

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the Quarterly Period Ended September 30, 2008

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the Transition Period From \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-119234

**THE FLOORING ZONE, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**20-0019425**

(I.R.S. Employer  
Identification No.)

**1245 Brickyard Road, Suite 590**

**Salt Lake City, Utah**

(Address of principal executive offices)

**84106**

(Zip Code)

**(801) 433-2000**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller public company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes  No

As of November 13, 2008, the registrant had 45,000,000 shares of common stock, par value \$0.001, issued and outstanding.

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**THE FLOORING ZONE, INC.**  
**FORM 10-Q**  
**TABLE OF CONTENTS**

**PART I — FINANCIAL INFORMATION**

**Item 1. Financial Statements**

Condensed Consolidated Balance Sheets as of  
September 30, 2008 (Unaudited) and March 31, 2008 3

Condensed Consolidated Statements of Operations and Other  
Comprehensive Income (Loss) (Unaudited) for the  
three month and six month periods ended September 30, 2008 and 2007 5

Condensed Consolidated Statements of Cash Flows (Unaudited) for the  
six month period ended September 30, 2008 and 2007 6

Notes to Condensed Consolidated Financial Statements (Unaudited) 7

**Item 2. Management's Discussion and Analysis of Financial Condition  
and Results of Operations 10**

**Item 3. Quantitative and Qualitative Disclosure about Market Risk 16**

**Item 4. Controls and Procedures 16**

**PART II — OTHER INFORMATION**

**Item 1A. Risk Factors 17**

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds 20**

**Item 4. Results of Votes of Securities Holders 20**

**Item 5. Other Information 20**

**Item 6. Exhibits 24**

**Signatures 25**

PART I. FINANCIAL INFORMATION

Item 1. Financial Information

**THE FLOORING ZONE, INC. AND SUBSIDIARY**

Condensed Consolidated Balance Sheets

ASSETS

	September 30,	March 31,
	2008	2008
	(unaudited)	
CURRENT ASSETS		
Cash and cash equivalents	\$ 93	\$ 33,097
Accounts receivable, net	1,961,462	1,313,638
Marketable securities-available for sale	13,114	13,450
Inventory	541,891	438,985
Prepaid expenses	391	403
Total Current Assets	2,516,951	1,799,573
PROPERTY AND EQUIPMENT, net	400,851	427,679
TOTAL ASSETS	\$ 2,917,802	\$ 2,227,252

The accompanying notes are an integral part of these condensed consolidated financial statements.

**THE FLOORING ZONE, INC. AND SUBSIDIARY**

Condensed Consolidated Balance Sheets

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	September 30, 2008	March 31, 2008
	(unaudited)	
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 607,750	\$ 530,548
Accrued liabilities	40,406	307,243
Bank overdraft	126,449	-
Income taxes payable	207,959	60,667
Revolving credit line	170,047	-
Short-term debt, related party	240,859	194,571
<b>Total Current Liabilities</b>	<b>1,393,470</b>	<b>1,093,029</b>
<b>TOTAL LIABILITIES</b>	<b>1,393,470</b>	<b>1,093,029</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred shares: \$0.001 par value, 10,000,000 shares authorized: no shares issues and outstanding	-	-
Common shares: \$0.001 par value, 100,000,000 shares authorized: 45,000,000 and 35,000,000 shares issues and outstanding, respectively	45,000	35,000
Additional paid-in capital	(121,027)	(34,827)
Accumulated other comprehensive income	46,807	95,723
Retained earnings	1,553,552	1,038,327
<b>Total Stockholders' Equity</b>	<b>1,524,332</b>	<b>1,134,223</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 2,917,802</b>	<b>\$ 2,227,252</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**THE FLOORING ZONE, INC. AND SUBSIDIARY**

Condensed Consolidated Statements of Operations and Other Comprehensive Income (Loss)  
(unaudited)

	For the Three Months Ended		For the Six Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
<b>REVENUES</b>				
Sales of goods, net	\$ 1,930,881	\$ 661,655	\$ 2,879,914	\$ 1,093,772
Sales of services, net	215,053	174,949	430,596	343,142
Total Revenues	<u>2,145,934</u>	<u>836,604</u>	<u>3,310,510</u>	<u>1,436,914</u>
<b>COST OF SALES</b>				
Cost of goods sold	815,655	339,515	1,488,887	672,212
GROSS PROFIT	<u>1,330,279</u>	<u>497,089</u>	<u>1,821,623</u>	<u>764,702</u>
<b>OPERATING EXPENSES</b>				
General and administrative	576,797	246,983	834,655	698,368
Payroll expenses	110,107	193,705	234,510	200,288
Depreciation expense	11,003	12,346	22,115	23,991
Total Operating Expenses	<u>697,907</u>	<u>453,034</u>	<u>1,091,280</u>	<u>922,647</u>
INCOME (LOSS) FROM OPERATIONS	<u>632,372</u>	<u>44,055</u>	<u>730,343</u>	<u>(157,945)</u>
<b>OTHER INCOME (EXPENSE)</b>				
Gain (loss) on sale of fixed assets	(1,906)	-	366	-
Interest expense	(792)	(955)	(807)	(2,506)
Total Other Income (Expense)	<u>(2,698)</u>	<u>(955)</u>	<u>(441)</u>	<u>(2,506)</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	629,674	43,100	729,902	(160,451)
INCOME TAX EXPENSE	<u>201,054</u>	<u>7,061</u>	<u>214,677</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ 428,620</u>	<u>\$ 36,039</u>	<u>\$ 515,225</u>	<u>\$ (160,451)</u>
FOREIGN CURRENCY TRANSLATION GAIN (LOSS)	<u>\$ (67,731)</u>	<u>\$ 32,340</u>	<u>\$ (48,916)</u>	<u>\$ 64,680</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 360,889</u>	<u>\$ 68,379</u>	<u>\$ 466,309</u>	<u>\$ (95,771)</u>
BASIC EARNINGS (LOSS) PER SHARE	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.00)</u>
FULLY DILUTED INCOME (LOSS) PER SHARE	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.01</u>	<u>\$ (0.00)</u>
<b>BASIC WEIGHTED AVERAGE NUMBER</b>				
OF SHARES OUTSTANDING	<u>35,027,397</u>	<u>35,027,397</u>	<u>35,027,397</u>	<u>35,027,397</u>
<b>FULLY DILUTED WEIGHTED AVERAGE NUMBER</b>				
OF SHARES OUTSTANDING	<u>35,027,397</u>	<u>35,027,397</u>	<u>35,027,397</u>	<u>35,027,397</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**THE FLOORING ZONE, INC. AND SUBSIDIARY**  
Condensed Consolidated Statements of Cash Flows  
(unaudited)

For the Six Months Ended

September 30,

2008

2007

	\$	515,225	\$	(160,451)
ss) to				
se	\$	22,115	\$	23,991
es:				
		130,534		12,742
s receivable	\$	(707,993)	\$	(89,723)
y		(119,344)		(43,997)
expenses		-		-
ble securities		(55)		(33,651)
taxes payable		214,678		-
s payable and accrued liabilities		(257,058)		62,216
Operating Activities		<u>(201,898)</u>		<u>(228,873)</u>

		<u>(6,757)</u>		<u>(10,516)</u>
Investing Activities		<u>(6,757)</u>		<u>(10,516)</u>

		-		121,924
		<u>175,541</u>		<u>122,154</u>
d by Financing Activities		<u>175,541</u>		<u>244,078</u>

		110		(4,683)
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DECREASE) IN CASH		(33,004)		6
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NING OF PERIOD		<u>33,097</u>		<u>90</u>
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PERIOD	\$	<u>93</u>	\$	<u>96</u>
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LOW INFORMATION

	\$	807	\$	2,506
	\$	-	\$	-

S:				
les assumed in merger	\$	46,288	\$	-

The accompanying notes are an integral part of these condensed consolidated financial statements.

