of retail sales locations and in the training of key people for sales of light duty truck accessories to the general public.

In April, 1989, he started the partnership, which was predecessor to Pick-Em Up Truck Store, Inc. On April 1, 1994, Mr. Owens assumed executive positions for our predecessor, Pick-Em Up Truck Store, Inc., which positions he still holds. On July 24, 1996, Mr. Owens assumed the positions he now holds for Pick-Em Up Truck Store Franchising Corporation.

|                              |                           |
|------------------------------|---------------------------|
| <u>Chairman of the</u>       |                           |
| <u>Board of Directors:</u>   | <u>Marlene Stickelman</u> |
| <u>Secretary:</u>            | <u>Marlene Stickelman</u> |
| <u>Director:</u>             | <u>Marlene Stickelman</u> |
| <u>Franchise Operations:</u> | <u>Marlene Stickelman</u> |
| <u>Franchise Training:</u>   | <u>Marlene Stickelman</u> |

Ms. Stickelman graduated from Chico State University in 1982 with a Bachelor's degree in Agricultural Business. From 1982 to 1986, she was employed by JSM auto services, first as a sales

representative and then as a sales manager, selling light duty truck accessories. In 1986 JSM Auto Services was purchased by Durakon Industries.

From 1986 to 1991, Ms. Stickelman was first a district sales manager and then a regional sales manager for Durakon Industries. Her duties included personnel management, warehouse operations, oversight of retail stores, and development of distributing operations.

Ms. Stickelman invested in the partnership at its inception in 1989, but did not assume operational responsibilities in the partnership business until she left Durakon Industries in 1991. On April 1, 1994, Ms. Stickelman assumed executive positions for our predecessor, Pick-Em Up Truck Store, Inc., which positions she still holds. On July 24, 1996, Ms. Stickelman assumed the position she now holds for Pick-Em Up Truck Store Franchising Corporation.

|                            |                   |
|----------------------------|-------------------|
| <u>Director:</u>           | <u>Curt Owens</u> |
| <u>Vice-President:</u>     | <u>Curt Owens</u> |
| <u>Franchise Training:</u> | <u>Curt Owens</u> |

Mr. Curt Owens graduated from California State University Hayward in 1992 with a Bachelor's degree in Business Administration. From 1991 to the present, he has been, and continues to be employed by Pick-Em Up Truck Store, Inc. as a General Manager over all Pick-Em Up Truck Store company stores. Mr. Owens has now assumed the position he presently holds for Pick-Em Up Truck Store Franchising Corporation.

|                            |                   |
|----------------------------|-------------------|
| <u>Director:</u>           | <u>Trey Owens</u> |
| <u>Vice-President:</u>     | <u>Trey Owens</u> |
| <u>Franchise Training:</u> | <u>Trey Owens</u> |

Mr. Trey Owens graduated from Eastern New Mexico University in 1989 with a Bachelor's degree in Education. From 1989 to 1996 he was employed as a high school teacher in Hobbs, New Mexico. From 1996 to the present he has been employed by Pick-Em Up Truck Store, Inc. as a general manager and by Duraliner California, Inc. and its successor in interest, American Dealer Accessories, Inc., as Operations Manager for central California. Mr. Owens also performs the duties of the offices identified for Pick-Em Up Truck Store Franchising Corporation.

On May 20, 1997, Mr. Gary Owens and Ms. Marlene Stickelman formed a limited liability company named Duraliner of California LLC. That LLC's successor in interest was Duraliner California, Inc. The corporation's name was changed to American Dealer Accessories, Inc. Mr. Owens and Ms. Stickelman are the shareholders of American Dealer Accessories, Inc. and the executive officers, along with Trey Owens, who is a vice-president. American Dealer Accessories, Inc. is a wholesale distributor of vehicle accessories in California.

ITEM 3

LITIGATION

Neither we nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

There is no pending litigation required to be disclosed in this offering circular.

ITEM 4

BANKRUPTCY

No person previously identified in this offering circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed here.

ITEM 5

INITIAL FRANCHISE FEE

All franchisees pay a \$15,000.00 lump sum franchise fee when they sign the franchise agreement. There are no refunds on this initial fee. We reserve the right to alter this fee if a potential franchisee commits to opening more than one franchise store.

