



WOODCRAFT[®]
Helping You Make Wood Work[®]



WOODCRAFT FRANCHISE, LLC

1177 Rosemar Road
Parkersburg, West Virginia 26105
(304) 422-5412

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

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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

THIS OFFERING CIRCULAR IS EFFECTIVE: OCTOBER 16, 2006. STATE VARIATIONS OF THIS OFFERING CIRCULAR ARE EFFECTIVE ON THE DATE LISTED IN THE ADDENDUM FOR EACH STATE.



FRANCHISE OFFERING CIRCULAR

WOODCRAFT FRANCHISE, LLC

1177 Rosemar Road
Parkersburg, West Virginia 26105
(304) 422-5412
www.woodcraft.com

WOODCRAFT FRANCHISE, LLC offers franchises for retail stores dedicated to the sale of woodworking products including tools, books, educational programs, accessories and supplies.

The initial franchise fee for a Woodcraft Store is \$50,000. In addition, you must purchase an initial inventory of Branded Products of at least \$5,000 and pay an annual Computer System Support Fee of \$1,200. The estimated initial investment for a Woodcraft Store ranges from approximately \$461,200. to \$561,200.

RISK FACTORS:

1. THE FRANCHISE AGREEMENT REQUIRES THAT MOST DISAGREEMENTS, BE SUBMITTED TO ARBITRATION (OR LITIGATION, IF ARBITRATION IS NOT APPLICABLE) IN WEST VIRGINIA. OUT OF STATE ARBITRATION (OR LITIGATION) MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE (OR LITIGATE) IN WEST VIRGINIA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT WEST VIRGINIA 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. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information comparing WOODCRAFT FRANCHISE, LLC with other franchisors is available. Call the state administrators listed in Exhibit A or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in this Offering Circular is untrue, contact the federal trade commission and state administrators listed in Exhibit A.

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ITEM 1

THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Offering Circular, “Woodcraft”, “we” “us” or “our” means WOODCRAFT FRANCHISE, LLC, the Franchisor. “You” means the person who buys the franchise. If you are a corporation, limited liability company or another of type entity, certain provisions also apply to your owners and will be noted.

We were organized under the laws of the State of Delaware on March 8, 2006. Our principal business address is 1177 Rosemar Road, Parkersburg, West Virginia, 26105. We do business under our company name and the name “WOODCRAFT.” Our agents for service of process in various states are listed in Exhibit A. We have offered franchises since September 2006. We are not engaged in any other line of business and have never offered franchises in any other line of business. Except through our affiliate, Woodcraft Supply, LLC (see below), we have never operated a business similar to the franchises we offer. As of July 15, 2006, there were 84 franchised Woodcraft Stores and 3 Woodcraft Stores owned and operated by Woodcraft Supply, LLC.

We are wholly-owned by Woodcraft, LLC, a Delaware limited liability company organized on March 8, 2006. Woodcraft, LLC is also located at 1177 Rosemar Road, Parkersburg, West Virginia 26105. Woodcraft, LLC does not currently and has not previously offered franchises in this or any other line of business.

Our predecessor is Woodcraft Franchise Corporation (“WFC”). WFC offered franchises for Woodcraft Stores from March 1997 to July 2006. WFC was incorporated in the State of West Virginia on October 8, 1996. WFC maintained its principal business address at 1177 Rosemar Road, Parkersburg, West Virginia, 26105. WFC’s predecessor is Woodworkers Club Franchising, Inc. (“Club Franchising”). Club Franchising was incorporated in the State of Virginia on June 19, 1995. In April 1997, WFC acquired ownership of the assets of Club Franchising. From 1995 to April 1997, Club Franchising offered franchises for retail stores offering woodworking supplies under the tradename “The Woodworkers Club.” To the best of our knowledge Club Franchising never offered franchises in any other line of business. As of the date of this Offering Circular, there are two Woodworkers Club franchises which are a part of our franchise system. From April 1994 to April 1997, Club Franchising operated a business which is similar to the franchises we offer.

WFC was formerly a wholly owned subsidiary of SBR, Inc., (“SBR”) whose principal business address is 5300 Briscoe Road, Parkersburg, West Virginia, 26101. SBR was incorporated in the State of West Virginia on April 19, 1972. Effective June 3, 2006, we merged with WFC and emerged as the surviving entity. Under the terms of the merger agreement, we agreed to assume all obligations of the 84 franchise agreements previously entered into between WFC and its franchisees. In addition, we acquired ownership of the intellectual property and other assets necessary for the operation of Woodcraft Stores.

Our affiliate is Woodcraft Supply, LLC (“Woodcraft Supply”). Woodcraft Supply is also a wholly-owned subsidiary of Woodcraft, LLC. Woodcraft Supply was organized in the State of Delaware on March 15, 2006. Woodcraft Supply’s business address is also at 1177 Rosemar Road, Parkersburg, West Virginia, 26105. Woodcraft Supply owns and operates 3 Woodcraft Stores. Woodcraft Supply also provides various “Branded Products” and computer system support to our franchisees. Additional information on Woodcraft Supply and the products and services it provides is included in Item 8. Woodcraft Supply has never offered franchises in this or any other line of business.

We offer franchises for a retail store concept which specializes in providing woodworking products and services including tools, books, educational programs, along with related products and services. Among the products and services the stores typically provide are power and hand woodworking tools such as saws, drills, lathes and planes, do it yourself kits, how-to books, seminars, classes and other educational programs, along with related products and services. We refer to the company and franchisee-owned stores as “Woodcraft Retail Stores” or “Woodcraft Stores.” Each Woodcraft Retail Store operates pursuant to a “System” consisting of certain methods, techniques and procedures described in more detail in our Franchise Agreement attached as Exhibit B to this Offering Circular. We identify our System by means of certain trade names, service marks, trademarks, logos and commercial symbols including the federally registered trademark “WOODCRAFT” (collectively the “Marks”). At this time, we only offer Franchises for a single Woodcraft Retail Store, though, in the future, we may decide to offer certain qualified persons the right to develop multiple Woodcraft Retail Stores.

Our products and services are targeted toward woodworking hobbyists and enthusiasts. Your Woodcraft Retail Store will compete with local businesses, as well as local, regional or national chains of retail stores selling woodworking products. We believe the market for specialized woodworking products is growing.

We are not aware of any regulations specific to the industry in which Woodcraft Retail Stores operate. Although, you must comply with all local, state and federal laws that apply generally to all businesses. You also must comply with all local zoning, business licensing and other regulations applicable to your Woodcraft Retail Store. You are advised to examine all of these laws before purchasing a franchise from us.

ITEM 2

BUSINESS EXPERIENCE

Chairman and Director: Samuel B. Ross, II

As Chairman, Mr. Ross serves as our chief executive officer. Mr. Ross has served as Chairman and as a director since we were formed in March 2006. Previously, from 1972 until February 2006, Mr. Ross was Chairman and CEO of SBR and from October 1996 until July 2006, he was Vice-President of WFC.

President and Chief Operating Officer: Jeffrey E. Forbes

Mr. Forbes has served as our President and Chief Operating Officer since our formation. Previously from May 2005 until July 2006, Mr. Forbes was President of WFC. In addition from October 2001 until July 2006, Mr. Forbes was Director of Technology and Vice President of Internet Technology for Woodcraft Supply, Inc. Woodcraft Supply, Inc. was an affiliate of our predecessor, WFC, and was located at 1177 Rosemar Road, Parkersburg, West Virginia, 26105.