**THE FLOORING ZONE, INC. AND SUBSIDIARY**  
Notes to the Condensed Consolidated Financial Statements

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at September 30, 2008 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's March 31, 2008 audited financial statements. The results of operations for the periods ended September 30, 2008 and 2007 are not necessarily indicative of the operating results for the full years.

NOTE 2 - EQUITY TRANSACTIONS

On September 30, 2008 the Company entered into an Acquisition Agreement with Profire Combustion, Inc. and the Shareholders of Profire Combustion, Inc. ("Profire"), subject to customary closing conditions. All conditions for closing were satisfied or waived and the transaction closed on October 9, 2008.

Pursuant to the terms and conditions of the Acquisition Agreement, 35,000,000 shares of restricted common stock of the Company were issued to the three shareholders of Profire Combustion, Inc., (the "Profire Shareholders") in exchange for all of the issued and outstanding shares of Profire. As a result of the transaction, Profire became a wholly-owned subsidiary of the Company. For accounting purposes, Profire is considered the accounting acquirer.

In connection with the acquisition of Profire, the Company changed its fiscal year end to March 31 to coincide with Profire's fiscal year end. It is also the Company's plan to change its name to be similar to Profire's name.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Inventory

In accordance with ARB No. 43 “*Inventory Pricing*,” the Company’s inventory is valued at the lower of cost (the purchase price, including additional fees) or market based on using the entire value of inventory. Inventories are determined based on the first-in first-out (FIFO) basis.

As of September 30, 2008, inventory consisted of the following:

Raw materials	\$	-
Finished goods		531,053
Work in process		10,838
Total	\$	<u>541,891</u>

Foreign Currency and Comprehensive Income

The Company’s functional currency is the Canadian dollar (CAD). The financial statements of the Company were translated to United States Dollar (USD) using year-end exchange rates for the balance sheet, and average exchange rates for the statements of operations. Equity transactions were translated using historical rates. The period-end exchange rates of 1.0415 and 1.0279 were used to convert the Company’s September 30, 2008 and March 31, 2008 balance sheets, respectively, and the statements of operations used weighted average rates of 1.07194 and 1.0327 for the six months ended September 30, 2008 and 2007, respectively. All amounts in the financial statements and footnotes are presumed to be stated in USD, unless otherwise identified. Foreign currency translation gains or losses as a result of fluctuations in the exchange rates are reflected in the Statement of Operations and Other Comprehensive Income.

Recent Accounting Pronouncements

In May of 2008 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 163, “*Accounting for Financial Guarantee Insurance – an interpretation of FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises*”. This statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This statement also clarifies how Statement 60 applies to financial guarantee insurance contracts. This statement is effective for fiscal years beginning after December 15, 2008. This statement has no effect on the Company’s financial reporting at this time.

In May of 2008, the FASB issued Statement No. 162, “*The Hierarchy of Generally Accepted Accounting Principles*.” This statement identifies literature established by the FASB as the source for accounting principles to be applied by entities which prepare financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States. This statement is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board amendments to AU Section 411, “*The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles*.” This statement will require no changes in the Company’s financial reporting practices.



NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company is subject to Canadian income taxes on its world-wide income with a credit provided for foreign taxes paid. The Company is a Canadian-controlled private corporation and receives a small business deduction that applies to the first \$400,000 of income. The effective rates of income tax are 29.4% and 17.1% for the periods ended September 30, 2008 and March 31, 2008, respectively.

NOTE 4 – RELATED PARTY PAYABLES

In 2008, two of the stockholders lent funds of \$200,000 Canadian Dollars (the Company's functional currency) by way of an unsecured promissory note, which is non-interest bearing and is due March 30, 2009. The \$200,000 balance was converted at a rate of 1.05853 to \$188,941 US Dollars for balance sheet reporting as of September 30, 2008.

As of September 30, 2008, the Company also owes a shareholder \$51,918 for cash advances. The advances are non interest bearing, unsecured and due upon demand. Imputed interest was calculated on the shareholder loans as of the dates of the balance sheets using the prime rate in effect as of the date of the note and was determined by management to have an immaterial impact on the financial statements.

NOTE 5 – REVOLVING LINE OF CREDIT

In 2008, the Company obtained a revolving line of credit for working capital purposes. The Company owes \$180,000 Canadian Dollars (the Company's functional currency) which is secured with the Company's assets and bears interest at market rates. The \$180,000 balance was converted at a rate of 1.05853 to \$170,047 US Dollars for balance sheet reporting as of September 30, 2008.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This discussion summarizes the significant factors affecting our consolidated operating results, financial condition, liquidity and capital resources during the three and six months ended September 30, 2008 and 2007. For a complete understanding, this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the *Financial Statements* and *Notes to the Financial Statements* contained in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-KSB for the year ended December 31, 2007.

### Forward-Looking Statements

This quarterly report contains forward-looking statements as that term is defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Such statements are based on currently available financial and competitive information and are subject to various risks and uncertainties that could cause actual results to differ materially from our historical experience and our present expectations. Undue reliance should not be placed on such forward-looking statements as such statements speak only as of the date on which they are made. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

### General

On September 30, 2008 the Flooring Zone, Inc. entered into an Acquisition Agreement with Profire Combustion, Inc., an Alberta, Canada corporation, under which The Flooring Zone, Inc. acquired 100% of the outstanding common shares of Profire Combustion, Inc. in exchange for the issuance of 35,000,000 common shares.

Following the closing of the Acquisition Agreement, the three Profire Combustion, Inc. shareholders held 78% of The Flooring Zone, Inc. common stock outstanding after the transaction. As a result, Profire Combustion, Inc. is considered the acquirer for financial reporting purposes. Accordingly, the accompanying financial statements are the financial statements of Profire Combustion, Inc. for all periods presented.

## Results of Operations

### Comparison of the three months ended September 30, 2008 and 2007.

#### Total Revenues

During the quarter ended September 30, 2008 total revenues were \$2,145,934, compared to \$836,604 during the quarter ended September 30, 2007. The increase in total revenues is primarily attributable to a 192% increase in sales of goods during the quarter ended September 30, 2008. This significant increase in sales was the result of our hiring additional sales staff and our efforts to expand our geographical sales area. During the quarter ended September 30, 2007, product sales accounted for 79% of total revenues and service sales accounted for 21% of total revenue. During the quarter ended September 30, 2008, product sales accounted for 90% of total revenues. Services revenue increased 23% compared to 2007, but accounted for only 10% of total revenue. The decrease in services revenues as a percentage of total revenues is directly related to a shift in our business model to focus our efforts to establishing ourselves as a product manufacturer and retailer. We expect total revenues will continue to grow as we continue to expand our operations.

#### Cost of Goods Sold

Cost of goods sold during the three months ended September 30, 2008 was \$815,655 compared to \$339,515 during the three months ended September 30, 2007. This 140% increase is the result of the increase in general sales as well as sales of certain systems needing assembly, certain specialized components, storage and factory space and the associated labor to perform these functions. During the three months ended September 30, 2008, cost of goods sold as a percentage of total revenues was 38% of total revenue compared to 41% during the three months ended September 30, 2007. We anticipate as product sales increase cost of goods sold will also increase, although we expect as a percentage of total revenues cost of goods sold will remain fairly consistent.