ITEM 6

OTHER FEES

| <u>Name of Fee</u> <sup>1</sup> | <u>Amount</u>  | <u>Due Date</u> <sup>2</sup>                                 | <u>Remarks</u>   |
|---------------------------------|--|--|--|
| Royalty                         | 6% of total gross taxed sales & 3% of nontaxed sales; in months when total sales exceed \$100,000.00, royalty is 4% of gross sales | Payable monthly no later than the 10th day of the next month | Gross retail sales includes all revenue from retail sales at your store; it does not include sales or use taxes. Wholesale sales are not taxed and are made to retailers who will re-sell to others. |
| Advertising <sup>3</sup>        | Up to 5% of retail sales   | Same as Royalty fee  | See Section 8 of the Franchise Agreement.  |



| <u>Name of Fee</u>                 | <u>Amount</u>   | <u>Due Date</u>                        | <u>Remarks</u>   |
|------------------------------------|---|--|--|
| Transfer <sub>4</sub>              | \$10,000.00   | Prior to consummation of sale          | Payable if you sell your franchise. No charge if you transfer to a corporation you control. We retain absolute right of first refusal and discretion to prevent any transfer if the proposed transferee does not meet our standards for franchisees. |
| Additional Training                | \$1,000.00  | 2 weeks prior to beginning of training | We will train up to two persons free. See Franchisor's Obligations," Item 11.  |
| Renewal Fee <sub>4</sub>           | \$5,000.00  | 180 days before termination date       |  |
| Audit                              | If you under- state gross sales on any month by 2% or more, you pay the entire audit cost. Otherwise, we pay that cost. |  | 30 days after you are billed   |
| One Time Point-of-Sale Software    | \$5,000.00  | Store Opening                          | Program provides inventory control; price includes hardware/training   |
| One Time Accounting Package Option | \$2,500.00  | Store Opening                          | Program helps manage finances; price includes hardware/training  |
| Data Base Updating                 | \$99.00   | Monthly Fee                            | This fee may change over time  |
| Software Licensing                 | \$399.00  | Annual Fee                             | This fee may change over time  |

1. All fees are imposed by & payable to us and are nonrefundable.
2. If not received by us by its due date, each fee will bear interest at 1 & 1/2% per month or the maximum rate, whichever is less.
3. This advertising fee commences when we in our discretion notify you that we will start to collect it. We will give you at least 30 days notice, in writing, before the month in which your advertising fee is first due.
4. At our absolute discretion, we reserve the right to waive a transfer fee or a renewal fee in specific circumstances.

ITEM 7

YOUR ESTIMATED INITIAL INVESTMENT

|   | <u>AMOUNT</u>                                | <u>METHOD OF PAYMENT</u> | <u>WHEN DUE</u>         | <u>TO WHOM PAYMENT IS TO BE MADE</u>                |
|---|--|--------------------------|-------------------------|---|
| Initial Franchise Fee                     | \$15,000.00<br>(Note 1)                      | Lump Sum Franchise       | At Signing of Agreement | Us  |
| Travel and Living Expenses While Training | \$2,500.00<br>to<br>\$5,000.00<br>(Note 2)   | As Incurred              | During Training         | Airlines, Hotels & Restaurants                      |
| Real Estate Lease for 1 Month             | \$3,000.00<br>to<br>\$5,000.00<br>(Note 3)   | Lump Sum                 | Monthly                 | Landlord  |
| Leasehold Improvements                    | \$3,000.00<br>to<br>\$6,000.00<br>(Note 4)   | Prior to Opening         | Prior to Opening        | Vendors   |
| Equipment                                 | \$5,000.00<br>to<br>\$7,000.00<br>(Note 5)   | As Incurred              | Prior to Opening        | Vendors   |
| Signs                                     | \$2,000.00<br>to<br>\$3,000.00<br>(Note 6)   | Lump Sum                 | Prior to Opening        | Vendors   |
| Miscellaneous Opening Costs               | \$5,000.00<br>to<br>\$10,000.00<br>(Note 7)  | As Incurred              | Prior to Opening        | Vendors, Suppliers & Utilities                      |
| Opening Inventory                         | \$30,000.00<br>to<br>\$35,000.00<br>(Note 8) | Lump Sum                 | Prior to Opening        | Vendors approved by us                              |
| Additional Funds 3 months                 | \$25,000.00<br>to<br>\$30,000.00<br>(Note 9) | As Incurred              | As Incurred             | Employees, Suppliers, Landlords, Utilities, Vendors |
| Computer Software & Updating Charges      | \$8,000.00<br>(Note 10)                      | Lump Sum & as Incurred   |                         |   |
| <b>TOTAL</b>                              | <b>\$98,500.00 to \$124,000.00</b>           |                          |                         |   |

Notes:

(1) Initial Franchise Fee: The initial franchise fee, which is nonrefundable, is not financed by us. IN FACT, WE DO NOT FINANCE ANY PORTION OF YOUR ESTIMATED INITIAL INVESTMENT.

(2) Training Expenses: This is our estimated range for living expenses for you and another person you choose while we provide you two weeks of training at a company retail store.