Treasurer and Chief Financial Officer: Larry J. Gerrard

Mr. Gerrard has served as our Treasurer and Chief Financial Officer since our formation. Previously from October 1996 until July 2006, he was Treasurer for WFC.

Secretary: Melissa K. Righter

Ms. Righter has served as our Secretary since our formation. Previously from June 1997 until June 2006, she was an Executive Assistant with SBR.

Director of Retail Sales and Operations: Marshall Burdette

Mr. Burdette has been Director of Retail Sales and Operations since our formation. From July 2005 until June 2006, he was Retail Operations Manager for WFC and from April 2002 until June 2005 he served as Director of Training with WFC. Prior to that, from May 1982 to August 2001, Mr. Burdette was a teacher and coach with the Wood County School System in Parkersburg, West Virginia.

Director of Franchising: William T. Carroll

Mr. Carroll has been Director of Franchising since our formation. Previously from June 1997 until June 2006, he was Director of Franchising (formerly known as Director of Franchise Operations) with WFC.

Vice President of Multi-Channel Sales: Gary J. Lombard

Mr. Lombard has been Vice President of Multi-Channel Sales since our formation. From June 2005 until June 2006, he was Vice President of Multi-Channel Sales with WFC. Previously from July 2001 to June 2005, Mr. Lombard was Vice President of Retail Operations with WFC and from October 1996 to July 2001, he was Director of Retail Operations for WFC.

Vice President of Internet Technology: Nancy Miller

Ms. Miller has served as Vice President of Internet Technology since our formation. Previously from May 2001 until May 2006, she was Director of Internet Development with WFC.

Marketing Manager: Elizabeth Matheny

Ms. Matheny has been our Marketing Manager since May 2005. Since October 2004, she has also owned and operated Blue Milieu Design located in Belpre, Ohio. Previously, she was employed by The Gianfagna Group, as a Graphic Designer from November 1998 to April 2001, and as Account Director from April 2001 to October 2004.

Ohio Valley Region Field Consultant: Brian Taylor

Mr. Taylor has been the Ohio Valley Region Field Consultant since our formation. From May 2001 to June 2006, he was Ohio Valley Region Field Consultant with WFC.

Southeastern Region Field Consultant: Michael Woods

Mr. Woods has been the Southeastern Region Field Consultant since our formation. From June 1997 to June 2006, he was Southeastern Region Field Consultant with WFC.

Rocky Mountain Region Field Consultant: Gary Ellis

Mr. Ellis has been the Rocky Mountain Region Field Consultant since our formation. From October 1996 to June 1996, he was Rocky Mountain Field Consultant with WFC.

West Coast Region Field Consultant: Ronald E. Young

Mr. Young has been the West Coast Field Consultant since our formation. From September 2004 to June 2006, he was West Coast Region Field Consultant with WFC. Prior to that, from February 1994 to September 2004, Mr. Young was Store Manager responsible for the overall operations of an affiliate-owned Woodcraft Retail Store.

Eastern Region Field Consultant: Scott Dixon

Mr. Dixon has been the Eastern Region Field Consultant since our formation. From September 2001 to June 2006, he was Eastern Region Field Consultant with WFC.

Central Region Field Consultant: Dan Mahoney

Mr. Mahoney has been the Central Region Field Consultant since our formation. From July 2003 to June 2006, he was Central Region Field Consultant with WFC. Prior to that, from 1993 to June 2003, he was a manager with L.L. Johnson Lumber Mfg./Johnson's Workbench of Charlotte, Michigan.

Training Manager: James W. Day

Mr. Day has been the Training Manager since our formation. From July 2005 to June 2006, he was Training Manager with WFC. Prior to that, from February 1989 to July 2005, Mr. Day was Administrative Assistant with the Wood County Commission in Parkersburg, West Virginia.

Administrative Assistant: Carol Schott

Ms. Schott has been an Administrative Assistant since our formation. From June 1997 to June 2006, she was Administrative Assistant with WFC.

Director: William E. Hamb

Mr. Hamb has served as a director since our formation. Since January 2006, Mr. Hamb has been Senior Counsel with the law firm of Robinson & McElwee, PLLC located in Charleston, West Virginia. Prior to that, he was an attorney in private practice in Charleston, West Virginia.

Director: Susan S. Ross

Ms. Ross has served as a director since our formation. Ms. Ross has been retired for the last five years.

Director: John A. Staley, IV

Mr. Staley has served as a director since our formation. In addition, since December 1996, Mr. Staley has been President of Staley Capital Advisers, Inc. located in Pittsburg, Pennsylvania.

Director: James M. Sutton

Mr. Sutton has served as a director since our formation. In addition, Mr. Sutton is Chairman of Ameribank located in Welch, West Virginia.

ITEM 3

LITIGATION

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 in this Item.

ITEM 5

INITIAL FRANCHISE FEE

When you sign the Franchise Agreement, you must pay an "Initial Franchise Fee" of \$50,000. The Initial Franchise Fee is payable in a lump sum and is uniform for all Franchise Agreements executed pursuant to this Offering Circular.

In addition to the Initial Franchise Fee, you must purchase an initial inventory of Branded Products from our affiliate Woodcraft Supply equal to approximately \$5,000. You will also pay us an annual Computer System Support Fee of \$1,200, which we will prorate based on when you sign the Franchise Agreement. A copy of the Computer System Support Agreement is included as Exhibit C.

If you fail to secure a site for the operation of your Woodcraft Retail Store within 90 days after the effective date of the Franchise Agreement, then we may terminate the Franchise Agreement. If so, we will return 75% of the Initial Franchise Fee (or 50% if we have furnished our Initial Training Program to you).

If we terminate the Franchise Agreement, Woodcraft Supply will repurchase all salable Branded Products at 90% of their current wholesale price.

The Computer System Support Fee is not refundable under any circumstances.

If we determine that you and/or your general manager are unable to satisfactorily complete the Initial Training Program, we may terminate the Franchise Agreement and if so, we will refund 50% of the Initial Franchise Fee.

There are no other fees which you are required to pay to us or our affiliates prior to opening your Franchised Business.

