

## FRANCHISE DISCLOSURE DOCUMENT

DECORATING DEN SYSTEMS, INC.

8659 Commerce Drive

Easton, MD 21601

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As a franchisee, you will operate an interior decorating business using the “DECORATING DEN INTERIORS® System.”

The total investment necessary to begin operation of a Decorating Den Interiors franchised business is \$54,018 to \$79,000. This includes \$39,900 that must be paid to the franchisor or affiliate.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Administration Department at 8659 Commerce Drive, Easton, MD 21601; telephone (410) 822-9001.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer's Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

FTC – Decorating Den Interiors Unit Offering

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## ITEM 1

### THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Franchise Disclosure Document (sometimes referred to as the "Disclosure Document"), "we," "us," "our," and "DDSI" refer to Decorating Den Systems, Inc., the franchisor. "You" means the person, corporation, partnership, limited liability company or other entity that buys the Franchise. If you are a corporation, limited liability company, partnership or other entity, "you" includes the owners of the entity.

#### THE COMPANY

DDSI is the franchisor of the franchise program described in this Disclosure Document. Our principal business address is 8659 Commerce Drive, Easton Maryland 21601. Our telephone number is (410) 822-9001.

#### OUR HISTORY

DDSI was organized under Missouri law on May 23, 1969 under the name "International Drapery Fashions, Inc." On December 22, 1971, we changed our name to "American Drapery Consultants, Inc." On March 15, 1978, we changed our name to Decorating Den Systems, Inc. We do not have any parent, predecessors, or affiliates.

In March 1970, we began franchising a custom drapery business offered under the name of "Aero Drapery." In the spring of 1974 we changed the trade name to Decorating Den and began offering a wider range of interior decorating goods and services. For convenience, we refer to these franchises in this Disclosure Document as "DDI Franchises."

We awarded Regional Director franchises from 1984 to 1997. We awarded Regional Manager franchises from 1997 to 1998. We awarded District Developer franchises from 2001 to 2008, and in 2012. We have awarded Master License franchises in select areas since 2009. We describe these in more detail below.

Since December 2011, we have test marketed, in parts of Michigan and Ohio only, a franchise program under the name LIVV INTERIOR DESIGNS By Decorating Den. Franchisees that operate under this brand offer similar goods and services to the DDI franchise, and pay similar fees to those paid by DDI Franchisees.

From July 2011 to August 2012, we were also in the business of selling home accessories through a direct sales program (primarily home shows) called LIVV! Accents. We discontinued that program in August 2012.

We do not do business under any other name.

With only one exception, DDSI does not operate, and has never operated, company-owned retail outlets. From November 2009 to July 2010, we operated a DDI franchise unit from the company's headquarters in Easton, Maryland and offered interior decorating goods and services in the counties of Accomack and Northampton, Virginia; Kent, New Castle and Sussex, Delaware; and Caroline, Dorchester, Kent, Queen Anne, Somerset, and Wicomico, Maryland; and the portion of Talbot County, Maryland within zip codes 21612, 21662 and 21663. We currently have no plans to establish additional company-owned outlets or other channels of distribution selling or leasing similar products or services under our trademarks and service marks or under a different name or trademark, but may do so.

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