(3) Lease Expenses: You must lease space for your store. We will participate in locating your site, and you must obtain our written prior approval of site selection before signing any lease documents. Our typical retail store has from 3,000 to 5,000 square feet of building space. We estimate your monthly rent will be in the range stated; but, this could vary significantly, depending on local rates for good commercial space. Our typical location is visible from the street on a well-traveled commercial road.

(4) Leasehold Improvements: This estimate range is based on our prior experience. Your actual costs may vary considerably depending on the size and condition of your store and local labor and materials costs.

(5) Equipment: We estimate your total cost for tools and equipment will be in the neighborhood of \$5,000.00 to \$7,000.00.

(6) Signs: This estimated range is based on our prior experience in arranging for signs on company stores.

(7) Miscellaneous Opening Costs: These costs include computer system, office supplies, licenses and fees, insurance premiums and utility and telephone connections.

(8) Opening Inventory: We base this estimate on our prior experience at the company stores and at the franchise stores. We are confident that \$30,000.00 to \$35,000.00 will be sufficient to begin the store.

(9) Additional Funds - 3 Months: Our prior experience convinces us that \$25,000.00 is sufficient to cover the various expenses that will recur during the first 3 months. However, the amount needed could vary because of local conditions. We expect that this figure will be augmented by revenues from sales at your store.

(10) Presently, these computer software and updating charges as detailed in Item 6, require a lump sum payment before your store starts of \$7,500.00 and continuing charges through time at \$99.00 a month for data base updating (almost \$1,200.00 annually) and \$399.00 annually for your software licensing fees. Those latter two charges, you should reasonable expect will change over time.

(11) TOTAL: You must demonstrate that you have this high total amount estimated available in order to enter into the franchise agreement with us. We are experienced at acquiring the various items necessary to commence your Pick-Em Up Truck Store. Prior to incurring expenses from your estimated initial investment total, you must consult with us in order to assure that you remain within this budget.

MOREOVER, WE CAUTION YOU THAT THIS TOTAL ESTIMATED INITIAL INVESTMENT RANGE MUST BE CONSIDERED AN ESTIMATE. THERE ARE MANY VARIABLES THAT CAN AFFECT THE OVERALL INITIAL INVESTMENT REQUIRED, OVER WHICH WE HAVE NO CONTROL, INCLUDING LOCAL COSTS FOR LABOR, RENT, AND OTHER EXPENSES.

#### ITEM 8

##### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to provide high quality and consistent quality retail products to the public economically and expeditiously and thereby maintain and enhance the good will of Pick-Em Up Truck Store and its franchisees, you are required to purchase all of the products you sell to the public in your store from suppliers, distributors and manufacturers approved by us.

Consequently, you may not sell any particular products or provide any particular services in your store without our prior approval.

We have special arrangements with some manufacturers, which arrangements will provide that you receive certain products at a special price. These manufacturers also supply suggested retail prices and advertise suggested retail prices. These manufacturers have announced that they will cease to do business with those who don't comply with their suggested retail price. Your failure to comply with these suggested retail prices may result in the manufacturer refusing to supply their product to you.

We strive to negotiate the best possible price for the products you sell retail. In this way, we maintain an aggressive competitive pricing policy that will attract the public to Pick-Em Up Truck Store.

From time to time, as available, and as we deem advantageous, we may make a bulk purchase of products which we will make available to you at competitive prices. We will disclose to you what our profit margin will be on any such transaction before you and we make it.

Your original inventory costs represent about 30 percent of the total expenditures in connection with establishment of your store. We estimate that your annual cost of inventory after starting your store will be approximately 40 percent of the total operating expenses for your store.

Your signage (and any other graphics or other advertising prepared by you) must be prepared according to specifications provided by us and approved by us before any public use by you; however, you may pick the supplier.

The required purchases of equipment, leasehold improvements, signs and miscellaneous other opening charges we estimate at 10 to 20 percent of your total expenses, costs, charges and fees for you to commence business at your store. These purchases and others necessary and proper for you to establish and maintain your store are to be made by you from vendors and suppliers with whom you establish business relationships in your locale. We encourage you to consult with us before making substantial purchases, so we may advise you as to prices we have paid for similar products. At our discretion, we reserve the right to require that equipment, fixtures, furnishings, signs and supplies required for the operation of the franchise business be purchased solely from suppliers (including manufacturers, distributors and other sources), who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then current standards and specifications for such items.