ITEM 6

OTHER FEES

Name of Fee(1)	Amount	Due Date	Remarks														
Royalty Fee	5% of Gross Revenues	Monday of each week	See definition of Gross Revenues (2).														
Marketing Contribution	<table border="0"> <tr> <td>Year</td> <td>Gross Revenues</td> </tr> <tr> <td>1-2</td> <td>1%</td> </tr> <tr> <td>3+</td> <td>1.5%</td> </tr> </table>	Year	Gross Revenues	1-2	1%	3+	1.5%	Same as Royalty Fee									
Year	Gross Revenues																
1-2	1%																
3+	1.5%																
Local Advertising	<table border="0"> <tr> <td>Annual</td> <td>Local</td> </tr> <tr> <td>Gross Revenues</td> <td>Advertising</td> </tr> <tr> <td>0 – 1.3 million</td> <td>5%</td> </tr> <tr> <td>1.3 – 1.5 million</td> <td>4.75%</td> </tr> <tr> <td>1.5 – 1.7 million</td> <td>4.5%</td> </tr> <tr> <td>1.7 – 1.9 million</td> <td>4.25%</td> </tr> <tr> <td>1.9 million and above</td> <td>4%</td> </tr> </table>	Annual	Local	Gross Revenues	Advertising	0 – 1.3 million	5%	1.3 – 1.5 million	4.75%	1.5 – 1.7 million	4.5%	1.7 – 1.9 million	4.25%	1.9 million and above	4%	Monthly	You pay directly subject to our approval. For your first year of operation, Local Advertising shall be 5% of the prior months Gross Revenues.
Annual	Local																
Gross Revenues	Advertising																
0 – 1.3 million	5%																
1.3 – 1.5 million	4.75%																
1.5 – 1.7 million	4.5%																
1.7 – 1.9 million	4.25%																
1.9 million and above	4%																
Branded Product Purchases	Will vary under circumstances. You will typically maintain approximately \$5,000 of Branded Products in inventory.	As Invoiced; payable within 30 days	You will purchase Branded Products from Woodcraft Supply in order to meet anticipated customer demand														
Cooperative Advertising	Proportional share not to exceed 5% of Gross Revenues	Same as Royalty Fee	Credited toward Local Advertising requirement.														
Audit	Deficiency in Royalty Fees and Marketing Fund Contributions; plus interest	As invoiced	If an audit or inspection is made necessary by your failure to furnish reports or supporting records, or to furnish such reports or records on a timely basis, or if there is an understatement of Gross Revenues of more than 5%, you must pay the costs of the audit or inspection.														
Relocation	Our costs and expenses	As invoiced	If we approve a relocation of your Retail Store, we have the right to charge you for our reasonable expenses and costs in connection with your relocation.														
Interest	Highest rate permitted by applicable law, not to exceed 1.5% per month	After due date	Applies to all Royalty Fees, Marketing Fund Contributions, Branded Product purchases or any other overdue amounts owed to us or our affiliates.														
Supplier Approval	Our reasonable costs of inspection and testing	As invoiced	Applies to new suppliers you wish to purchase from that we have not previously approved.														
Insurance Policies	Amount of unpaid premiums	As Invoiced	Payable only if you fail to maintain the required insurance coverage and we elect to obtain coverage for you.														

Name of Fee (1)	Amount	Due Date	Remarks
Transfer Fee	50% of our then-current franchise fee	Before we approve the transfer	This transfer fee does not apply to a transfer to a corporation or limited liability company you control.
General Manager Training	\$3,000.00	Prior to training	Payable if you hire a general manager after completion of the Initial training Program or for training a replacement general manager.
Ongoing Training	Reasonable amount to cover our costs of providing training	Prior to training	You will only be required to pay a fee for optional training. Mandatory training will be provided at no charge. You must pay all travel and living expenses whether training is mandatory or optional.
Indemnification	Will vary under circumstances	As incurred	You must indemnify us against claims resulting from your operation of the Store and our cost of defending against them.
Computer System Support Fee	\$1,200.00	Annually on January 2 nd	Prorated for the first year; payable to Woodcraft Supply on January 2 thereafter. This fee may vary based on Woodcraft Supply's anticipated cost in providing support services.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	You must reimburse us if we incur costs due to your default.
Gift Card Program	\$10 Monthly Service Fee plus .25-.27¢ Production Fee per card plus .10-.12¢ Transaction Fee per transaction. Fees vary based on aggregate number of Gift Cards issued by all Woodcraft Stores	Monthly	See Item 8 for additional information on the Gift Card Program
Miscellaneous	Varies	Upon breach of the Franchise Agreement	You must personally guaranty and comply with all terms of and will be liable for any breach of the Franchise Agreement (Exhibit D to the Franchise Agreement).

NOTES

- (1) All fees are imposed by and payable to us, unless stated otherwise. All fees are non-refundable.
- (2) "Gross Revenues" means the total of all sales (not including taxes collected) related to or arising from the operation of the Retail Store including, without limitation, all monies and receipts from the sale of all products and services, including Branded Products. Gross Revenues shall be deemed to include checks, drafts, money orders, credit card payments and other forms of payments. Gross Revenues shall not include the amount of any refunds and adjustments that you give in good faith to customers of the Retail Store which were previously included in calculating Gross Revenues or any applicable sales, use or service taxes.

ITEM 7

INITIAL INVESTMENT

Expenditures	Your Actual or Estimated Amount	Method of Payment	When Due	To Whom Payment Is Made
Initial Franchise Fee ¹	\$50,000	Lump Sum	Upon Signing Franchise Agreement	Us
Computer System Support Fee	\$1,200	Lump Sum	Upon Signing Franchise Agreement	Woodcraft Supply
First Month's Rent ²	\$0 - \$7,500	As Arranged	As Arranged	Landlord
Security Deposits ³	\$4,000 - \$9,500	As Arranged	As Arranged	Landlord, Utilities
Initial Inventory ⁴	\$230,000-\$250,000	As Arranged	Upon Signing Franchise Agreement/ As Arranged	Woodcraft Supply/ Third Parties
Leasehold Improvements ⁵	\$17,000 - \$30,000	As Arranged	As Arranged	Third Parties
Furniture and Fixtures ⁶	\$65,000 - \$75,000	As Arranged	As Arranged	Third Parties
Insurance ⁷	\$3,000 - \$5,000	As Arranged	As Arranged	Insurers
Training Expenses ⁸	\$1,000 - \$3,000	As Arranged	As Arranged	Providers of transportation, food and lodging
Grand Opening Advertising ⁹	\$25,000	As Arranged	First 6 months of Operation	Media
Signage ¹⁰	\$6,000 - \$9,000	As Arranged	As Arranged	Third Parties
Additional Funds ¹¹	\$40,000 - \$75,000	As Arranged	As Needed	You Determine
Office Equipment and Supplies ¹²	\$19,000 - \$21,000	As Arranged	As Arranged	Third Parties
TOTAL	\$461,200 - \$561,200			

NOTES

1. The Initial Franchise Fee is described in Item 5.
2. You must provide a site from which to operate your Woodcraft Retail Store. Normally, a site is obtained on a leasehold basis. This estimate is based on one month's rent for a space of approximately 6,500 to 7,000 square feet. There may be other lease acquisition costs such as prepaid rent and security deposits. It is extremely difficult to estimate lease costs because of the wide variation in costs between locations.
3. Security deposits generally are required by utilities, the landlord and equipment lessors. Amounts will vary depending on the requirements under the various leases, utilities' policies and your credit rating.
4. The amount of your investment attributable to the initial store inventory will vary depending upon the size of your store. Approximately \$5,000 of this amount is for Branded Products. Payments are due according to the suppliers' policies and requirements.
5. Certain leasehold improvements are generally required. These costs will vary based on the size of the facility, local materials costs and labor costs. Examples of the types of leasehold improvements include electrical, plumbing, flooring, and general finish-out (except for fixtures as described below) of the leased premises.
6. This fee includes the furniture and fixtures necessary to outfit your Retail Store. Amounts may vary due to transportation costs, availability and installation costs.
7. The estimated cost covers the first year's insurance premium for required coverages for business liability insurance. This amount may vary based on location, prior loss history, costs of build-out and the amount of inventory you carry.
8. You are responsible for arranging transportation and paying the living expenses for yourself and any other persons attending the Initial Training Program. These costs may vary based on the distance you travel and the type of accommodations you choose. The estimate contemplates attendance by two persons traveling to our headquarters for approximately two weeks.
9. You will need to advertise locally to help establish recognition in your local trade area.
10. This fee covers the cost of interior and exterior signage for a typical Woodcraft Retail Store. Costs may vary depending on local materials and labor costs.
11. The additional funds is an estimate to cover operating expenses, including employees' salaries, for three months of operation. However, we cannot guarantee that this amount will be sufficient. Our estimate of the amount of additional funds required to operate the Retail Store is based on the experience of our affiliate in operating other Woodcraft Retail Stores. Additional funds may be required if sales are low or fixed costs are high.
12. This amount includes the Computer System, telephone, facsimile machine, computer, safe, and miscellaneous supplies.

