

April 3, 2006

CDMS System Advantages

The following are just some of the many advantages of CDMS compared to other floor covering software packages. To learn more, please contact a CDMS representative.

GENERAL ADVANTAGES:

- 1) CDMS is owned by you, the floor covering dealer. CDMS customers knew they had the best software package the industry had to offer, so they banded together, incorporated and purchased the rights to CDMS from E.I. duPont.
- 2) CDMS is easy to use, which explains why 100% of CDMS customers use Inventory as well as related support modules such as Order Entry and Purchase Orders, along with the general accounting modules.

When surveyed in 1997, fewer than 20% of one of our competitor's customers were using the Inventory module. Some were only using the general accounting modules. Why would any dealer purchase a floor covering software package and not use the Inventory features?

- 3) All CDMS employees are cross trained, which gives CDMS customers faster resolution of their questions and problems. Support representatives can handle technical support as well as application support problems. Our support rep to customer ratio is better than the competitors too, giving you an actual person to speak with the first time you call. About 95% of all problems are resolved within 1 hour of your call. We're very proud of this statistic! Our application is so easy to use, most customers don't call often.

With some of our competitors, not every application support representative can handle all of your questions and problems. You may have to speak with several different people for one problem, if you don't get voice mail or an answering machine when you call. Often someone will have to call you back and it may not be for several days or weeks.

- 4) All of the features listed in this document are provided free of charge with the CDMS software package. No special hardware is required or purchased from CDMS to use these features.

Some of CDMS' competitors charge additional fees for modules such as an installer scheduler, estimating software, point of sale and other features. You may also be charged a fee for their software updates.

- 5) CDMS was designed from the very beginning in 1977 for use by both multi-store, multi-company floor covering dealers as well as smaller floor covering dealers. CDMS has a wide range of customers from distributors to retail, commercial, and contract dealers with up to 20 locations.

Most of the other floor covering software packages were designed for the single-store dealer. This creates a problem when the dealer expands and needs to add new locations. Why buy a software package that won't grow with your company?

- 6) CDMS gives you the ability to print all CDMS reports on 1 of 2 different paper sizes, either 8.5 x 11 or 13.6 x 11. Once you choose which paper size you wish to use, the system will adjust all printers to print the appropriate size. This simplifies filing cabinet needs. All cabinets and files will conform to one size. CDMS does require you to have at least one wide-carriage dot-matrix printer for printing checks and invoices. All other CDMS reports can print on narrow carriage printers, which are less expensive.

Other software packages require you to print some reports on 8.5 x 11 paper while other reports have to print on 13.6 x 11 paper. You need to order both types of paper and will be required to have more wide-carriage printers to handle the wide reports. Filing becomes difficult.

- 8) CDMS requires you to key in your access code and password only once upon entering our software. Based on your own personal access/password code, the system identifies which individual modules and menu selections you have access to.

Some of our competitors systems require you to enter a different password before going into each and every menu selection. This can be tedious.

SPECIFIC CDMS SYSTEM ADVANTAGES:

I. POINT OF SALE:

CDMS:

The Point of Sale module has everything the salesperson or store manager could possibly need in connection with the sales process at their fingertips.

- o Entry of orders, reserves and deposits
- o Printing of contracts for customers
- o Customer account inquiry to review receivable balances
- o Sales floor inquiry - inventory inquiry
- o Contract history inquiry – reprint Customer Invoices
- o Customer service/claims management entry
- o Cash drawer control - beginning and ending balances of cash, checks, credit cards and other
- o Refund check due reporting
- o Activity log - shows all changes made to an order during its lifetime, such as deposits debited and credited
- o Installation Scheduler
- o Estimates
- o Purchase Order/Receiving History Inquiry

Price for this option : \$0.00 (included)

Additional Hardware needed: none

COMPETITORS:

One of our competitors offers this as a separate module for purchase. Additional hardware to run the module must also be purchased.

