

FRANCHISE DISCLOSURE DOCUMENT

DECORATING DEN SYSTEMS, INC.

8659 Commerce Drive

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DECORATING DEN
INTERIORS

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 \$55,708 to \$81,700. 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 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

Issuance Date: March 30, 2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the franchise administrator listed in Exhibit H for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1) THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND BY ARBITRATION ONLY IN MARYLAND. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH DECORATING DEN SYSTEMS, INC. IN MARYLAND THAN IN YOUR OWN STATE.

2) THE FRANCHISE AGREEMENT STATES THAT MARYLAND LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3) THE FRANCHISE AGREEMENT PROVIDES THAT FAILURE TO MEET CERTAIN MINIMUM SALES LEVELS MAY LEAD TO TERMINATION OF THE FRANCHISE AGREEMENT OR OTHER ACTION BY THE FRANCHISOR.

4) FRANCHISEES DO NOT RECEIVE AN EXCLUSIVE TERRITORY. WE AND OUR AFFILIATES MAY ESTABLISH OTHER FRANCHISES AND COMPANY OWNED LOCATIONS ANYWHERE, AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, FROM ANY LOCATION, UNDER THE SAME AND/OR DIFFERENT TRADEMARK, IN COMPETITION WITH YOUR FRANCHISE.

5) THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or for referring you to us. You should be sure to do your own investigation of this franchise.

DDSI Unit Offering - Issuance Date: March 30, 2016

Wisconsin Registration Effective Date: _____

TABLE OF CONTENTS

ITEM 1	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE.....	4
ITEM 3	LITIGATION.....	6
ITEM 4	BANKRUPTCY.....	6
ITEM 5	INITIAL FEES	6
ITEM 6	OTHER FEES	7
ITEM 7	ESTIMATED INITIAL INVESTMENT	10
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	13
ITEM 9	FRANCHISEE’S OBLIGATIONS	18
ITEM 10	FINANCING.....	19
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	21
ITEM 12	TERRITORY	28
ITEM 13	TRADEMARKS	30
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.....	31
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	32
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	33
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	33
ITEM 18	PUBLIC FIGURES	38
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	39
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	39
ITEM 21	FINANCIAL STATEMENTS	47
ITEM 22	CONTRACTS	47
ITEM 23	RECEIPTS	47
EXHIBIT A	FIELD MANAGERS	
EXHIBIT B	LIST OF CURRENT FRANCHISE OWNERS	
EXHIBIT C	LIST OF FORMER FRANCHISE OWNERS	
EXHIBIT D	FINANCIAL STATEMENTS OF DDSI	
EXHIBIT E	DDSI FRANCHISE AGREEMENT AND RELATED AGREEMENTS	
EXHIBIT F	STATE AMENDMENTS	
EXHIBIT G	TABLE OF CONTENTS OF THE PDSS TRAINING MANUAL AND THE FRANCHISEE POLICY AND PROCEDURE MANUAL	
EXHIBIT H	LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS	
EXHIBIT I	RECEIPTS	

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