#### ITEM 9

##### FRANCHISEE'S OBLIGATIONS

| <u>Obligation</u>                                      | <u>Section<br/>in Agreement</u>             | <u>Item in<br/>Offering Circular</u> |
|--|---|--------------------------------------|
| a. Site selection and acquisition/ lease               | Sections 1, 5 of Franchise Agreement        | Items 7 and 11                       |
| b. Pre-opening purchases/ leases                       | Sections 1, 3, 5 of Franchise Agreement     | Items 7, 8, 11                       |
| c. Site development and other pre-opening requirements | Sections 1, 3, 5, 16 of Franchise Agreement | Items 7, 8, 11, 15                   |
| d. Initial and ongoing training                        | Sections 3, 5 of Franchise Agreement        | Item 11                              |
| e. Opening   | Section 3 of Franchise Agreement            | Item 11                              |
| f. Fees  | Section 4 of Franchise Agreement            | Items 5 and 6                        |

| <u>Obligation</u>  | <u>Section in Agreement</u>                 | <u>Item in Offering Circular</u> |
|--|---|----------------------------------|
| g. Compliance with standards and policies/<br>Operating Manual | Sections 3, 5 of Franchise Agreement        | Item 11                          |
| h. Trademarks and proprietary Information                      | Sections 3, 6, 17 18 of Franchise Agreement | Items 13 and 14                  |
| i. Restrictions on products/<br>services offered               | Sections 3, 5 of Franchise Agreement        | Items 8 and 16                   |
| j. Warranty and customer service requirements                  | Section 5 of Franchise Agreement            | Item 11                          |
| k. Territorial development and sales quotas                    | None  |                                  |
| l. Ongoing product/<br>service purchases                       | Sections 3, 5 of Franchise Agreement        | Items 8 and 16                   |
| m. Maintenance appearance and remodeling requirements          | Section 5 of Franchise Agreement            | Items 8 and 11                   |
| n. Insurance   | Section 9 of Franchise Agreement            | Items 7 and 8                    |
| o. Advertising   | Sections 3, 4, 8 of Franchise Agreement     | Items 6 and 11                   |
| p. Indemnification   | Section 10 of Franchise Agreement           | Item 17                          |
| q. Owner's participation/<br>management/<br>staffing           | Sections 5, 15 of Franchise Agreement       | Items 11 and 15                  |
| r. Records/<br>reports   | Section 7 of Franchise Agreement            | Item 6                           |

| <u>Obligation</u>               | <u>Section in Agreement</u>                | <u>Item in Offering Circular</u> |
|---------------------------------|--|----------------------------------|
| s. Inspections/ audits          | Sections 5, 7 of Franchise Agreement       | Items 6 and 11                   |
| t. Transfer                     | Sections 4, 11 of Franchise Agreement      | Items 6 and 17                   |
| u. Renewal                      | Section 2, 4 of Franchise Agreement        | Items 6 and 17                   |
| v. Post-termination obligations | Section 14, 17, 18 of Franchise Agreement  | Item 17                          |
| w. Non-competition covenants    | Sections 17, 18 of Franchise Agreement     | Item 17                          |
| x. Dispute resolution           | Sections 27, 28, 29 of Franchise Agreement | Item 17                          |

#### ITEM 10

#### FINANCING

We do not generally offer direct or indirect financing. We do not guarantee any of your notes, obligations, or your lease. We do not provide credit for any purchases of products from us.

The predecessor company, Pick-Em Up Truck Store, did finance the purchase of two company stores (Napa and Ukiah, California) in 2000, one company store (San Rafael, California) in 2001, and one company store (Hanford, California) in 2002, taking back notes and security interests in return for financing both the franchise fees on each store and the purchase of the assets of each store, including primarily equipment and inventory. This financing by the predecessor company were each special instances, involving trusted employees of the predecessor company, who had worked for the predecessor company for several years prior to the purchases. We do not anticipate providing such financing, ourselves.

ITEM 11

FRANCHISOR'S OBLIGATIONS

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

Before you open your business we will do the following:

1. Designate your exclusive territory after you have located a site approved by us and negotiated a lease approved by us (Franchise Agreement - Section 1).

2. Assist you in selecting your store site. We have the absolute right to approve or disapprove of any site you select. You must obtain our written approval prior to signing any lease or purchase agreement for your store site. (Franchise Agreement - Section 1).

3. We will assist you in negotiating the lease (or purchase if you choose) of the site selected. The terms of the lease must be approved by us. You alone will sign the lease and be obligated on it with the third parties who own the site. (Franchise Agreement - Section 1).

4. We will consult with you regarding store construction or remodeling and your acquisition of equipment and supplies from independent third parties. You will pay for all construction, remodeling of your site and for acquisition of all equipment and supplies. (Franchise Agreement - Section 3).

5. We will direct and require your purchase, from suppliers and manufacturers approved by us, of levels and types of inventory we in our absolute discretion determine necessary and proper for you to operate your store (Franchise Agreement - Section 3).

6. We will provide you with an orientation and training program, lasting for two weeks, at one of our company stores, designated by us. You and one other person you designate may attend free of any charge by us. This program is intended to assist you in learning our system and business philosophy for operating successful Pick-Em Up Truck Store. You are responsible and liable for your own living and travel expenses incurred in attending the program. This training program is mandatory for all franchisees and their head managers. (Franchise Agreement - Section 3).