II. CUSTOMER SERVICE/CLAIMS MANAGEMENT:

CDMS:

The Customer Service/Claims Management module allows you to manage customer calls and resolve problems more efficiently.

- o Tracks customer service and claims based on customer history, current orders or miscellaneous entry of claims
- o Print outstanding claims report
- o Tracks source of claims (e.g., defective products, installer problem, etc.)
- o On screen snapshot of all open calls, per store, per person
- o Can be used as a salesperson tickler file to track potential sales leads
- o Can be used as an internal message center

Price for this option: \$0.00 (included)

Additional hardware needed: none

COMPETITORS:

No other software company advertises they offer this feature.

III. INVENTORY / ORDER ENTRY:

The CDMS Inventory module allows up to the minute inventory tracking and evaluation. A multitude of report and inquiry options allow sales people to match available products with customer needs.

CDMS:

When remote stores connected to the CDMS system enter orders, purchase orders, reserves, etc., inventory levels are updated automatically and immediately. CDMS uses REAL-TIME inventory for remote stores and remote companies.

CDMS allows for implied- transfers of inventory from one store and/or company to the other store and/or company. CDMS is the only software company that handles the Transfer-in and Transfer-out accounts, also known as the Due-to and Due-from Affiliates. This allows a full Detailed General Ledger transaction of the transfer of inventory from, one location to the other. For Example: Store 1 is selling Inventory from Store 9. The following G/L Transactions occur:

Credit Inventory Store 1
Debit Due-From Affiliates Store 1.

Debit Inventory Store 9
Credit Due-to Affiliates Store 9.

Then Credit Inventory Store 9.
Debit Cost of Goods sold Store 9.

COMPETITORS:

Some of the Windows based competitors require that remote stores be worked in one of following ways:

1. Have two completely separate systems - running two separate sets of data, (at twice the price of their competitor's software).
2. Perform an upload of data every morning. The upload updates the data on the remote store PC. Having two sets of the same data available at two stores means two stores can potentially sell the same roll of carpet or sidemark the same Purchase Order, causing potential problems and loss of real inventory control.
3. Remote locations are connected through an Internet connection (DSL or Cable) , must run most current version of Microsoft SQL Server and use Citrix. Extremely expensive.
4. The competitors can not handle implied transfer of goods from one location to another. They can't even handle a simple Inventory Transfer from 1 store to another without causing G/L Transactions that will cause each Locations Financial Statements to be out of balance. You must create a Purchase Order and receive the goods in one location, and pay an A/P Invoice. The other location (the seller of the Inventory) must Invoice the other Store as a Customer Invoice. This is much more time consuming.

CDMS:

Unshipping a roll on an invoice requires a Credit Memo to be issued for the roll that is being returned to inventory and a new invoice to be entered for the new roll. All transactions show up against this roll in history, inventory, general ledger and on the customer's account. A full audit trail is created. The roll does not get lost in the system.

COMPETITORS:

One of our competitors allows you to uncost and re-cost a customer order without leaving any audit trail. The system allows you to perform an "un-invoice". There is absolutely no audit trail of what had been done, which could result in a loss of inventory control and/or undetected theft.

CDMS:

CDMS books written sales for the particular day the order was entered or modified. If a customer places his original order on July 15th and on August 1st upgrades or changes his selections, the change gets posted to written sales for August 1st. The original amount booked on July 15th is not changed. This permits a full audit trail to be maintained.

COMPETITORS:

One of our competitors books written sales for the original order date only. If a customer places his original order on July 15th and on August 1st upgrades or changes his selections, the change gets posted to written sales for July 15th. If reports for July have already been run, then this increase in sales may go unreported.

CDMS:

CDMS allows you to set up as many roll good categories as are needed. The system allows you to set up multiple carpet categories, such as commercial carpet, builder-grade carpet, plush carpet, Berber carpet, residential carpet, etc.. This allows you to run sales and purchase analysis for a more detailed subset of data. This also allows you to print price and inventory lists for the specific category. Also allows you to make changes to your selling prices more efficiently by allowing price formulas to be setup for the specific category.