In compiling this chart, we relied on our affiliate's experience in operating other Woodcraft Retail Stores. The amounts shown are estimates only and may vary for many reasons including the size of your Retail Store, the capabilities of your management team, where you locate your Retail Store and your business experience and acumen. For planning purposes, please note that most costs and expenses listed in this Item 7 are not within our control. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a franchise. We do not typically offer financing for any of the above expenditures.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Branded Products and Computer System Support

Our affiliate Woodcraft Supply is the designated supplier of Branded Products which you will offer for retail sale. The Branded Products consisting of woodworking tools, woodworking supplies and other products. The majority of the Branded Products are labeled with one or more of the Woodcraft Marks. You must carry a 30 day supply of Branded Products in order to meet customer demand. In addition, you must maintain a representative inventory of all Branded Products.

In addition to the Branded Products, Woodcraft Supply is also the designated provider of help-desk support in connection with your Computer System (described below). You will enter into a Computer System Support Agreement directly with Woodcraft Supply.. This fee entitles you to help desk support for the POS system, Back Office System and Communications/Polling System during regular business hours. The current Computer System Support Fee is payable annually by January 2 each year. This fee may increase from year to year based on Woodcraft Supply's anticipated cost of providing support services to the franchise system. A representative copy of the Computer System Support Agreement is included as Exhibit C.

We do not receive revenue as a result of your purchases of Branded Products or your payment of the Computer System Support Fee, however, Woodcraft Supply will derive revenue equal to the purchase price you pay.

Gift Card Program

We require franchisees to participate in a gift card program and issue stored value cards to their customers for use as gift certificates, promotional cards and store credit. You will enter into a Participation Agreement directly with Stored Value Systems, Inc. ("SVS"), who will administer the program and provide you and other franchisees with account settlement services each month via ACH debits and credits. We and our affiliates do not derive revenue as a result of your participation in the gift card program.

Other Inventory Items and Operating Supplies

In addition to the Branded Products, various services and products used in establishing and in operating your Retail Store including, but not limited to, inventory, stationery, business forms, calling cards and other materials shall comply with our specifications and quality standards and, if required by us, shall be purchased only from "Approved Suppliers" that we designate or approve. For these services and products described in the preceding sentence, we or one or more of our affiliate[s] may be an Approved Supplier. We will provide you, in the Manual or other written or electronic form, with a list of the approved services and/or products and, if required, a list of Approved Suppliers for some or all of these services and/or products. From time to time, we may revise this list. If you desire to use any service and/or product that we have not approved (for services or products that require supplier approval), you shall first send us sufficient information, specifications and/or samples to enable us to determine whether the service or product complies with our standards and specifications or the proposed supplier meets our criteria. We may charge a reasonable fee for inspection and/or testing, and will decide within a reasonable time after receiving the required information whether you may purchase the service or product from such proposed supplier. Approval of a supplier may be conditioned on requirements related to, among others, the frequency of delivery, standards of service, consistency, reliability and general reputation. We reserve the right to review from time to time our approval of any suppliers and may revoke our approval of any supplier who fails to meet our criteria.

Insurance

You must procure, at your expense, and maintain in full force and effect during the term of the Franchise Agreement, the insurance coverage as required in our Franchise Agreement and as required under the terms of the lease for the Retail Store.

The policy or policies must be written by a licensed insurance company rated "A" or better as indicated in Best's Key Rating Guide. All insurance policies must name us as an additional insured.

If you, for any reason, do not procure and maintain the required insurance coverage, we have the right (without, however, any obligation to do so) to procure the insurance coverage and to charge you, together with a reasonable fee for our services.

Computer System

You are required to install and utilize the Computer System as described in Item 11.

Miscellaneous

There are no purchasing cooperatives in existence at this time.

We or our affiliates may receive fees, commissions, or other payments or consideration from suppliers based on sales to you and other franchisees. Our affiliate, Woodcraft Supply manages and administers its Sales Opportunities and Rewards ("SOAR") program. Under the terms of the SOAR program, suppliers are asked to provide Woodcraft Supply with a credit ranging from 1-5% of total system-wide purchases based on the total increase in sales from the prior year's like quarter. Participation by suppliers in the SOAR program is voluntary. There are approximately 630 suppliers providing products and services to Woodcraft Supply and us who have been invited to participate. Unless a supplier designates that the payments are to be used only for advertising and promotions, we may use these payments without restriction for any purpose we deem appropriate. In addition, based on the system-wide purchasing power, we may negotiate contracts with suppliers enabling you, Woodcraft Supply and other franchisees to purchase products at reduced prices.

As this is our first year of operation, we are not able to estimate our or Woodcraft Supply's total revenue from franchisee's purchase of goods and services. Prior to the merger, WFC, for its most recent fiscal year ending April 29, 2006, received \$0 in revenue from franchisees' purchases of products and services. For Woodcraft Supply, Inc's most recent fiscal year ending April 29, 2006, its revenue from franchisee's purchases of Branded Products and all other products and services was \$1,263,114 or approximately 4.9% of its total revenues of \$25,576,793. These numbers are taken from Woodcraft Supply Inc's year-end unaudited financial statements. Required purchases or leases of all products and services including Branded Products are estimated to make up 60% to 70% of your total initial investment and approximately 40% of your annual operating expenses. We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Retail Stores) based on whether or not you purchase through the sources we designate or approve. However, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation	Paragraph In the Franchise Agreement	Item In The Offering Circular
a. Site selection and acquisition/lease	Section 4	Item 12
b. Pre-opening purchases/leases	Sections 3, 4 and 8	Items 7 and 8
c. Site development and other pre-opening requirements	Section 4	Items 6, 7 and 11
d. Initial and on-going training	Section 6	Items 6 and 11
e. Opening	Section 4	Item 11
f. Fees	Sections 3, 4, 6, 8, 9, 10, 11, 12 and 13	Items 5 and 6
g. Compliance with Standards and Policies/Operating Manual	Sections 4, 5, 10 and 14	Item 11
h. Trademarks and Proprietary Information	Sections 5 and 7	Items 13 and 14
i. Restrictions on Products/Services Offered	Section 10	Items 8 and 16
j. Warranty and Customer Service Requirements	Section 10	N/A
k. Territorial Development and Sales Quotas	None	Item 12
l. On-going Product/Service Purchases	Section 10	Items 8 and 11
m. Maintenance, Appearance and Remodeling Requirements	Section 4	Items 6 and 17
n. Insurance	Section 11	Items 6, 7 and 8

Obligation	Paragraph In the Franchise Agreement	Item In The Offering Circular
o. Advertising	Section 8	Items 6 and 11
p. Indemnification	Sections 5 and 12	Item 6
q. Owner's Participation/ Management/Staffing	Sections 6 and 10	Item 15
r. Records/Reports	Section 9	Items 8 and 11
s. Inspections/Audits	Section 9	Items 6, 11 and 13
t. Transfer	Section 13	Items 6 and 17
u. Renewal	Section 2	Item 17
v. Post-Termination Obligations	Sections 15 and 16	Item 17
w. Non-Competition Covenants	Section 16	Item 17
x. Dispute Resolution	Section 17	Item 17

ITEM 10

FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation. We may, however, assist you in obtaining financing.