7. We may, but are not obligated to provide any other supervision, assistance or services to you prior to the opening of your store. (Franchise Agreement - Section 3).



During the operation of the franchised business, we will do the following:

1. We shall provide 2 days of supervision and assistance prior to opening and 5 days of supervision and assistance after opening at your store site. (Franchise Agreement - Section 3).

2. As we deem advisable, we will maintain staff to advise you in the general operation of your Pick-Em Up Truck Store business. (Franchise Agreement - Section 3).

3. We shall provide you with continuing mandatory directions regarding inventory levels. (Franchise Agreement - Section 3).

4. From time to time, we will identify and develop new products and services for you to provide in your store and provide you with the necessary information about those new products and services. (Franchise Agreement - Section 3).

5. As we develop operations manuals for operation of your store, we will loan you copies of them. However, any and all such manuals remain our property and are confidential and constitute trade secrets belonging to us, alone. While these manuals may be modified, any such modifications will not alter your status and rights under the Franchise Agreement. (Franchise Agreement - Section 3).

6. Each week for the first 90 days after you open your store, we will telephone you to discuss your operational problems. (Franchise Agreement - Section 3).

7. We will hold annual conferences, lasting no longer than four days, to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. There is no conference fee, but you must pay all your travel and living expenses. We will select the site for these annual conferences, for which it is mandatory that either you or your chief manager attend. (Franchise Agreement - Section 3).

8. When we assess an advertising fee from you, we will expend the monthly advertising fee on developing marketing and advertising programs and on obtaining advertising in national and regional television, radio and print media. We will allocate the funds received from you among these levels and types of media as we, in our absolute discretion, deem appropriate. You are not allowed to engage in any other advertising campaigns developed and/or funded by you without our prior written consent. (Franchise Agreement - Section 3).

9. We will seek to maintain high standards of quality, appearance, and service throughout our Pick-Em Up Truck Store system, conduct inspections of your store and others, and evaluate the products sold and services rendered therein--all as we deem advisable. (Franchise Agreement - Section 3).

10. We may, but are not obligated to provide any other supervision, assistance or services to you during the term of your Franchise Agreement. (Franchise Agreement - Section 3).

All our obligations under the Franchise Agreement are to you, the franchisee specifically, and to no one else, without our prior written approval. (Franchise Agreement - Section 3).

We estimate that franchisees will typically open their stores within 4 to 7 months after they sign a Franchise Agreement. There are many factors that influence the length of time between signing and opening, including obtaining a site, participating in training, compliance with governmental restrictions, weather conditions, supplier and vendor shortages, and delayed installation of equipment, fixtures and signs.

#### ITEM 12

##### TERRITORY

You will receive an exclusive territory determined by what location for your store we approve. From that geographical point, we will not allow any Pick-Em Up Truck Store, whether company-owned or franchisee owned, to locate within five miles of your site after we approve your site.

You may solicit and accept orders from outside your exclusive territory and other Pick-Em Up Truck Store owners, including us, may solicit and accept orders from inside your exclusive territory.

You do not receive any right to acquire additional franchises in your territory or elsewhere without entering into another Franchise Agreement with us.

You may not relocate your store to another location without our prior written approval of the new site.

During the term of this franchise agreement, we will not establish another franchise or company-owned outlet selling similar products or services under a different trademark within your exclusive territory.

You maintain your rights to your exclusive territory so long as this Franchise Agreement is in force. There are no conditions in this Franchise Agreement that will limit or eliminate your rights to your exclusive territory so long as this Franchise Agreement is in force.

#### ITEM 13

##### TRADEMARKS

We grant you the right to operate a franchise pursuant to this Franchise Agreement under the name "Pick Em Up Truck Store."

You must use that name and our other current or future trademarks, logos, commercial symbols and mottos to operate your store, including the phrase, "The Pickup Truck Accessory People," and the logo/symbol that appears on the facing page of this offering circular.

You must follow our rules in using these marks. You cannot use a name or mark or logo or motto as part of a corporate name or with modifying words, designs or symbols except for those which we approve in writing in advance to you. You may not use the Pick-em Up Truck Store name, logo or motto in connection with the sale of any product or service we have not authorized in advance in writing or in any other manner we have not authorized in advance in writing.

On April 11, 1995 the United States Patent and Trademark Office registered the logo/symbol that appears on the facing page of this offering circular on the Principal Register, registration number 1,889,011. On March 12, 2001, we submitted to the United States Patent and Trademark office combined Declaration of Use and Incontestability regarding this logo/symbol.