CDMS also allows you to set up Area rugs as roll-goods for those expensive Orientals. In fact, any type of good you choose can be set up as a roll or lot.

COMPETITORS:

One of our competitors allows you to set up two different roll good categories only, carpet and vinyl. You are unable to breakdown the carpet or vinyl categories into multiple levels. Area Rugs cannot be set up as a roll good, which is a drawback. This restricts the detail that can be generated from the system on sales and purchases.

CDMS:

Entry of roll goods in any of the CDMS modules is by linear feet and inches. If you need to enter a cut in the system for 12 feet 6 inches, you simply enter 12.06. For a cut of 25 feet and 1 inch, you simply enter 25.01. The quantity appears on the cutting orders in this manner, making it very easy for the warehouse staff to determine how much needs to be cut.

COMPETITORS:

Some of our competitors require you to enter roll goods in decimal quantities. If you need to enter a cut in the system for 12 feet 6 inches, you enter 12.50, since 6 inches is .50 (i.e., 1/2) of 1 foot. For a cut of 25 feet and 1 inch, you must enter 25.08 (Since 1 inch is .083 of a foot). The quantity appears on the cutting orders in this manner, which may make it difficult for the warehouse staff to determine how much needs to be cut, and may result in wastage. You need to make sure your warehouse staff has adequate math skills to convert decimal measurements to feet and inches.

IV. INVENTORY G/L TOTALS:

CDMS allows the General Ledger to report a more accurate Inventory account balance since it is updated when you tell it the goods are received.

CDMS:

Inventory is updated automatically the minute you input the received goods into the CDMS system. A journal entry is made during receiving to debit Inventory and credit Inventory Liability. An Inventory Liability account is used to value goods that have been received but not yet paid for. During the entry of the vendor invoice in Accounts Payable, the Inventory Liability account is cleared.

CDMS has an A/P Tie-back Feature which allows you to check for discrepancies in either the quantity or price between the Purchase Order and the A/P Invoice. If a discrepancy is found, the system will prompt an action to take. If you choose to update inventory, the inventory balance on hand will be modified for quantity changes. If you choose to update the cost, then any costs on open customer orders will be modified with the new cost, as well as the roll or product record in

inventory. Changes are all completely recorded in the history for the inventory product. CDMS always produces an audit trail when a change has been made.

COMPETITORS:

Some of our competitors do not update Inventory when goods are received. As a matter of fact, they have no real way to determine what your actual inventory value is in the general ledger at any given time.

The Inventory account is updated on your financial statements when an A/P Invoice is entered for the goods. This means the goods could already have been sold before the invoice gets entered into the system. There is also no posting to Inventory Liability. This account does not exist on their systems.

There is no A/P Tie-back feature on many competitors systems. If there is a discrepancy in quantity or price from what was received, manual adjustments to your inventory, journal entries to Inventory and/or cost of goods sold must be undertaken to correct cost differences.

V. SQUARE YARD AND SQUARE FOOT:

CDMS makes square yard and square foot pricing versatile and easy to use giving you a multitude of options for entry of data and reporting.

CDMS:

CDMS allows you to set up your products with square yard and/or square foot pricing for all roll goods. You can buy and sell products both ways!

The system maintains both sets of costs and pricing. It even keeps track of all the square yard versus square foot sales and how profitable you were selling the goods each way. All sales and purchase analysis reports will show you square foot and/or square yard results.

COMPETITORS:

Most floor covering software packages allow you to sell and purchase products by the square yard or the square foot. You can not use both methods at the same time to sell and purchase products. Once the system is set to one method, it is cumbersome to switch to the other method.

VI. CUSTOMER AND VENDOR PRICING:

Special pricing can save time and money by displaying the lowest price available when entering a purchase order. Salespeople can save time too since customer discounts and special prices are easily accessible.