ITEM 11

FRANCHISOR'S OBLIGATIONS

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

A. Before You Open Your Retail Store, We Will:

1. Determine the exact boundaries of your Territory as described in ITEM 12. (Section 1.B.).
2. Provide assistance to you in evaluating potential sites and leases. You generally will propose a site for our review and are solely responsible for site selection and securing a lease for the premises. We must approve your site before you enter into a lease or begin operating your Retail Store. We will advise you in writing within 15 days after receipt of your site documentation whether we have approved a particular site. We will consider these sites general location, the proposed rent and other lease terms. (Section 4.).
3. Provide you with a sample layout for the interior of a typical Woodcraft Retail Store together with a set of standard preliminary plans and specification for the interior design, layout and décor. (Section 4.C.).
4. Make available to you or your general manager our Initial Training Program for approximately 2 weeks as described in this Item. (Section 6.A.) We do not charge for the Initial Training Program, however all travel and living expenses incurred by you and your general manager are your responsibility.
5. Loan you one copy of the Manual, the Table of Contents of which is Exhibit D. (Section 6.E.)

B. During the Operation of Your Retail Store, We Will:

1. For approximately 7-8 days around the opening of your Retail Store, provide you with on-site assistance and guidance, at our expense, in order to facilitate the opening of your Retail Store. The types of guidance and assistance we provide included setup assistance, placement and arrangement of furniture and displays, computer system setup and training of your staff. (Section 6.B.).
2. Provide you with guidelines for local advertising and promotion. You must submit to us for prior approval, all promotional materials and advertising you intend to use. (Section 8.B.)
3. Provide additional training programs and courses to you, your general manager and other employees, which may be optional or mandatory. We reserve the right to charge a tuition fee for optional

training programs. Mandatory training programs will be provided to you without tuition charge. You will be required to pay all travel and living expenses incurred by you and your employees while attending training. (Section 6.C.).

4. Send a field representative to visit Your Retail Store, from time to time, as we deem necessary. (Section 6.D.)

5. Provide you with Our system standards regarding the business operations of the Retail Store. (Section 10.A.).

6. Provide you with access to Branded Products in order to meet reasonable customer demand. (Section 10.D.).

7. Administer the Woodcraft Marketing and Advertising Fund (the "Fund"). You are required to contribute, each week, an amount equal to (i) one percent (1%) of Gross Revenues for the first two years and (ii) one and one-half percent (1½%) of Gross Revenues thereafter for the term of the Franchise Agreement. Your contribution shall be made at the same time and in the same manner as the Royalty Fee. We have the right to maintain and administer the Fund in Our sole discretion in accordance with the following provisions:

We intend to use the Fund for national and/or regional marketing activities to promote the System (including, without limitation, the cost of preparing and conducting television, radio, magazine, newspaper and Internet advertising campaigns) and related business purposes including employing advertising agencies to assist in these activities. We may charge the Fund fees at reasonable market rates for administrative or marketing services provided by Us. We will not use the Fund to offer to sell franchises to prospective franchisees.

If less than the total of all contributions to the Fund are expended during any fiscal year, such excess may be accumulated for use during subsequent years. In addition, the Fund may borrow from Us or other lenders to cover deficits in any fiscal year.

We will endeavor to manage the Fund in a way that benefits the System and increases public recognition of the Products, including Branded Products, and services offered as part of the System. However, We cannot, and do not, ensure that any particular franchisee will benefit directly or pro rata from the placement of advertising or from any expenditure by the Fund. All contributions by franchisees to the Fund shall be maintained in a separate account from our general operating account. Although We intend the Fund to be of perpetual duration, We maintain the right to terminate the Fund and return all unexpended funds to You and other franchisees on a pro rata basis based on contributions for the last 12 months prior to the Fund being terminated. An accounting of the operation of the Fund shall be prepared annually and shall be made available to you and other franchisees upon request. All Woodcraft Retail Stores which we or our affiliates own or operate will be required to contribute to the Fund on the same basis as Woodcraft franchisees. In addition, we and our affiliates will make contributions to the Fund based on our sale of Products through the Internet and from catalogue sales. The Fund is not a trust and we are not a fiduciary with respect to the Fund. You authorize us to collect for remittance to the Fund any advertising or promotional monies offered by any supplier based upon purchases by you or otherwise. During the one-year period ending on April 30, 2006, the Fund spent 53.65% of its total expenditures for media placement, 12.36% for administration, 4.14% for production and 29.85% for other items including market research, Internet and catalog development, public relations and education.

8. Provide specifications to you for the Computer System you must use in the operation of your Retail Store. Currently, we require you to use the Microsoft Retail Management System (“RMS System”). The RMS System allows you to track sales, inventory and customer information. Our affiliate-owned Retail Stores have utilized the RMS System since October 2005. The RMS System is the proprietary product of Microsoft Corporation which is located at One Microsoft Way, Redmond, Washington 98052 and their phone number is (888) 477-7877. We may require you to upgrade your hardware or purchase software updates when new versions of the RMS System are released. There is no contractual limit on the frequency or cost of required upgrades to the Computer System; however, we will use reasonable business judgment in determining whether any hardware or software upgrades are required. In order to operate the RMS System you will be required to purchase the following:

Software:

- Microsoft Point of Sale
- Quickbooks (most recent version)

Hardware:

Point-of-Sale

- Casio QT-8000 POS CPU Terminal (includes 15-inch touch screen, Bar code scanner, cash drawer and thermal printer)

Back Office (minimum requirements)

- PC with Pentium® III 733 MHz or faster processor
- Microsoft® Windows XP Professional with Service Pack 2 or later, Windows Server 2003
- Microsoft SQL Server 2000 Desktop Engine–MSDE
- Minimum 256 MB of RAM
- Approximately 50MB of available hard disk space for the Point of Sale program and files. (Hard disk usage will vary, depending on Point of Sale’s configuration and the location of database files.)
- CD-ROM drive
- VGA (1024 x 768) Monitor
- Microsoft Mouse or compatible pointing device

You will be required to upgrade any hardware component or software program at any time during the term of the Franchise Agreement to be compatible with any software we may require. We will have the right to independently access all data collected by the RMS System and any other aspect of your Computer System.

9. Woodcraft Supply will do the initial setup of the Computer System and provide helpdesk assistance to you in connection with the Computer System for an annual fee as described in Item 6. Currently, the Computer System support consists of the following:

- Complete set-up of the RMS System at your Retail Store;
- Initial training on the use of the RMS System;

- Updates to the Point of Sale software as they are made generally available;
- Help desk support for the Computer System during regular business hours;
- Providing customized support services for an additional fee.

10. We currently offer franchisees the opportunity to purchase mailing lists consisting of actual and potential customers within the vicinity of each franchisees respective Retail Store. You are not required to purchase a mailing list from us, but you may wish to do so from time to time as part of a promotional program that you choose to run. The cost of the list typically ranges from .07-.09¢ per name.

C. Selecting the Site for Your Retail Store:

You are responsible for selecting the site for the Retail Store which must be within the geographic area designated in the Franchise Agreement. Though you are solely responsible for selecting the site, we will provide site evaluation assistance at your request. The assistance consists of overall evaluation of alternative sites. Our prior approval of the site is required. The factors we consider in approving a site include general suitability, traffic pattern, ease of ingress and egress, visibility, availability of parking, proximity of similar business and the general lease terms. We will approve or disapprove a proposed site within 15 days of receiving all requested information. Our approval of one or more sites is not a representation or a promise by us that a Retail Store at the approved site will achieve a certain sales volume or a certain level of profitability.