#### General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2008 were \$576,797, a \$329,814 or 133% increase compared to the same three month period ended September 30, 2007. This increase in general and administrative expense was largely the result of a general increase in operational activity, including increasing service personnel labor costs, increasing transportation, shipping and fuel expenses and the expansion of our distribution territory. We expect general and administrative expenses will continue to increase at the same or higher rates as we continue to expand our business.

#### Payroll Expense

Payroll expense during the three months ended September 30, 2008 was \$110,107 or 43% lower than during the three months ended September 30, 2007. This decrease in payroll expense was the result of a one-time bonus payment to Harold Albert in the amount of \$169,000 during the second fiscal quarter 2007. Excluding this bonus payment, payroll expenses for the second fiscal quarter 2008 were \$58,893 higher as a result of both an increase in the number of employees and increases to the salaries of existing employees. We anticipate payroll expense will continue to be higher in the 2008 fiscal year as compared to the 2007 fiscal year.

#### Net Income (Loss) Before Income Tax

As a result of the 192% increase in total revenue, which was only partially offset by the 140% increase in cost of goods sold and the 54% increase in total operating expenses, net income before income taxes increased to \$629,674 during the three months ended September 30, 2008 compared to \$43,100 during the three months ended September 30, 2007.

#### Income Tax Expense

Income tax expense increased \$193,993 during the quarter ended September 30, 2008. This increase in income tax expense is the result of the increase in net income. We anticipate that as revenues increase, income tax expense will also be higher.

#### Foreign Currency Translation Gain (Loss)

The consolidated financial statements are presented in U.S. dollars. Our functional currency is Canadian dollars. The financial statements of the Company were translated to U.S. dollars using year-end exchange rates for the balance sheet and weighted average exchange rates for the statements of operations. Equity transactions were translated using historical rates. Foreign currency translation gains or losses as a result of fluctuations in the exchange rates are reflected in the statement of operations and comprehensive income.

Therefore, the translation adjustment in the consolidated financial statements represents the translation differences from translation of our financial statements. As a result, the translation adjustment is commonly, but not always, positive if the average exchange rates are lower than exchange rates on the date of the financial statements and negative if the average exchange rates are higher than exchange rates on the date of the financial statements.

#### Total Comprehensive Income

For the foregoing reasons, our total comprehensive income was \$360,889 during the three months ended September 30, 2008 compared to \$68,379 during the three months ended September 30, 2007.

#### Comparison of the six months ended September 30, 2008 and 2007.

##### Total Revenues

During the six months September 30, 2008 total revenues were \$3,310,510 compared to \$1,436,914 during the six months ended September 30, 2007. The increase in total revenues is primarily attributable to a 130% increase in sales of goods during the six month period ended September 30, 2008. This significant increase in sales was the result of our hiring additional sales staff and our efforts to expand our geographical sales area. During the six months ended September 30, 2007, product sales accounted for 76% of total revenues and service accounted for 24% of total revenue. By comparison, during the six months ended September 30, 2008, product sales accounted for 87% of total revenues. Services revenue increased 25% compared to 2007, but accounted for only 13% of total revenue. The decrease in services revenues as a percentage of total revenues is directly related to a shift in our business model to focus our efforts to establishing ourselves as a product manufacturer and retailer. We expect total revenues will continue to grow as we continue to expand our operations.

#### Cost of Goods Sold

Cost of goods sold during the six months ended September 30, 2008 was \$1,488,887 compared to \$672,212 during the six months ended September 30, 2007. This 121% increase is the result of the increase of sales of certain systems needing assembly, certain specialized components, storage and factory space and the associated labor to perform these functions. During the six month period ended September 30, 2008, cost of goods sold as a percentage of total revenues was 45% of total revenue compared to 47% during the three months ended September 30, 2007. We anticipate as product sales increase cost of goods sold will also increase, although we expect as a percentage of total revenues cost of goods sold will remain fairly consistent.

#### General and Administrative Expenses

General and administrative expenses for the six months ended September 30, 2008 were \$834,655 a \$136,287 increase compared to the same six month period ended September 30, 2007. This increase in general and administrative expense was largely the result of a general increase in operational activity, including increasing service personnel labor costs, increasing transportation, shipping and fuel expenses and the expansion of our distribution territory. We expect general and administrative expenses will continue to increase at the same or higher rates as we continue to expand our business.

#### Payroll Expense

Payroll expense during the six months ended September 30, 2008 was \$234,510 or 17% higher than during the six months ended September 30, 2007. This increase in payroll expense was the result of both the hiring of additional employees and wage increases for existing employees and management. We anticipate payroll expense will remain higher during the remainder of the current fiscal year.

#### Net Income (Loss) Before Income Tax

As a result of the 130% increase in total revenue, which was only partially offset by the 121% increase in cost of goods sold and the 18% increase in total operating expenses, net income before income taxes increased was \$729,902 during the six months ended September 30, 2008 compared to a net loss before income taxes of \$160,451 during the six months ended September 30, 2007.

#### Income Tax Expense

Income tax expense during the six months ended September 30, 2008 was \$214,677. Because we incurred a loss before income tax during the six months ended September 30, 2007 we did not incur income tax expense during that period. We anticipate income taxes will continue to be higher as compared to last year as a result of increased revenue.

#### Foreign Currency Translation Gain (Loss)

The consolidated financial statements are presented in U.S. dollars. Our functional currency is Canadian dollars. The financial statements of the Company were translated to U.S. dollars using year-end exchange rates for the balance sheet and weighted average exchange rates for the statements of operations. Equity transactions were translated using historical rates. Foreign currency translation gains or losses as a result of fluctuations in the exchange rates are reflected in the statement of operations and comprehensive income.

Therefore, the translation adjustment in the consolidated financial statements represents the translation differences from translation of our financial statements. As a result, the translation adjustment is commonly, but not always, positive if the average exchange rates are lower than exchange rates on the date of the financial statements and negative if the average exchange rates are higher than exchange rates on the date of the financial statements.

Total Comprehensive Income (Loss)

For the foregoing reasons, our total comprehensive income was \$466,309 during the six months ended September 30, 2008 compared to a total comprehensive loss of \$95,771 during the six months ended September 30, 2007.

**Liquidity and Capital Resources**

Since inception, the operations of the Company have been financed primarily from cash flow from operations and loans from Company executives. We have a revolving credit line with a local banking institution that we also use from time to time to satisfy short-term fluctuations in cash flows. Subsequent to the quarter end, the limit of this revolving credit line was raised from \$200,000 to \$400,000.

As of September 30, 2008 we had total assets of \$2,917,802 including cash and cash equivalents of \$93. At September 30, 2008 total liabilities were \$1,393,470, all of which were current liabilities.

During the six months ended September 30, 2008 and 2007 cash was primarily used to fund operations. See below for additional discussion and analysis of cash flow.

	Six months ended September 30, 2008	Six months ended September 30, 2007
Net cash (used in) operating activities	\$ (201,898)	\$ (228,873)
Net cash (used in) investing activities	\$ (6,757)	\$ (10,516)
Net cash provided by financing activities	\$ 175,541	\$ 244,078
Effect of exchange rate changes on cash	\$ 110	\$ (4,683)
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>\$ (33,004)</b>	<b>\$ 6</b>

With our efforts to grow our business and the shift in our business model to focus more on manufacturing and product sales, net cash used in our operating activities increased 17%. This increase was primarily the result of increases in inventory and trade receivables, which was partially offset by an increase in accounts payable. As noted above, from time to time we may also draw down on our revolving credit line to meet short-term cash needs. Accounts receivable continue to increase year to year and these could be factored if needed to provide cash flow but to date have not been needed. We have no current capital commitments outside of general operations and do not anticipate any in the near future.