CDMS:

CDMS has multiple standard pricing levels for customers which can be set up based on markups and additional costs for individual product categories such as carpet, vinyl, laminates, area rugs, builder grade carpet, tile, etc.

This special pricing module will allow special pricing to be created for individual customers based on a fixed rate price per product or a discount off one of 3 standard selling prices. These prices can be set for a specific date range. The special pricing feature also allows promotional pricing on a sale product you may be featuring. For example, you could set up a 3-day Pergo sale

for the 4th of July weekend at 10% off . Every order entered in the system during this date range for a Pergo product will default to the sale price. When the sale is over, the sale prices will expire and the normal prices will automatically resume.

Special Pricing allows you to print special price lists for store wide specials, for individual customer discounts, and for individual categories of products on special.

Do your vendors give price breaks for a specified period of time? Special Pricing for vendors can handle this. These special costs will automatically pull up when a Purchase Order is entered. The product costs no longer have to be changed back after the specified period. The Special Pricing record will simply expire and normal costs automatically resume.

COMPETITORS:

Our competitors offer up to 6 standard pricing levels only. No special pricing feature exists.

VII. ACCOUNTS RECEIVABLE:

The CDMS Accounts Receivable module lets you easily maintain customer information while producing accurate aging and collection reports.

CDMS:

CDMS allows multiple sales, use and exempt tax codes to be entered. Tax codes can be set up to calculate tax by county, city, state, etc. The monthly tax report subtotals each tax code by state and grand totals at the bottom. A separate G/L Tax Liability Account can be used for each individual tax code and is updated during customer invoicing.

Invoice posting automatically updates the G/L tax liability account for sales tax and use tax, so that the Sales account is updated for the sale only (it does not include the sales tax) and the Cost of Goods Sold account is updated for Cost of goods only (it does not include the use tax).

COMPETITORS:

One of our competitors' monthly sales report shows one total for all sales for the month. Their report does not subtotal taxable and exempt sales into individual columns. If you are using several sales tax codes, you must manually add up the individual sales for each tax code to determine the total amount of sales for each different tax code.

They do not update the sales or use tax liability G/L account number when posting invoices. Instead they update the sales account for sales tax, and update the cost of sale for use tax. This is not a proper accounting procedure. To correct the problem a reversing journal entry must be performed to back out the extra sales and cost, and another journal entry must be made to enter the tax to the proper tax liability account. If no entries are made, then the sales and cost of sale accounts will be overstated by the sales or use tax for each and every invoice.

VIII. INSTALLER SCHEDULER:

The CDMS Installer Scheduler is flexible and easy to use. Salespeople, managers, and office staff can easily schedule jobs or view activity for a day or an entire month.

CDMS:

- o Calendar allows you to schedule jobs against different days using different installers
- o Set up quotas that can be scheduled per day of the week
- o Print installation schedules for installers for given days
- o Can also be used to schedule delivery trucks, estimators/measurers, interior decorators, etc.

COMPETITORS:

One of our competitors has a Scheduler module that is not as flexible or as easy to use as the CDMS Scheduler. They charge additional for this module, it is not included with their base software package. There is an individual or a network version available. The individual version of their Scheduler cannot be shared between workstations. If separate workstations need to use it, it must be installed (and purchased separately) for each computer or a network version would need to be purchased.

IX. ACCOUNTS PAYABLE:

The Accounts Payable module simplifies the process of paying bills and provides timely, accurate information to help you gain better control over cash flow. It also provides a tieback to goods received, which will correct any costing errors on goods sold.

CDMS:

CDMS allows you to batch date your Accounts Payable invoices so that they update your general ledger on the date you specify. There is no need to enter invoices with the wrong date in order to have them post to the month received.

COMPETITORS:

One of our competitors posts A/P invoices to the invoice date entered into the system, there is no batch date. If it is September and you have already closed out August, and you receive an invoice for August, you must enter it with the September date, causing it not to age properly.