If no acceptable site is found by you and approved by us within 90 days after you sign the Franchise Agreement, we have the right to terminate the Franchise Agreement. If we elect to terminate the Franchise Agreement we will return to you 75% of the Initial Franchise Fee to you (or 50% if we have furnished you with the Initial Training Program).

D. Typical Length of Time Before Operation:

The typical length of time between the signing of the Franchise Agreement and the opening of a Retail Store is approximately 90 to 150 days. The factors that may affect this time include your ability to obtain zoning approval, build-out of the site, weather conditions and other special circumstances.

E. Training:

We conduct an Initial Training Program which you and your general manager, if applicable, must attend and complete to our satisfaction prior to Your beginning operations of the Retail Store. The Initial Training Program is conducted at our headquarters in Parkersburg, West Virginia and lasts for approximately 8-9 days as described on the following page. We conduct training on an as needed basis.

HOURS OF SUBJECT	TIME BEGUN	INSTRUCTIONAL MATERIAL	HOURS OF CLASSROOM TRAINING	HOURS ON-THE-JOB TRAINING	INSTRUCTOR
Company Orientation/ Overview	Day 1	Discussion/ Operations Manual	1.25		President
RMS Point of Sale System	Day 1	Operations Manual/ PC/Discussion	10		Training Department
RMS Manager System	Day 2	Operations Manual/ PC/Discussion	19		Training Department
Computer System Setup/Overview	Day 5	Handout/Discussion	1		Information Systems
Power Tools/Initial Order	Day 5	Handout/Discussion	3.5		Product Development
Purchasing	Day 5	Handout/Discussion	1		Purchasing Department
Inventory	Day 5	Handout/Discussion	1.25		Retail Department
Woodcraft Connection	Day 5	PC/Discussion	.75		Accounting Department
Wood/Ordering	Day 6	Handout/Discussion	1		Product Manager
Merchandising	Day 6	Handout/Discussion	2		Retail Department
Internet	Day 6	Handout/Discussion	1.5		Internet Development
Customer Service/Organization	Day 6	Supplemental Guidebook/Discussion	2		Training Department
Trend Reports	Day 6	Handout/Discussion	15		Retail Department
Direct Mail/Flyer	Day 7	Handout/Discussion	3		Retail Department
Class Builder	Day 7	Handout/Discussion	.75		Retail Department
Seminar/Classroom	Day 7	Handout/Discussion	.75		Education Department
Advertising	Day 7	Handout/Discussion	1		Retail Department
Grand Opening	Day 7	Handout/Discussion	1.25		Retail Department
Accounting	Day 8	Operations Manual/PC/Discussion	3.5		Retail Department

Our Director of Training is Jay Day who is responsible for all aspects of training. Jay will personally provide training and/or utilize appropriate individuals who have experience and knowledge in the subject matters being taught. Our training staff also consists of Jeffrey Forbes, Gary Lombard and William Carroll whose experience is described in Item 2.

We may provide and, if so, require that you or your general manager attend and successfully complete ongoing training programs including refresher training, seminars, informational classes and/or meetings. Attendance at such training programs will be at your sole expense, as to travel and living expenses. We will not charge a tuition fee for any mandatory courses but may, in our discretion, charge a reasonable fee for any optional training.

If you hire a new general manager after completing Initial Training Program, we will provide training to your general manager for an additional fee of \$3,000.00. Any general manager hired by you must attend and successfully complete the Initial Training Program.

ITEM 12

TERRITORY

You will receive a geographic area (the "Territory") within an area outlined in the map or otherwise described in Exhibit A to the Franchise Agreement. So long as you are not in breach of the Franchise Agreement, we will not establish or operate or license others to establish or operate a Woodcraft Retail Store within the Territory granted to You. The perimeter of the Territory may be described by zip codes, county boundaries, highways and other similar boundary descriptions. The typical Territory will include a population of approximately 350,000 persons. You will operate the Retail Store from a location within the Territory approved by us. You must receive our permission before relocating the Retail Store.

Other than as set forth above, the franchise is non-exclusive and we reserve all rights not specifically granted to you, for ourselves and our affiliates, on any terms we deem advisable, and without granting any rights to you, including the right to:

1. Own, acquire, establish, and/or operate, and license others to establish and operate, Woodcraft Retail Stores outside the Territory regardless of their proximity to Your Retail Store or their impact on Your Retail Store;
2. Own, acquire, establish, and/or operate, businesses under other proprietary marks or other systems including businesses which provide products and services similar to those provided by a Woodcraft Retail Store at any location outside the Territory regardless of their proximity to the Site or their impact on the Retail Store;
3. Sell or distribute through any other distribution channel including, but not limited to, the Internet, direct mail, and mail order catalogues, at retail or wholesale, directly or indirectly, or license others to sell or distribute, any Products, including Branded Products, whether within or outside the Territory and regardless of the impact on the Retail Store.

There is no minimum sales quota. Continuation of your Territory does not depend on the achievement of a certain sales volume, market penetration or other contingency. We may not alter your Territory without your written consent. You do not have any options or right of first refusal or similar rights to acquire additional franchises, although you may apply for the right to operate additional Retail Stores pursuant to separate Franchise Agreements.

ITEM 13

TRADEMARKS

Under the Franchise Agreement we grant you the right to operate your Retail Store under certain Marks that we authorize you to use. Our principal Marks are:

MARK	REGISTRATION NUMBER	DATE ISSUED
"Miscellaneous Design (Indian Logo)"	1,087,618	March 21, 1978
"WOODCRAFT, plus the design" (Indian Logo)	1,335,451	May 14, 1985
"Miscellaneous Design word WOODCRAFT only, with interlocking 00's"	1,367,546	October 29, 1985
"WOOD RIVER, plus the design"	1,748,170	January 19, 1993
"WOOD RIVER, plain letters"	1,746,803	January 19, 1993
"Helping You Make Wood Work"	2,173,162	July 14, 1998

Prior to our merger with WFC, Woodcraft Supply, Inc, an affiliate of WFC, initially registered the principal Marks with the United States Patent and Trademark Office on the Principal Register. In a related transaction, our affiliate, Woodcraft Supply received an assignment of the above Marks from Woodcraft Supply, Inc. Woodcraft Supply is in the process of recording these assignments with the United States Patent and Trademark Office.

Pursuant to a Trademark License Agreement dated September 8, 2006, Woodcraft Supply has licensed us the rights to use the principal Marks and to sublicense our franchisees to use the principal Marks in the operation of Woodcraft Retail Stores. The License Agreement is for a term of 30 years and may be terminated by Woodcraft Supply if we fail to cure within 30 days, after having received written notice, any violation of the terms of the License Agreement, including improper use of the Marks or in a manner not expressly permitted under the terms of the Trademark License Agreement. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the Principal Marks.

There are currently no effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceedings, or pending material litigation, involving the Principal Marks.

There are no infringing uses known to us that could materially affect your use of the Marks.

You will not receive any interest in the Marks. You may not at any time contest the validity or ownership of the Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of the Marks. We will take whatever action we deem appropriate. We will indemnify you against any third party claim, suit or demand arising out of your use of the Marks, provided you have used the Marks in accordance with the Franchise Agreement. You must modify or discontinue using any Mark upon direction to do so from us. Under the

terms of the Franchise Agreement, we are not required to reimburse you for the costs of any modifications or your discontinuance of the use of any of the Marks.