During the six months ended September 30, 2008 we acquired fixed assets in the amount of \$6,757. During the six months ended September 30, 2007 we acquired fixed assets in the amount of \$10,516.

During the six months ended September 30, 2008 we realized \$175,541 net cash from financing activities from our revolving credit line and related party payables compared to \$244,078 during the six months ended September 30, 2007.

#### Summary of Material Contractual Commitments

The following table lists our significant commitments as of September 30, 2008.

Contractual Commitments	Total	Payments Due by Fiscal Year			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Revolving credit line	\$ 170,047	\$ 170,047	\$ -	\$ -	\$ -
Short term debt-related parties	\$ 240,859	\$ 240,859	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 410,906</b>	<b>\$ 410,906</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

#### Inflation

We believe that inflation has not had a significant impact on our operations since inception.

#### Off-Balance Sheet Arrangements

As of September 30, 2008 and 2007 we had no off-balance sheet arrangements.

#### Recently Issued Financial Accounting Standards

In May of 2008 the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 163, *“Accounting for Financial Guarantee Insurance – an interpretation of FASB Statement No. 60, Accounting and Reporting by Insurance Enterprises”*. This statement requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This statement also clarifies how Statement 60 applies to financial guarantee insurance contracts. This statement is effective for fiscal years beginning after December 15, 2008. This statement has no effect on the Company’s financial reporting at this time.

In May of 2008, the FASB issued Statement No. 162, *“The Hierarchy of Generally Accepted Accounting Principles.”* This statement identifies literature established by the FASB as the source for accounting principles to be applied by entities which prepare financial statements presented in conformity with generally accepted accounting principles (GAAP) in the United States. This statement is effective 60 days following approval by the SEC of the Public Company Accounting Oversight Board amendments to AU Section 411, *“The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles.”* This statement will require no changes in the Company’s financial reporting practices.

None of the above new pronouncements has current application to the Company, but may be applicable to our future financial reporting.

### **Item 3. Quantitative and Qualitative Disclosure about Market Risk**

We are a smaller reporting company, as defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, and accordingly we are not required to provide the information required by this Item.

### **Item 4. Controls and Procedures**

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Our internal control over financial reporting is designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

As of September 30, 2008 we conducted an evaluation, under the supervision and with the participation of our president (also our principal executive officer and principal financial officer), of the effectiveness of our internal control over financial reporting based on the criteria for effective internal control over financial reporting established in "Internal Control — Integrated Framework," issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based upon this assessment, we determined that there are material weaknesses affecting our internal control over financial reporting.

The matters involving internal controls and procedures that our management considers to be material weaknesses under COSO and SEC rules are: (1) lack of a functioning audit committee and lack of independent directors on the Company's board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (2) inadequate segregation of duties consistent with control objectives; (3) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements; and (4) ineffective controls over period end financial disclosure and reporting processes. The aforementioned potential material weaknesses were identified by our interim Chief Financial Officer in connection with the preparation of our financial statements as of September 30, 2008 who communicated the matters to our management and board of directors.

Management believes that the material weaknesses set forth in items (2), (3) and (4) above did not have an affect on our financial results. However, the lack of a functioning audit committee and lack of a majority of independent directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures, can impact our financial statements for the future years.



### Management's Remediation Initiatives

Although we are unable to meet the standards under COSO because of the limited funds available to a company of our size, we are committed to improving our financial organization. As funds become available, we will undertake to: (1) create a position to segregate duties consistent with control objectives, (2) increase our personnel resources and technical accounting expertise within the accounting function (3) appoint one or more outside directors to our board of directors who shall be appointed to the audit committee of the Company resulting in a fully functioning audit committee who will undertake the oversight in the establishment and monitoring of required internal controls and procedures; and (4) prepare and implement sufficient written policies and checklists which will set forth procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements.

We will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal control over financial reporting on an ongoing basis and are committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow. However, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks.

## **PART II - OTHER INFORMATION**

### **Item 1A. Risk Factors**

#### Risks Relating to Profire's Business

Profire's business and financial condition could be materially impacted if it loses the services of certain employees. Profire's success depends to a significant extent upon the expertise and continued service of Harold Albert, its President and COO and Alan Johnson, its development engineer. While Profire is endeavoring to train other individuals who could provide the services and expertise of Mr. Albert or Mr. Johnson, the loss of their services at the present time would have a material adverse impact on Profire's growth, product development, revenues and prospective business. Profire does not currently have an employment agreement with Mr. Johnson, nor does it currently maintain key-man insurance on any of its employees. Although it does not solve the potential problem of a loss of the services of Mr. Albert or Mr. Johnson, Profire intends to seek key-man insurance on these individuals, and perhaps others, to help in the case of such an event.

Profire's inability to attract and retain skilled workers may impair growth potential and profitability. Profire's ability to remain productive and profitable will depend substantially on its ability to attract and retain skilled workers. Profire's ability to expand its operations is in part impacted by its ability to increase its labor force. The demand for skilled oilfield employees is high, and the supply is very limited. A significant increase in the wages paid by competing employers could result in a reduction in its skilled labor force, increases in the wage rates paid by it, or both. If either of these events were to occur, Profire's capacity and profitability could be diminished, and its growth potential could be impaired.

The concentration of Profire's customers in one industry and one region may impact overall exposure to credit risk. Substantially all of Profire's customers operate in the energy industry in Western Canada. This concentration of customers in one industry and one region may impact Profire's overall exposure to credit risk, either positively or negatively, in that customers may be similarly affected by changes in economic and industry conditions. Profire performs ongoing credit evaluations of its customers and does not generally require collateral in support of its trade receivables.

Profire's business has potential liability for litigation, personal injury and property damage claims assessments. Profire's operations involve exposure to inherent risks, including explosions and fires. If any of these events were to occur, it could result in liability for personal injury and property damage, pollution or other environmental hazards or loss of production. Litigation may arise from a catastrophic occurrence at a location where Profire's equipment and services are used. This litigation could result in large claims for damages. The frequency and severity of such incidents could affect Profire's operating costs, insurability and relationships with customers, employees and regulators. These occurrences could have a material adverse effect on Profire. Profire maintains what it believes is prudent insurance protection. We cannot assure you that Profire will be able to maintain adequate insurance in the future at rates it considers reasonable or that its insurance coverage will be adequate to cover future claims and assessments that may arise.

Some of Profire's products use equipment and materials that are available from a limited number of suppliers. Profire purchases equipment provided by a limited number of manufacturers who specialize in combustion burner equipment. During periods of high demand, these manufacturers may not be able to meet its requests for timely delivery, resulting in delayed deliveries of equipment and higher prices for equipment. There are a limited number of suppliers for certain materials used in burner management systems, Profire's largest product line. While these materials are generally available, supply disruptions can occur due to factors beyond Profire's control. Such disruptions, delayed deliveries, and higher prices could limit its ability to provide services, or increase the costs of providing services, thus reducing revenues and profits.

If Profire is unable to expand into new markets, its ability to grow its business and profitably as planned could be materially adversely affected. Profire intends to pursue an aggressive growth strategy for the foreseeable future. Projected future operating results will depend largely upon Profire's ability to expand to new markets and increase sales. To support this growth, Profire will increase its marketing expenditures, add new employees and open additional offices. There can also be no assurance that Profire will be able to expand its market share in its existing markets or successfully enter new or contiguous markets. Nor can there be any assurance that such expansion will not adversely affect its profitability and results of operations. If Profire is unable to manage its growth effectively, its business, results of operations and financial condition could be materially adversely affected.