On June 6, 1995 the United States Patent and Trademark Office registered the service mark "Pick-Em Up Truck Store" on the Principal Register, registration number 1,897,859. On March 12, 2001, we submitted to the United States Patent and Trademark office combined Declaration of Use and Incontestability regarding this mark.

There have been no determinations by the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the Trademark administrator of this state or of any court of which we are aware that materially and negatively affects our rights to the Pick-Em Up Truck Store name, motto and logo. We are also not aware of any pending litigation that might materially and negatively affect our rights to the Pick-Em Up Truck Store name, motto and logo.

There are no agreements in effect that limit our right to use or license the use of the Pick-Em Up Truck Store name, motto or logo/symbol.

If it becomes advisable in our sole discretion for us and/or you to modify or stop using the Pick-Em Up Truck Store name, motto or logo/symbol and/or use one or more additional names, mottos or logos/symbols or substitutes, you must comply with our directions to modify or stop using such name, motto or logo/symbol within a reasonable time after notice by Franchisor. If such changes are deemed necessary by us, we will reimburse you for the reasonable tangible costs of making such changes (for example, changing signs). You must not directly or indirectly contest our right to the Pick-Em Up Truck Store name, motto, logo/symbol, marks, trade secrets or business techniques that are part of our business.

You are obligated to immediately notify us of any use of or claims of rights by any third party to the Pick-Em Up Truck Store name, motto and/or logo/symbol or to a name, motto and/or logo/symbol that is confusingly similar to any of those licensed to you. You must not communicate with anyone else other than us, our counsel, or your counsel in connection with any such challenge or claim.

We have sole discretion to take such action as we deem appropriate, and we have the sole right to exclusively control any litigation or other proceeding arising out of any such infringement, challenge, or claim or otherwise relating to the Pick-Em Up Truck Store name, motto and/or logo/symbol or marks.

You must execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in any litigation or other proceedings and to protect and maintain our interest in the Pick-Em Up Truck Store name, motto and/or logo/symbol or marks.

While we are not required to defend you against a claim by a third party against your use of the Pick-Em Up Truck Store name, motto and/or logo/symbol or marks, we will reimburse you for your liability and reasonable attorney's fees and costs in connection with making your defense, if we choose not to participate. To receive such reimbursement, you must have notified us immediately when you learned about the challenge.

We do not know of any infringing use that could materially affect your use of the Pick-Em Up Truck Store name, motto and/or logo/symbol or marks.

#### ITEM 14

##### PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Pursuant to the Franchise Agreement, you do not receive the right to use an item presently covered by a patent or registered copyright, but you can use the proprietary information in any of our operations manuals we may provide you. Although we have not and do not intend to file an application for a copyright registration for any such operations manual, we claim a copyright on every such manual we may ever provide you, and the information is proprietary. The Franchise Agreement describes the limitations on the use of any such manual by you and your employees. You must promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will act on such communication from you as we think appropriate.

Under the Franchise Agreement, you agree not to contest, directly or indirectly, our ownership, title, right or interest

in any patents or copyrights, trade secrets, methods and procedures which are or may become part of our business or contest our sole right to register, use or license others to use such patents and copyrights, trade secrets, methods and procedures.

The Franchise Agreement provides you acknowledge that, except as specifically described, your entire knowledge of our processes, services, and products, all proprietary formulations, technology, know-how and the operation of this franchise business is derived from the information disclosed to you by us pursuant to the Franchise Agreement and that such information is proprietary and confidential and a trade secret of ours. We have established and may alter our comprehensive procedures to maintain the secrecy of all such proprietary information. Pursuant to the Franchise Agreement, you agree to strictly adhere to and abide by those procedures.

#### ITEM 15

##### OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require that you personally supervise the franchised business; however, we recommend that you do so.

If you choose to have a manager other than yourself personally supervise your store, the "on-premises" manager must successfully complete our training program and be approved in writing by us in advance of assuming his duties as your manager. He cannot have any direct or indirect interest or business relationship with any of our business competitors. The manager does not need to have an ownership interest in your store.

Each individual who owns any share of your franchise must sign an agreement (Exhibit C) guarantying all obligations of the franchisee under the Franchise Agreement.

#### ITEM 16

##### RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer all goods and services that we designate as required. You may only sell product that you have obtained from vendors approved by us. We have the right to add additional authorized goods and services that you are required to offer. We may also designate goods and services as optional and change their classification in our absolute discretion. There are no limits on our rights to make the designations specified here. (See Item 8).

We will not restrict you from soliciting any customers no matter who they are or where they are located.

You must conduct your business in accordance with our system, in order to protect our reputation and good will and to maintain consistent and high standards of operation. You may use your store site solely for the operation of the franchise business; you must keep the premises open and in normal operation for such hours and days as we, from time to time, specify in writing.