You must not use any Mark or part of any Mark as part of any corporate or entity name, in any modified form with the sale of any unauthorized product or service, or in any other manner not authorized in writing by us. You must give notices of trademark and service mark registration as we specify and obtain fictitious or assumed name registrations as may be required.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or copyrights are material to the franchise. You must operate your Retail Store in accordance with our standards, specifications, policies and procedures as set forth in the Manual or otherwise communicated to you.

The Manual contains Confidential Information and you must maintain the confidentiality of this information. You will divulge Confidential Information only to employees who must know it to operate the Retail Store. All information, knowledge and know-how which we designate as confidential will be deemed confidential for purposes of the Franchise Agreement, except information which you can demonstrate lawfully came to your attention before disclosure of it by us; or which, at the time of disclosure by us to you, had lawfully become a part of the public domain, through publication or communication by others; or which, after disclosure to you by us, lawfully becomes a part of the public domain, through publication or communication by others. Any employees having access to the Confidential Information may be required to sign a non-disclosure agreement in a form we approve.

We have not filed an application for copyright registration for the Manual or any other materials and need not do so to protect them. We claim a copyright and the information is propriety. You must promptly notify us if you learn of an unauthorized use of any of our Confidential Information. We are not obligated to take any action against any unauthorized user of the Confidential Information, but will respond as we deem appropriate. We are not obligated to indemnify you for losses brought by a third party concerning your use of the Manual or the Confidential Information. The Manual belongs to us and you must return it upon the expiration or termination of the Franchise Agreement.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

You or your general manager must directly supervise your Retail Store. If you employ a general manager, you will remain obligated to oversee the operations of the Franchised Business. You must keep us informed of the identity of your general manager. If you select a substitute general manager, he or she must complete our Initial Training Program.

Your general manager need not have an equity interest in you if you are a legal entity. However, he or she must agree to maintain the Confidential Information to which he or she has access and may be required to sign a confidentiality and non-competition agreement in a form we approve.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those categories of products and services that we have authorized. In addition, you must offer all products and services that we designate as required for all franchisees. We may add, delete, and/or change the products and services that We have approved as well as change or modify other aspects of the System. You will be obligated to accept, use and display any of these changes in the System. You will be obligated to make all necessary expenditures for such changes or modifications as we may reasonably require.

You also must refurbish the Retail Store according to our standards and specifications after 5 years, including upgrading interior and exterior signage, floor and wall coverings, interior décor features, and lighting.

You are not limited to whom you may sell your products and services but you may not sell any of the products or services offered in connection with your Retail Store on a wholesale basis, at any location other than your Retail Store, or through the Internet, catalogue, mail order or other method of sales or distribution.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Offering Circular.

	Provision	Section In The Franchise Agreement	Summary
a.	Length of the term of the franchise	Section 2.A.	10 years
b.	Renewal or extension of the term	Section 2.B.	If you have complied with the provisions in the Franchise Agreement, you can renew for successive terms of 5 years each.
c.	Requirements for you to renew or extend	Section 2.B.	You have provided us with notice of your intention to renew, substantially complied with all of the provisions in the Franchise Agreement; made the capital expenditures to bring the Retail Store into compliance with our current standards; paid a renewal fee of \$5,000; signed a mutual general release at our option; signed a new Franchise Agreement; met current qualification and training requirements.
d.	Termination by you	Section 14.A.	You may terminate the Franchise Agreement if you are in compliance and we materially breach the Franchise Agreement and fail to cure within 30 days of receiving your written notice.
e.	Termination by us without cause	None	We may not terminate you without cause.
f.	Termination by us with cause	Sections 14.B. and C.	Upon delivery of notice to you if you default under the terms of the Franchise Agreement.
g.	"Cause" defined (defaults which can be cured)		Except for certain defaults listed in (h) below, you generally have 30 days to cure.
h.	"Cause" defined (defaults which cannot be cured)	Section 14.C.	Non-curable defaults include: failure to obtain a suitable site, commence operations of the Retail Store or complete training; abandonment of the business; making a

Provision		Section In The Franchise Agreement	Summary
			material misrepresentation or omission in the application for the franchise; conviction or plea of no contest to a felony or other crime or offense that can adversely affect the reputation of You or the Retail Store; misuse of the Confidential Information, the Mark or the Manual; loose possession of the site and do not relocate; your or your guarantors bankruptcy; violations of covenants concerning the Confidential Information and non-competition; fail to accurately report Gross Revenues or make payments due us or our affiliates within 10 days after notice to cure; maintain false books or records; fail to cure a default under the lease; fail on three or more occasions within any period of twelve months to comply with the Franchise Agreement; pose a threat or danger to the public health; refuse us permission to inspect.
i.	Your obligation on termination/non-renewal	Section 15.	Your obligations include: pay all sums owed to us and our affiliates; cease to operation the Retail Store; return the Manual, Confidential Information and all other materials to us; at our option, assign your telephone number, lease and any assumed names to us; abide by the covenants not to compete; de-identify the premises; sell to us, at our option, any or all assets of the Retail Store.
j.	Assignment of contract by us	Sections 13.A.	No restriction on our right to assign.
k.	"Transfer" by you definition	Section 13.B.	Includes transfer of Franchise Agreement or ownership interest in your or the assets of the Retail Store.
l.	Our approval of transfer by you	Section 13.B.	We have the right to approve all transfers by You, but will not unreasonably withhold Our approval.
m.	Conditions for our approval of transfer	Section 13.B.	For a transfer to a third party you must pay all sums owed to us or our affiliates, all other remaining obligations must be

	Provision	Section In The Franchise Agreement	Summary
			assumed by the transferee, the transferee must meet our qualifications, at our option, sign a mutual general release and execute a then-current form of Franchise Agreement, pay a Transfer Fee of one-half of the then-current Franchise Fee, successfully complete the Initial Training Program, sign the current Franchise Agreement and sign a general release. If you are transferring to an entity owned by you and formed solely for the purposes of operating the Franchised Business, you must remain the owner of the majority interest of that entity.
n.	Our right to acquire your business	Section 13.F.	We may match any offer for your Retail Store or its assets, or any ownership interest in You.
o.	Our option to purchase your business	Section 15.	We have the right to purchase any or all assets used in the operation of the Retail Store business for 30 days from the date of termination or expiration of the Franchise Agreement.
p.	Your death or disability	Section 13.D.	Assignment of franchise or the ownership interest in You within 6 months.
q.	Non-competition covenants during the term of the franchise	Section 16.B.	No involvement in a competing business.
r.	Non-competition covenants after the franchise is terminated or expires	Section 16.C.	No involvement in a competing business for 2 years at the site of your Woodcraft Retail Store or within the Territory or within 10 miles of any other Woodcraft Retail Store.
s.	Modification of the agreement	Section 17.G.	The Franchise Agreement can be modified only by written agreement signed by both parties.
t.	Integration/merger clause	Section 17.G.	Only the terms of the Franchise Agreement are binding (subject to state law); any other promises may not be enforceable.

	Provision	Section In The Franchise Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Section 17.G.	Except for certain claims, all disputes must be arbitrated in Wood County, West Virginia.
v.	Choice of forum	Section 17.E.	Litigation must be in Wood County, West Virginia (subject to state law).
w.	Choice of law	Section 17.E.	West Virginia law applies (subject to state law).