If Profire is unable to manage growth effectively, its business, results of operations and financial condition could be materially adversely affected. Its ability to successfully expand to new markets is dependent on a number of factors including:

- the ability to hire, train and assimilate new employees;
- the adequacy of our financial resources;
- the ability to correctly identify and exploit new geographical markets and to successfully compete in those markets

There can be no assurance that Profire will be able to achieve the planned expansion, that its products will gain access to new markets or be accepted in new marketplaces or that in new markets it will achieve planned operating results or results comparable to those it experiences in existing markets.

Changes in the level of capital spending by its customers could negatively impact Profire's business and financial condition. Profire's principal customers are oil and natural gas exploration and production companies. Profire's results of operations are dependent on the level of capital spending by the energy industry. The energy industry's level of capital spending is substantially related to the prevailing commodity price of natural gas and crude oil. Low commodity prices have the potential to reduce the amount of crude oil and natural gas that Profire's customers can produce economically. While its products actually enhance the efficiency of their wells, we believe a prolonged downturn in the levels of the capital spending of Profire's customers could lead to reductions in the capital spending budgets of its clients and reductions in the demand for its products and services.

#### Risks Relating to our Stock

Liquidity of Common Stock. Our common stock has limited trading volume on the Over-the-Counter Bulletin Board and is not listed on a national exchange. Moreover, a significant percentage of the outstanding common stock is "restricted" and therefore subject to the resale restrictions set forth in Rule 144 of the rules and regulations promulgated by the SEC under the Securities Act. These factors could adversely affect the liquidity, trading volume, price and transferability of our common stock.

Our management has a substantial ownership interest, and the availability of the Company's common stock to the investing public may be limited. The availability of Flooring Zone common stock to the investing public may be limited to those shares not held by our executive officers, directors and their affiliates, which could negatively impact its trading prices and affect the ability of minority stockholders to sell their shares. Future sales by executive officers, directors and their affiliates of all or a portion of their shares could also negatively affect the trading price of our common stock.

You may face significant restrictions on the resale of our common stock due to federal regulations of penny stocks. Once common stock is subject to the requirements of Rule 15(g)9, promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as long as the price of our common stock is below \$4.00 per share. Under such rule, broker-dealers who recommend low-priced securities to persons other than established customers and accredited investors must satisfy special sales practice requirements, including a requirement that they make an individualized written suitability determination for the purchaser and receive the purchaser's consent prior to the transaction. The Securities Enforcement Remedies and Penny Stock Reform Act of 1990, also requires additional disclosure in connection with any trades involving a stock defined as a penny stock. Generally, the Commission defines a penny stock as any equity security not traded on an exchange or quoted on NASDAQ that has a market price of less than \$4.00 per share. The required penny stock disclosures include the delivery, prior to any transaction, of a disclosure schedule explaining the penny stock market and the risks associated with it. Such requirements could severely limit the market liquidity of the securities and the ability of purchasers to sell their securities in the secondary market.

*There is no assurance that our common stock will remain on the OTC Bulletin Board.* In order to maintain the quotation of our shares of common stock on the OTC Bulletin Board, we must remain a reporting company under the Exchange Act. This requires us to comply with the periodic reporting and proxy statement requirements of the Exchange Act. If we fail to do so, it is possible that our common stock could be removed from the OTC Bulletin Board and then be traded on the Pink Sheets. In either venue, an investor may find it difficult to obtain accurate quotations as to the market value of the common stock. In addition, if we fail to meet the criteria set forth in SEC regulations, various requirements would be imposed by law on broker-dealers who sell our securities to persons other than established customers and accredited investors. Consequently, such regulations may deter broker-dealers from recommending or selling the common stock, which may further affect its liquidity. This would also make it more difficult for us to raise additional capital.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

On October 9, 2008, we issued 35,000,000 shares to acquire all of the outstanding capital stock of Profire Combustion, Inc. from its three shareholders. These shares were issued without registration under the Securities Act of 1933 to one U.S. person in reliance upon Section 4(2) of the Securities Act of 1933 and to two non U.S. persons in reliance on Regulation S of rules and regulations promulgated under the Securities Act of 1933.

## **Item 4. Results of Votes of Security Holders**

On October 31, 2008 stockholders holding approximately 82% of our outstanding common stock executed written consents approving an amendment to our Articles of Incorporation to change the name of the Company from "The Flooring Zone, Inc." to "Profire Energy, Inc." or such other similar name as the board of directors may deem appropriate. The consents constitute the only approval required under Nevada corporate law and our existing Articles of Incorporation and Bylaws to effect the name change. Pursuant to Rule 14c-2 of the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, (the "Exchange Act") stockholder approval of the amendment will not become effective until 21 calendar days after the date we mail an information statement to our stockholders.

## **Item 5. Other Information**

### *Acquisition of Profire Combustion, Inc.*

As disclosed in a Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on October 14, 2008, on September 30, 2008 the Company entered into an Acquisition Agreement among The Flooring Zone, Inc. and Profire Combustion, Inc. and the Shareholders of Profire Combustion, Inc. (the "Acquisition Agreement"), subject to customary closing conditions. All conditions for closing were satisfied or waived by, and the transaction closed on October 9, 2008.

Pursuant to the terms and conditions of the Acquisition Agreement, 35,000,000 shares of our restricted common stock were issued to the three shareholders of Profire Combustion, Inc., (the "Profire Shareholders") in exchange for all of the issued and outstanding shares of Profire Combustion, Inc. ("Profire"). As a result of the transaction, Profire became a wholly-owned subsidiary of The Flooring Zone. For accounting purposes, Profire is considered the accounting acquirer.

At the closing of the Acquisition Agreement, Andrew Limpert resigned as the Company's interim Chief Executive Officer and President. The board of directors appointed Brenton W. Hatch, the Chief Executive Officer of Profire, as the Chief Executive Officer and President of the Company. The board of directors appointed Harold Albert, the President and Chief Operating Officer of Profire, as the Chief Operating Officer of the Company. Mr. Limpert, who had been acting as the Company's interim Chief Financial Officer has now been named as the Chief Financial Officer on a permanent basis. Mr. Limpert will continue as a director of the Company. On October 9, 2008, Joel Arline tendered his resignation as a director of the Company.

The description of the Acquisition Agreement contained in this report is only a summary of that document and is qualified in its entirety by reference to the terms of the Acquisition Agreement among The Flooring Zone, Inc. and Profire Combustion, Inc. and the Shareholders of Profire Combustion, Inc., dated September 30, 2008, a copy of which was filed as an exhibit to the Current Report on Form 8-K of the Company filed on October 14, 2008.

#### Appointment of New Directors

On November 12, 2007 the board of directors appointed Brenton W. Hatch and Harold Albert as directors of the Company to fill vacant directorships. In accordance with the requirements of Section 14(f) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Rule 14f-1 promulgated under the Exchange Act, on October 31, 2008, the Company mailed to its stockholders an information statement on Schedule 14F-1 disclosing that it was the board of directors' intention to appoint Mr. Hatch and Mr. Albert to the board of directors of the Company following the expiration of a 10-day mailing period as provided in Rule 14f-1. Following is certain biographical information about Mr. Hatch and Mr. Albert.