X. GENERAL LEDGER:

The General Ledger gives you relevant, bottom line financial information needed to manage your business effectively.

CDMS:

Allows a customized chart of accounts to be entered. Account numbers are a total of 7 digits. 4 digits are the main account and the remaining 3 digits are the profit center. You could have 9999 accounts for 1 to 999 stores.

CDMS makes it easier to track down invalid GL entries due to wrong dates, posting to wrong accounts, etc., since CDMS has an intermediate G/L holding file, which can easily be viewed and corrected before updating your live G/L. This supplies more audit trails in case of tax audits.

Financial statements are customized to your specifications. There is a report writer function in the G/L layout maintenance procedure. You tell the reports which account numbers you want printed, where to subtotal, etc.

Source and application of fund statements including a Statement of Cash Flow, Changes in Financial Position, and Components of Working Capital are also included.

COMPETITORS:

One of the other floor covering packages only allows account numbers which are 4 digits long. 3 digits for the account number and 1 digit for the store. You can only have up to 999 account numbers for each store.

Their G/L is updated immediately, leaving no chance to edit the entries before they are actually posted to the G/L files.

Their financial statements cannot be customized. There are only two financial statement types that can be printed, the balance sheet and profit and loss. There are no source and application of funds statements available.

Account numbers cannot be resequenced after setting up a statement. This makes adding a new account to the financial statements difficult. For example, a new asset account was added, but there are no free account numbers in that section. The next free account number might be in the liability section. Since you need to tell the financial statements where each section starts and ends, there is no way to make the balance sheet print this new account in the correct sequence. During initial set up, you must be certain that every account number you will ever need is entered.

XI. INSTALLER 1099'S:

1099's can be easily printed without much preparation and maintenance. Subcontractor wages are stored separate from deductions and non-taxable earnings, so there are no last minute adjustments.

CDMS:

The Installer file contains two name fields to describe the Installer. The Installer's name and 1099-name. For example: Installer Name - Smith Installations; 1099 Name - Smith, James H.

A/P checks are printed out to Smith Installations. Smith Installations does not have an EIN so its 1099 will be printed out to James H. Smith along with his Social Security Number. The IRS requires that his 1099 show his surname (as it matches his Social Security card).

COMPETITORS:

One of our competitors makes you go into Vendor Maintenance and enter the name to match the Social Security Number on each vendor that requires a 1099. Then after the 1099 forms are printed, you must enter the company name back in again on those vendors.

XII. PAYROLL:

CDMS:

For salaried employees, time transaction entry requires entering the employee number and PF1 to default typical values. No other entry is required.

For hourly employees the only entries required are to employee number, and to hours (regular, overtime, special, vacation, holiday, etc.). For distribution of wages to different account numbers (i.e.; using job costing), the screen will default most of the information.

All G/L entries are performed for a payroll run automatically, including the Employer portion of Social Security and Medicare.

COMPETITORS:

One of our competitors prompts you for your password before entering every time transaction record in payroll. They do not post the employer portion of the Medicare and Social Security. You must perform a manual journal entry each pay period, which is time consuming.

XIII. SOFTWARE INTERFACES (VENCOM, PRODUCT LINK, MAXINE):

CDMS:

CDMS has written interfaces for the VENCOM B2B software, CCA Global Partner's Product Link software.

VENCOM B2B is the direct link with the carpet mills. Shaw, Mohawk and Beaulieu are all working with VENCOM B2B. All Product and Price updates are automatically sent by the mills and updated in the CDMS product file. Electronic Invoices are automatically loaded into the Accounts Payable module. You always have the opportunity to first review and modify the information before updating your critical CDMS files. The VENCOM B2B software also allows you to place Live Purchase Orders with the Suppliers from within the CDMS software in the Point of Sale Application or Order/Invoice Maintenance Application. The interface is seamless. Orders are placed and a confirmation is returned with an Available to Ship Date in Seconds.