You must refrain from any deviation from our standards and specifications without our prior written consent; and you must discontinue selling and offering for sale any items, products, or services of which we may disapprove in writing at any time.

### ITEM 17

#### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this offering circular.

| <u>Provision</u>                                 | <u>Section<br/>in Franchise<br/>Agreement</u> | <u>Summary</u>  |
|--|---|---|
| a. Term of the franchise                         | Section 2                                     | Term - 10 years   |
| b. Renewal or extension of the term              | Section 2                                     | If you are in good standing you can add one additional term of 10 years                     |
| c. Requirements for you to renew or extend       | Section 2                                     | Sign new agreement, pay fee, remodel and sign release                                       |
| d. Termination by you                            | None  |   |
| e. Termination by Franchisor without cause       | None  |   |
| f. Termination by Franchisor with cause          | Sections 12, 13                               | Franchisor can terminate only if franchisee defaults  |
| g. "Cause" defined - defaults which can be cured | Section 13                                    | You have 30 days to cure: failure to comply with lawful requirements of Franchise Agreement |

| <u>Provision</u>  | <u>Section<br/>in Franchise<br/>Agreement</u> | <u>Summary</u>   |
|---|---|--|
| h. "Cause" defined - defaults which cannot be cured             | Section 12                                    | Non-curable defaults: conviction of felony, repeated defaults even if cured, abandonment, insolvency, failure to pay fees after notice   |
| i. Your obligations on termination/nonrenewal                   | Section 14                                    | Obligations include complete removal of any identification with us, payment of amounts due, delivery of business records (also see r, below)   |
| j. Assignment of contract by Franchisor                         | Section 11                                    | No restriction on Franchisor's right to assign   |
| k. "Transfer" by you - definition                               | Section 11                                    | Includes transfer of contract or assets or ownership change  |
| l. Franchisor's approval of transfer by franchisee              | Section 11                                    | Franchisor has the right to approve all transfers but will not unreasonably withhold approval  |
| m. Conditions for Franchisor approval of transfer               | Section 11                                    | New franchisee qualifies, transfer fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee (also see r below) |
| n. Franchisor's right of first refusal to acquire your business | Section 11                                    | Franchisor can match any offer for the franchisee's business   |
| o. Franchisor option to purchase your business                  | None  |  |

| <u>Provision</u>   | <u>Section<br/>in Franchise<br/>Agreement</u> | <u>Summary</u>  |
|--|---|---|
| p. Your death or disability  | Sections 11, 18, 19                           | Franchise Business must be operated by estate or heirs or sold to approved buyer within 9 months                        |
| q. Non-competition covenants during the term of the franchise                                    | Section 17                                    | No involvement in competing business anywhere in U.S.   |
| r. Non-competition covenants after franchise term expires; covenant to protect confidential info | Sections 17, 18                               | No competing business for 3 years after termination   |
| s. Modification of the agreement   | Sections 31, 32                               | Must be in writing  |
| t. Integration/merger clause   | Sections 31, 32                               | Only the terms of the franchise agreement are binding (subject to state law). Any other promises may not be enforceable |
| u. Dispute resolution by arbitration or mediation  | Section 28                                    | All disputes must be arbitrated in Tulare County, California  |
| v. Choice of forum   | Section 28                                    | Litigation must be in Tulare County, California   |
| w. Choice of law   | Section 27, 28                                | California law applies  |
| x. Indemnification   | Section 10                                    | You completely indemnify us on your conduct of the franchise business   |

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California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.



The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement requires binding arbitration. The arbitration will occur at Tulare County, California with the costs of arbitration being borne by the losing party, who will also have to pay the prevailing party's reasonable attorney's fees and costs of litigation.

#### ITEM 18

##### PUBLIC FIGURES

We do not presently use any public figure to promote our franchise or any aspect of our business.

#### ITEM 19

##### REPRESENTATIONS REGARDING EARNINGS CAPABILITY

Other than the audited financial statements attached as Exhibit B to this Franchise Offering Circular, and any unaudited financial statements provided with this offering circular regarding the company stores our predecessor presently operates, and any returns from franchises, 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 any of the present stores, present franchise stores or potential franchise stores. Actual results vary from unit to unit and we cannot estimate the results of any particular franchise.

#### ITEM 20

##### LIST OF OUTLETS

All 7 Pick-Em Up Truck Store company (non-franchised) stores are owned and operated by our predecessor, Pick-Em Up Truck Store, Inc., and are located in California.

There were eight Pick-Em Up Truck Store franchises in existence as of December 31, 2002.