These states have statutes which may supersede the Franchise Agreement concerning your relationship with us, including the areas of termination and renewal of Your franchise: ARKANSAS (Ark. Code, Sections 4-72-201 to 4-72-210); CALIFORNIA (Bus. Prof. Code, Sections 20000 through 20043); CONNECTICUT (Stat., 42-133e to 42-133h); DELAWARE (Code Sections 2551 to 2556); HAWAII (Rev. Stat. Section 482E-6); ILLINOIS (815 ILCS 705/1 to 705/44); INDIANA (Stat. Sections 23-2.5.1 to 23-25.7; IOWA (Code, Sections 523H.1 through 523H.17); MARYLAND (Stat. Sections 11-1301 to 11-1307); MICHIGAN (Stat. Section 19.854(27)); MINNESOTA (Stat. Section 80C.14); MISSISSIPPI (Code Sect. 75-24-51 to 75-24-63); MISSOURI (Stat. Section 407.400 through 407.410); NEBRASKA (Rev. Stat. Sections 87-401 through 87-410); NEW JERSEY (Stat. Sections 56:10-1 through 56:10-12); SOUTH DAKOTA (Codified Laws Section 37-5A-51); VIRGINIA (Code 13.1-557 through 13.1-574); WASHINGTON (Code Sections 19.100.180); WISCONSIN (Stat. Section 135.03). These and other states may have court decisions which may supersede the Franchise Agreement concerning your relationship with us, including the areas of termination and renewal of the franchise.

ITEM 18

PUBLIC FIGURES

We do not currently use any public figures to promote the sale of Woodcraft franchises.

ITEM 19

EARNINGS CLAIMS

This Item contains revenue, expense and income information about franchisee-owned Retail Stores for the 12-month period ended December 31, 2005. We have only included Retail Stores open three years or longer in providing these calculations. The information is derived from unaudited financial reports submitted from franchisees to WSC as part of its reporting requirements and is based on reports received from 36 franchisee-owned Retail Stores. Each category, Low, Medium and High, consists of 12 Retail Stores. These numbers can vary considerably due to a variety of factors, such as: local popularity of Retail Stores and woodworking in general, competition from other similar businesses and the business abilities and efforts of franchisees.

	<u>LOW</u>	<u>MEDIUM</u>	<u>HIGH</u>
<u>Revenues</u>			
Product Sales	1,072,235	1,335,336	1,734,659
Seminar and service fees	<u>30,119</u>	<u>20,304</u>	<u>19,915</u>
Total Revenue	1,102,354	1,355,640	1,754,574
Cost of Goods Sold	<u>655,027</u>	<u>780,977</u>	<u>1,029,794</u>
Gross Profit	447,327	574,663	724,780
Operating Expenses	<u>429,340</u>	<u>500,648</u>	<u>615,194</u>
Store Profit after Operating Expenses	<u>17,987</u>	<u>74,015</u>	<u>109,586</u>

Substantiation of the data used in preparing the accompanying statements will be made available to you upon reasonable request.

Included in Operating Expenses are general types of expenses you will likely incur including wages, rent, utilities, office supplies, equipment maintenance, royalty fees, etc.

OUR NUMBERS ARE BASED ON ESTABLISHED FRANCHISED UNITS AND INFORMATION RECEIVED FROM WSC. WE DO NOT MAKE ANY REPRESENTATIONS OF ANY KIND THAT YOU WILL ACHIEVE ANY PARTICULAR RESULTS OR LEVEL OF SALES OR PROFITABILITY OR EVEN ACHIEVE BREAK-EVEN RESULTS IN ANY PARTICULAR YEAR OF OPERATION. TO THE CONTRARY, A NEW FRANCHISE OWNER'S FINANCIAL RESULTS MAY DIFFER SUBSTANTIALLY FROM THE RESULTS STATED HERE.

THE PERFORMANCE RESULTS INCLUDED IN THIS ITEM RELATE TO HISTORICAL RESULTS AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR PROBABLE PERFORMANCE RESULTS THAT YOU SHOULD EXPECT TO ACHIEVE THROUGH THE OPERATION OF YOUR WOODCRAFT RETAIL STORE.

ITEM 20
LIST OF OUTLETS¹

FRANCHISEE BUSINESS STATUS SUMMARY FOR FISCAL YEARS ENDED APRIL 2006/2005/2004							
States	Transfers	Cancelled or Terminated	Not Renewed	Reacquired By Company	Left the System Other	Total From Left Columns	Franchises Operating At Fiscal Year End
Alabama	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/1
Arizona	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	2/2/1
California	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/4/3
Colorado	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Connecticut	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/3/3
Delaware	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Florida	1/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/0/0	4/4/3
Georgia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Hawaii	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Idaho	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
Illinois	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/3/2
Indiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	4/3/2
Iowa	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	0/0/0
Kansas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/0
Kentucky	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Maryland	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Massachusetts	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Michigan	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/1/1
Minnesota	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Missouri	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
New Hampshire	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
New Mexico	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Nevada	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0
New York	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
North Carolina	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/3/3
Ohio	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	0/1/0	4/4/5
Oklahoma	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Oregon	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/2/2
Pennsylvania	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	4/4/3
Rhode Island	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
South Carolina	0/1/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/0	2/2/1
Tennessee	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/3/3
Texas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	5/5/5
Utah	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/1
Virginia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	4/3/2
Washington	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/1/1
Wisconsin	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	3/3/3
TOTAL	1/1/0	0/0/1	0/0/0	0/0/0	0/1/1	1/2/2	79/73/63

¹ The above chart included information on the franchisee's business status prior to our merger with WSC on June 3, 2006.

The names, addresses and telephone numbers of current Woodcraft Store owners are attached to this offering circular as Exhibit E. The name and last known address and telephone number for all franchisees that had a Store terminated, cancelled, not renewed or otherwise left the franchise system during the most recently completed fiscal year or have not communicated with us within the last 10 weeks is included in Exhibit G.

STATUS OF AFFILIATE-OWNED WOODCRAFT BUSINESSES AS OF AUGUST 31, 2006			
STATE	BUSINESSES CLOSED	BUSINESSES OPENED	TOTAL BUSINESSES OPERATING AS OF AUGUST 31, 2006
Massachusetts	0	0	1
Virginia	0	0	1
West Virginia	0	0	1
TOTALS	0	0	3

PROJECTED OPENINGS DURING OUR UPCOMING FISCAL YEAR ENDING DECEMBER 31, 2006			
STATE	FRANCHISE AGREEMENTS SIGNED BUT BUSINESS NOT OPEN	PROJECTED FRANCHISED NEW BUSINESSES IN THE NEXT FISCAL YEAR	PROJECTED CO. OWNED OPENINGS IN NEXT FISCAL YEAR
California	0	0	0
Colorado	0	0	0
Georgia	0	0	0
Indiana	0	1	0
Michigan	0	1	0
Virginia	0	1	0
Washington	0	1	0
TOTAL	0	4	0

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit F is our audited Balance Sheet as of June 5, 2006.

ITEM 22

CONTRACTS

The following agreements related to a Woodcraft Retail Store are attached as Exhibits to this Offering Circular:

- | | |
|-----------|---|
| Exhibit B | Franchise Agreement with all exhibits to it (Territory, General Release, Conditional Assignment of Lease, Guaranty and Assumption of Obligations) |
| Exhibit C | Computer System Support Agreement |

There are no other contracts or agreements provided by us to be signed by you.

ITEM 23

RECEIPT

The receipt pages are located on the last two pages of this Franchise Offering Circular.