CDMS has completed the interface to the CCA Global Partner's Product t Link software. CDMS checks for inaccuracies in the spelling of supplier names and flags them as exceptions. If records are appearing with missing widths (i.e.; 0.00 or " "), these too are flagged as exceptions. You can then print out an exception report to see which information will not be \ updated in your CDMS product file due to bad data included in the Product Link files. You can then make corrections to this data to assure it gets updated.

You can access any of these software interfaces while others are using the system. If the interface tries to update a product record that is in use by another person, it simply displays a record lock message until the record is free.

CDMS supplies all three interfaces free of charge to all CDMS customers.

COMPETITORS:

One of our competitors has written their own B2B utilities. They charge a fee based on total transactions or users per month.

One of our competitors has an interface to work with CCA Global Partner's Product Link. They do not, however, flag exceptions as CDMS does. They simply ignore the record with the problem and do not attempt to make any changes. If a supplier name was spelled differently than stored in the database, this record will be ignored.

Their Product Link interface has to run when no one else is accessing the system. The competitor charges a fee to use this feature

XIV. HARDWARE/OPERATING SYSTEMS:

CDMS:

One of the many advantages Unix has to offer is the flexibility to add additional workstations to the system at a reasonable cost. With a Windows or Novell Network, each time a user needs to be added to the system, you must purchase a new PC. With Unix you can connect a dumb terminal to the network at less than half the price of a PC. You can add 2 or 3 users with dumb terminals to the system for every one user you add with the competitor. Sometimes a PC just isn't needed in a warehouse or on the sales floor. Unix allows you the flexibility to mix and match PC's with dumb terminals.

As an operating system, Unix is much faster, requires less maintenance, and is less expensive to support than a Windows or Novell Network. CDMS fully supports the Unix operating system, there is no need to have a full-time employee on your staff that knows Unix.

COMPETITORS:

Some of our competitors only run on Windows based systems, limiting your options for hardware. You must buy a PC for each workstation. This can be expensive and limits the number of users you may wish to add to the system due to budget constraints. PC computers are also more expensive to maintain. There are hard drives, memory and many other parts which may have to be replaced.

A Windows or Novell Network requires more work to maintain. Some companies do not support all network issues. You will need to spend more money on technicians to keep the network working properly and may even need to have a staff member to manage your network. On average, Windows Networks are less reliable and go down more frequently than Unix.

Also 95% of all known Viruses and Worms only affect Windows based systems only. The 5% of all known Viruses affect all the other Operating system out there including MAC, Linux, and the Various Unixes (such as Sun Microsystems Solaris, Ultrix, SCO Open Server, HP-Unix, IBM AIX and others).

XV. PROGRAMMING:

CDMS:

CDMS will do customized programming. A detailed estimate is established for each customized change and a contract is provided to the customer.

COMPETITORS:

Some of our competitors do not perform custom programming.

XVI. SUPPORT:

CDMS:

CDMS software updates are free of charge. This service is included with the monthly support fees.

All customers pay the same monthly support fee. CDMS support fees do not increase based upon the number of users on the system or the size/volume of its customer's business.

Support for your operating system and CDMS software, troubleshooting hardware peripherals such as terminals, printers, modems, etc. are all covered under your support fee, including dial-in modem support. We even work with your hardware vendor to support your whole system.

User's group meetings are scheduled for locations that are reasonable to attend and fees are kept within the budget of all dealers large or small.

COMPETITORS:

Some competitors do not provide updates free of charge. Customers must purchase these updates when they are available.

Some companies offer no or minimal operating system support. For some customers with more than 10 workstations, a staff network manager must be engaged to handle networking or operating system problems, resulting in increased overhead.

Dial-in support is billable with some of our competitors and sometimes must be scheduled at least two weeks in advance.

Some competitors hold User's group meetings at very expensive resort locations at the user's expense.