FRANCHISED STORE STATUS SUMMARY  
FOR YEARS 2002/2001/2000

| <u>STATE</u> | <u>TRANSFERS</u> | <u>COMBINED<br/>CONSOLIDATED</u> | <u>CANCELLED<br/>TERMINATED</u> | <u>NOT<br/>RENEWED</u> | <u>REACQUIRED<br/>BY<br/>FRANCHISOR</u> | <u>LEFT<br/>THE<br/>SYSTEM<br/>OTHER</u> | <u>TOTAL<br/>FROM<br/>LEFT<br/>COLUMNS</u> | <u>FRAN-<br/>CHISES<br/>OPERA-<br/>TED AT<br/>YEAR<br/>END</u> |
|--------------|------------------|----------------------------------|---------------------------------|------------------------|---|--|--|--|
| California   |                  |                                  | 0/0/0                           |                        |   |  | 0/0/0                                      | 6/4/3  |
| Colorado     | 1/0/0            | 0/0/0                            |                                 |                        |   |  | 0/0/0                                      | 1/1/1  |
| Arkansas     |                  |                                  |                                 |                        |   |  |  | 1/0/0  |
| Totals       | 0/0/0            | 0/0/0                            | 0/0/0                           | 0/0/0                  | 0/0/0                                   | 0/0/0                                    | 0/0/0                                      | 8/5/4  |

Note: All numbers are as of December 31 for each year.

STATUS OF COMPANY OWNED STORES  
FOR YEARS 2002/2001/2000

| <u>STATE</u> | <u>STORES FRANCHISED<br/>DURING YEAR</u> | <u>STORES CLOSED<br/>DURING YEAR</u> | <u>STORES OPENED<br/>DURING YEAR</u> | <u>TOTAL STORES<br/>OPERATING AT YEAR END</u> |
|--------------|--|--------------------------------------|--------------------------------------|---|
| California   | 1/1/2                                    | 1/0/0                                | 0/0/0                                | 7/9/10  |

PROJECTED OPENINGS  
AS OF DECEMBER 31, 2003

| <u>STATE</u> | <u>FRANCHISE<br/>AGREEMENTS<br/>SIGNED BUT<br/>STORE NOT<br/>OPENED</u> | <u>PROJECTED<br/>FRANCHISED<br/>NEW STORES<br/>IN THE NEXT<br/>FISCAL YEAR</u> | <u>PROJECTED<br/>COMPANY OWNED<br/>OPENINGS IN<br/>THE NEXT FISCAL<br/>YEAR</u> |
|--------------|---|--|---|
| California   | 0   | 2  | 0   |
| New Mexico   | 0   | 1  | 0   |
| Other States | 0   | 2  | 0   |
| Totals       | 0   | 5  | 0   |

EXISTING FRANCHISED STORES

FRANCHISEE

Ford Holdings, Inc.  
Greg Ford, President

Andy June

R.D. Frost, LLC  
Rodney Frost, Member

OUTLET

2430 N. Main Street  
Longmont, CO 80501  
(303) 684-0843

788 West Olive  
Porterville, CA 93258  
(209) 784-3878

1421 Francisco Boulevard  
San Rafael, CA 94901  
(415) 258-9820

R.D. Frost, LLC  
Rodney Frost, Member

1070A N. State St.  
Ukiah, CA 95482  
(707) 462-5086

R.D. Frost, LLC  
Rodney Frost, Member

2778 N. Jefferson St.  
Napa, CA 94558  
(707) 258-9378

Richie Winn

1978 Slack Road  
Pea Ridge, AR 72751  
(479) 501-4522

Ron Louderback  
East Bay Accessory  
Headquarters, Inc.

1916 Medicine Mountain Court  
Antioch, CA 94531  
(925) 776-4847

James R. Pipes

530 W. 8th Street  
Hanford, CA 93230  
(559) 584-3275

#### TERMINATED/CANCELLED FRANCHISED STORES

Carl Mitchell  
Terri Mitchell

906 Barstow Avenue  
Clovis, CA  
(209) 322-0671

(Franchisor terminated this franchise in 1999; after the Mitchells left, Franchisor's predecessor opened a company owned store at the same location, and later relocated that store to its present location--2834 N. Clovis Avenue, Fresno.)

#### ITEM 21

#### FINANCIAL STATEMENTS

Our audited financial statements as of December 31, 2002, are attached to this offering circular as Exhibit B.

#### ITEM 22

#### CONTRACTS

The standard form of Franchise Agreement, Covenants, and Individual Guaranty, which are attached to this offering circular as Exhibit A, Exhibit C and Exhibit D, respectively, are the only contracts offered directly or indirectly in conjunction with the offer of the franchise.

#### ITEM 23

#### INTERNET ADDRESS

Information regarding our website is attached to this offering circular as Exhibit E.

#### ITEM 24

Attached as Exhibit F, constituting the last page of this offering circular, is a Receipt to be signed by the prospective franchisee.