**Brenton W. Hatch.** Mr. Hatch co-founded Profire Combustion, Inc. in 2002. Since that time he has served as the Chief Executive Officer and General Manager of the Company. Mr. Hatch has been responsible for the day-to-day operations of Profire since its inception. Prior to founding Profire, between 2001 and 2002 Mr. Hatch was a Management Consultant and General Manager of Titan Technologies, Inc., an oilfield service and distribution company in Edmonton, Alberta, Canada. In this position, Mr. Hatch performed an in-depth analysis of the operations and management of all divisions of Titan Technologies. Based on his analysis, Mr. Hatch implemented company-wide operational changes to improve company performance. From 1989 to 2000 Mr. Hatch served as President and Chief Executive Officer of Keaton International, Inc., an educational services company based in Edmonton, Alberta, Canada. Mr. Hatch managed all executive functions of the company and particularly focused on the development and management of the company's educational services. During his time at Keaton International, Mr. Hatch led corporate networking and marketing campaigns worldwide. Mr. Hatch earned a Bachelor's Degree in Education from the University of Alberta in 1974. Mr. Hatch is not a nominee or director of any other SEC registrant.

**Harold Albert.** Mr. Albert co-founded Profire Combustion, Inc. in 2002. He has served as the President and Chief Operating Officer of Profire since that time. Mr. Albert is responsible for research and development of new products and services. He oversees the Company's Canadian operations. Prior to founding Profire, from 1996 to 2002, Mr. Albert worked in the oil services industry for Titan Technologies, Inc. During that time Mr. Albert served as an Associate Manager overseeing the company's burner division. From 1993 to 1996 Mr. Albert was employed with Natco Canada doing startup and commissioning of oil and gas facilities in both Canada and Russia. Mr. Albert is not a nominee or director of any other SEC registrant.

There are no family relationships among Mr. Hatch, Mr. Albert and any of our other directors or executive officers.

#### **Involvement in Certain Legal Proceedings**

During the past five years neither Mr. Hatch nor Mr. Albert has been involved in any of the following events that could be material to an evaluation of his ability or integrity, including:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and
- being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, which judgment has not subsequently been reversed, suspended, or vacated.

#### *Employment Agreements*

On November 14, 2008 we entered into employment agreements with the following officers of the Company, Brenton W. Hatch and Harold Albert. The following table discloses the corporate offices and annual salary set forth in the employment agreement of Mr. Hatch and Mr. Albert. Each of Mr. Hatch and Mr. Albert was serving in such capacity prior to entering the employment agreements.

<u>Name</u>	<u>Corporate Office</u>	<u>Annual Salary (USD)</u>
Brenton W. Hatch	Chief Executive Officer and President of The Flooring Zone, Inc. Chief Executive Officer, Secretary and Treasurer of Profire Combustion, Inc.	\$204,000
Harold Albert	Chief Operating Officer of The Flooring Zone, Inc. President and Chief Operating Officer of Profire Combustion, Inc.	\$204,000

Except as set forth in the above table, or as specifically addressed below, the terms and conditions of the employment agreement of each of the above-named officers are the same in all material respects.

The employment agreements provide for employment on a full-time basis for a period of three calendar years from the date of the agreements, unless terminated in accordance with the terms of the agreement. The agreements shall be self-renewing for additional one year periods for ten years, unless terminated in accordance with the terms of the agreements.

The employment agreements provide that both individuals will devote on a full-time basis, their best ability and talents to the business of the Company. The agreements prohibit the individuals from providing consulting services or accepting employment with any other party unless pre-approved by the Company.

In addition to a monthly salary, the agreements provide for reimbursement of all reasonable and necessary out-of-pocket personal expenses up to \$3,000 per month. Expense items exceeding \$3,000 must receive Company approval. The agreements provide for an \$800 per month auto allowance. The agreements provide that the individual shall be entitled to equal treatment with other principal officers of the Company with regard to medical and dental plans and benefits, retirement or similar plans, life insurance, sick leave, vacation or disability. Currently the Company will provide \$1,000 per month for health/dental premiums and \$1,000 per month matching retirement benefits when the Company establishes such a plan.

The agreements and, as detailed below, all obligations thereunder may be terminated upon the occurrence of the following events.

- Without cause by the Company upon 90 days prior written notice. If terminated without cause, the individual shall be entitled to six months salary and health and other benefits.
- For cause upon prior written notice. If terminated for cause the individual shall be entitled to his salary and any employee rights or compensation which would vest in the month of termination pro-rated through the date of termination.
- By resignation. If the individual resigns, he shall be entitled to receive his current monthly salary and other compensation. In the event of a resignation, employment shall terminate on the earlier of, 30 days following its tender and the date the resignation is accepted by the Company.
- For disability or death. The Company shall have the option to terminate the agreement should the individual no longer be able to perform his essential functions. In the event of termination for death or disability the individual shall be entitled to the same compensation and benefits as if the agreement had been terminated without cause.

The employment agreements also contain confidentiality, non-disclosure, non-compete, non-solicitation and intellectual property assignment provisions.

The descriptions of the employment agreements are only summaries of those documents and are qualified in their entirety by reference to the terms of the employment agreements, copies of which are attached as exhibits to this report.

**Item 6. Exhibits**

Exhibits. The following exhibits are included as part of this report:

Exhibit 10.1	Employment Agreement –Brenton W. Hatch
Exhibit 10.2	Employment Agreement – Harold Albert
Exhibit 31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
Exhibit 32.1	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002



**SIGNATURES**

In accordance with Section 12 of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf, thereunto duly authorized.

**THE FLOORING ZONE, INC.**

Date: November 14, 2008

By: /s/ Brenton W. Hatch  
Brenton W. Hatch  
Chief Executive Officer

Date: November 14, 2008

By: /s/ Andrew Limpert  
Andrew Limpert  
Chief Financial Officer



## EXHIBIT 10.1

### EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made by and between Profire Combustion, Inc., a private Canadian company of Bay 12, 55 Alberta Avenue, Spruce Grove, Alberta, Canada, T7X 3A6 ("Profire" or "the Company"); Flooring Zone, Inc., a public Nevada corporation of 1245 E Brickyard Rd #590, Salt Lake City, Utah 84106 ("FLOZ") and Mr. Brenton W. Hatch, of 992 W. River Hill Dr., Spanish Fork, Utah 84660 ("Hatch") in Salt Lake City, Utah on November 14, 2008. Profire is a wholly owned operating subsidiary of FLOZ, as such the two corporations may be collectively referred to as the "Companies" in this Agreement. Hatch, Profire and FLOZ may be referred to collectively as the Parties. The Parties agree as follows:

1.0 General Employment Terms. The Companies shall employ Hatch on a full-time basis for a three year calendar period from the date of this Agreement, unless terminated in accordance with the provisions of this Agreement. The Agreement shall be self-renewing for additional one year employment periods for ten years, unless otherwise terminated in accordance with termination provisions of this Agreement. Mr. Hatch shall be designated as the Chief Executive Officer (CEO) of the Companies and the president of FLOZ. In the event of any short-form merger between Profire and FLOZ, Mr. Hatch will continue as the president/CEO of the combined and resulting entity. Hatch agrees to serve both entities on a full-time basis as the CEO, but it is presently intended and agreed that the operating entity, Profire, shall require the majority of his time and services as the CEO. The board of both entities, upon their own initiative or request of Hatch, shall consider and appoint, as necessary, subordinate officers who shall serve under the general direction and control of Hatch as pertaining to all day-to-day activities and assignments. Until or unless subordinate officers are appointed, Hatch shall also discharge the duties of Secretary/Treasurer for Profire. Hatch agrees that he will serve under the direction and election of the board of directors of both entities, subject, however, to the specific terms of this Agreement. .

2.0 Best Efforts of Hatch. Hatch agrees to perform faithfully, industriously, and to the best of his ability, experience, and talents, all of the duties that may be required by the express and implicit terms of this Agreement, to the satisfaction of the Companies. Hatch shall perform such duties at such place(s) as the needs, business, or opportunities of the Companies may require on a full-time basis.

3.0 Duties of Hatch.

3.1 Hatch shall serve under the terms of this Agreement as the CEO of both Profire and FLOZ and the president of FLOZ until and unless the parent corporation, FLOZ, is merged or combined with its wholly owned subsidiary, Profire, Hatch shall discharge such duties respectively for both the parent and the operating subsidiary. Hatch acknowledges the duties are generally described in the By-laws of the Companies and as otherwise prescribed by the respective boards of directors. In the event of any merger or other combination, he shall assume

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such duties in the combined corporation. Hatch shall further be responsible for supervision and management of any subordinate officer of either Profire or FLOZ, consistent with their duties as prescribed by the board of directors and under the By-laws of the respective corporations. Hatch shall have the right to conduct and enter into agreements related to or arising out of the day-to-day operations of the Companies and within the general authority to conduct all day-to-day operations. Provided, however, Hatch shall not bind the Companies unilaterally into any agreement for acquisition, merger, sale of assets, or incur debts or liabilities other than in the ordinary course of business, or effect any change in the tax filing status, or organization of either Profire or FLOZ. Nothing within these limitations, however, shall prevent or inhibit in any manner Hatch from engaging in preliminary negotiations and understandings for the reorganization, acquisition, merger, expansion, sale of assets, or other contracts of such nature by Profire or FLOZ, subject to board review and approval.

3.3 Hatch will further act consistent with this Agreement to advance the best interest of the Companies and shall not engage in any activities which he deems or believes to be in conflict or inconsistent with the business purposes of either the parent or the subsidiary corporation. Unless otherwise designated, Hatch will be primarily responsible for preparing and filing routine tax, reports or filings, securities reporting documents and other governmentally required filings or notices for the Companies. Hatch shall have a full responsibility and authority to hire and fire all subordinate employees not designated as appointed officers by the board of directors of Profire or FLOZ. Hatch shall further makes suggestions and recommendations to the boards of Profire or FLOZ at all times as to the direction and progress of the Companies, and present strategic business planning to the respective boards of directors as he shall deem appropriate. Hatch shall further supervise and be in control of payroll and compensation for all subordinate officers and employees for Profire or FLOZ, subject to review and the ultimate control by the respective boards of directors, and consistent with any wages and compensation set by the board of directors.

3.4 Hatch shall discharge all duties necessary or reasonably required to discharge the continuing operations and the day-to-day business of the operating subsidiary and its parent corporation and shall report periodically, at each boards' request, as to the operations and business of each, including such interim reports as the boards may require as to profits, losses, cash flow and other standard accounting information.

3.5 Hatch agrees not to engage in any activities which constitutes a conflict of interest, or impair his full time services to Profire or FLOZ, and agrees that any business concept, opportunities or rights which would logically be developed or employed by the Companies shall be exclusively referred to either Profire or FLOZ for consideration, adoption and acquisition and he shall not, in any way, act in any competitive or inconsistent manner to the well being and profitability of Profire and FLOZ. Hatch further agrees not to sit upon or have any management interest in any competitive or potentially competitive company and further agrees not to be retained or sit upon any other board of directors having unrelated business activities without the consent of the present boards of Profire and FLOZ or until after the non-competition period prescribed by this Agreement.

Initials: \_\_\_\_\_

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4.0 Compensation of Hatch.

4.1 Hatch will be paid a starting salary of Seventeen Thousand US Dollars (\$17,000) per month as a base salary for his combined services to Profire and FLOZ. For the purposes of this section, it is understood that all compensation shall be initially paid by Profire even though FLOZ shall remain jointly obligated. As such, the reference to Companies in this section shall refer to Profire as the primary payor, but include both Profire and FLOZ as responsible parties. It is further understood and agreed that should there be a subsequent merger or acquisition, Hatch shall continue in such position as the president/CEO of the surviving entity and that his compensation shall not be changed or diminished as a result of such subsequent merger or acquisition. Hatch shall be paid the foregoing gross monthly salary not later than the last day of each month in which incurred, but subject to standard deductions for mandatory tax, social security and other governmentally imposed deductions or withholdings, such as Medicaid and unemployment insurance.

4.2 In accordance with the Companies' policies, established from time to time, the Companies will pay or reimburse Hatch for all reasonable and necessary out-of-pocket personal expenses incurred by him in the performance of his duties under this Agreement, but subject to the presentment of appropriate vouchers or receipts. These personal expenses shall include, but are not limited to, reimbursement for Hatch's mobile phone, business travel, business meals, lodging when traveling on company business and ground transportation, including rental vehicles when traveling on company business. All expense items exceeding \$3,000.00 cumulatively per month will require pre-approval of the Companies. The company will also provide a car allowance of \$800 per month.

4.3 Hatch acknowledges that the Companies do not presently have any stock option or other stock rights program or plans, nor is there presently any bonus incentives or plans for officers or general employees. While Hatch recognizes such plans may be adopted in the future, Hatch explicitly agrees that the adoption of such plans is not a promised consideration under this Agreement and the creation or withholding of such plans by the Board of Directors is not a consideration for this Agreement or basis for Hatch withdrawal.

4.4 Hatch shall be entitled to equal treatment with other principal officers with relationship to the Companies' policies on medical and dental plans and benefits, retirement or similar plans, life insurance, sick leave, vacation, or disability. Currently the company will provide \$1,000 /Month for health and dental premiums and \$1,000/month matching retirement benefit when the company establishes a plan. The Companies maintain policy manuals as to such benefits which all parties stipulate they have reviewed and which prescribe and limit the rights and benefits under this paragraph. Hatch acknowledges and agrees that such plans and benefits are not presently adopted or funded by the Companies and no promise or assurance of adoption have been made to him as an employment inducement or incentive.

Initials: \_\_\_\_\_

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4.5 In the event of termination as provided by this Agreement, Hatch shall be paid all earned compensations through the effective date of termination promptly by the Companies, jointly and severally, and in accordance with the terms of this Agreement.

5 . 0 Recommendations for Improving Operations. Hatch shall provide Profire with all information suggestions, and recommendations regarding the Companies' business, of which Hatch has knowledge and that will be of benefit to the Companies.

6 . 0 Intellectual Property Assignment. Intellectual property for the purposes of this Agreement shall be defined as any trade secrets as defined under Utah statutory law or common law, general proprietary information regarding the operation of the business and specific reserved intellectual property rights; such as trademarks, copyrights, and patents. Hatch agrees to fully assign any intellectual property developed by or to which he has contributed during his employment to Profire as part of his consideration for the compensation received. Nothing contained in this paragraph shall, however, prohibit or limit individual ownership by Hatch of intellectual property owned by or brought by Hatch to the Companies, or developed independently of his employment with the Companies and not using any resources unrelated to the Companies' activities.

7 . 0 Confidentiality. Hatch recognizes that the Companies have and will have information regarding the products or services to be marketed and sold, the clients and potential clients to which products or services are to be marketed and sold, and the technique for marketing and selling generally (collectively "Confidential Information") which, in its totality, is not known to the public and which are valuable, special and unique assets of the Companies. Hatch agrees that he will not at any time or in any manner, either directly or indirectly, use any Confidential Information for his own benefit or use of any of the Companies' Confidential Information in any way that is directly or indirectly in competition with the Companies. Hatch agrees that he will not at any time or in any manner, either directly or indirectly, divulge, disclose, or communicate any Confidential Information to any third party without the prior written consent of the Companies. Hatch will also reasonably protect the Companies' Confidential Information and treat it as strictly confidential. A violation by Hatch of this paragraph shall be a material violation of this Agreement and will justify termination and/or legal and/or equitable relief as more particularly set-out in paragraph 20 on Remedies.

8.0 Unauthorized Disclosure of Information. If it appears that Hatch has disclosed (or has threatened to disclose) Confidential Information or Intellectual Property of the Companies in violation of this Agreement, the Companies, or either of them, shall be entitled to an injunction to restrain Hatch and/or his agents from disclosing, in whole or in part, such Confidential Information or Intellectual Property, or from providing any goods or services to any person to whom such Confidential Information has been disclosed or may be disclosed or from using such Confidential Information to sell goods or services. The Companies shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

Initials: \_\_\_\_\_

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9 . 0 Confidentiality After Termination. All provisions of this Agreement regarding Confidential Information or Intellectual Property shall remain in full force and effect after the termination of this Agreement for a period of 36 months.

10.0 Services to Third Parties. Hatch shall not provide any consulting services to or enter employment with any third Party during the course of his employment under this Agreement, unless he has obtained the Companies' prior written consent.

11.0 Return of Records, Property and Confidential Information. Upon termination of this Agreement, Hatch shall deliver all records, customer or supplier lists, notes, data, memoranda, models, computers, files, computer files, recorded data, and equipment of any nature that are in his control or possession that are the Companies' property or relate to the Companies' business or that are copies of the Companies' documents or that contain the Companies' Confidential Information or Intellectual Property.

12.0 Termination. Hatch's employment under this Agreement may be terminated as follows:

A. Termination Without Cause. This Agreement may be terminated by the Companies at any time without cause, but with a ninety day prior written notice. In the event Hatch is terminated by the Companies without cause, the Companies shall pay to Hatch, as a severance allowance, his then current monthly Base Salary, and health and other benefits for the 6 months (six months) period following the month of termination and including the month in which notice of termination occurs.

B. Termination For Cause. The Companies may also terminate this Agreement upon prior notice if the Agreement is terminated for cause. For purposes of this Agreement, termination for cause shall mean termination for fraud, embezzlement, bankruptcy, loss of license, misfeasance, theft, or a material criminal act or any material breach of this Agreement. In the event that Hatch's employment is terminated for cause, then Hatch shall be entitled to receive his then current monthly Base Salary and any employee rights or compensation which would vest in the month of termination pro rated through the date of termination, but offset by any amounts which may have been appropriated or wrongfully taken by Hatch or which arise out of damages to the Companies through the errors or omissions of Hatch.

C. Resignation. In the event that Hatch's employment is terminated pursuant to his resignation, then Hatch shall be entitled to receive his then current monthly base salary and any other compensation or right which would vest in the month the resignation becomes effective. Hatch's employment shall be terminated on the earlier of: 30 days following the written submission of his resignation; or the date such resignation is accepted by the Companies.

D. Assistance. In the event of a voluntary termination, Hatch agrees to provide reasonable orientation, training and assistance to any new employee or agent of the Company and to be compensated for such training at his last level of computation pro rated on an hourly basis.

Initials: \_\_\_\_\_



13.0 Termination for Disability or Death. The Companies shall have the option to terminate this Agreement, if Hatch is no longer able to perform the essential functions of the position with reasonable accommodation. In the event of termination for disability or death, Hatch shall receive the termination rights and benefits described by paragraph 12A for termination without cause.

14.0 Disclosure. Hatch is required to disclose any outside activities or interests, including ownership or participation in the development of intellectual property or trade secrets, that may conflict or compete with the interests of the Companies. Immediate disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to the sale or marketing of any product similar to any product offered by the Companies anywhere in the world; or the sale or marketing (anywhere in the world) of any product that is similar to or that competes with any of the products sold by or to be sold by the Companies. Hatch, at all times he is associated with the Companies under this Agreement, agrees to provide a copy of all securities or accounts in which he has a legal or beneficial interest on a monthly basis to the Companies and all transactions in those securities or accounts within ten days of the transaction. The Companies will retain such information on a confidential basis and disclose it only pursuant to legal process, including arbitration.

15.0 Assignment. Hatch's obligations under this Agreement may not be assigned or transferred to any other person, firm, corporation or entity without the prior written consent of the Companies.

16.0 Non-Competition. During the term of this Agreement and for an eighteen (18) month period after termination, Hatch agrees not to engage within North America in any competitive activity or business as an owner, consultant, employee, officer, director, agent, majority interest holder on in any like capacity with the Companies.

17.0 Compliance with Companies' Rules. Hatch agrees to comply with all of the published rules, regulations, and guidelines of Companies as they are amended from time to time consistent with this Agreement.

18.0 Solicitation of Customers and Solicitation of Employees

18.1 All clients of Profire or FLOZ during the term of this Agreement, whether or not solicited by or retained through the efforts of Hatch, shall remain exclusively the clients of Profire or FLOZ.

Page -6-

Initials: \_\_\_\_\_

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18.2 Hatch agrees that during his employment by the Companies hereunder and for the period of two years after his termination date, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others, solicit, divert or appropriate, or attempt to solicit, divert or appropriate to any competing business (i) any person or entity whose account with the Companies were sold or serviced by or under the supervision of Hatch during the period serviced by Hatch up to three years preceding the termination of such employment; (ii) any person or entity whose account with the Companies have been directly solicited at least twice by the Companies within the one year period prior to the date of termination of employment; or (iii) any account existing at any financial institution.

18.3 Hatch agrees that during his employment by the Companies hereunder and for a two year period following the termination of such employment for any reason, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others solicit, divert or hire away, or attempt to solicit, divert or hire away any person then employed by the Companies or then serving as a sales representative of the Companies.

19.0 Return of Property. Immediately upon termination of this Agreement, Hatch shall deliver all property (including keys, records, notes, data, memoranda, models, and equipment) that is in his possession or under the his control, which is Companies' property or related to Companies' business. Such obligation shall be governed by any separate confidentiality or proprietary rights agreement signed by Hatch.

20.0 Remedies. The remedies of Profire or FLOZ under this Agreement for damages or injunctive relief shall survive the termination of employment of Mr. Hatch and/or this Agreement. The remedies shall specifically include the following:

A. For any wrongful appropriation or continued association with a Profire or FLOZ client, damages equal to treble the last annual fees earned from that client by Profire or FLOZ, or if the client has been a Profire or FLOZ client less than one year, the calculation of the annual fee projected from the actual fee;

B. For any wrongful appropriation or taking of a proprietary procedure, list, property secret, or other thing or concept of value; liquidated damages of not less than ten thousand dollars (\$10,000) per occurrence, or such greater actual and punitive damages as may be proven;

C. The pursuit or recovery of actual damages under this Agreement shall not limit or prevent the right of Profire or FLOZ to obtain appropriate injunctive relief which shall be granted to prevent or prohibit any ongoing wrongful acts or appropriations;

D. The prevailing party under any action brought under this Agreement for damages or injunctive relief shall be entitled to costs of court, reasonable attorney fees and interest from the date of breach at 12% APR for any damages awarded.

Initials: \_\_\_\_\_

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21.0 Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered in person or deposited in the United State mail, postage paid, addressed as follows:

If for the Employee:

Brenton W. Hatch  
992 W. River Hill Dr.  
Spanish Fork, UT 84660

If for the Companies:

Andrew W. Limpert  
1245 E. Brickyard Rd. #590  
Salt Lake City, UT 84106

Such addresses may be changed from time to time by either party by providing written notice in the manner set forth above to the other party and attaching proof of service of such change to this Agreement.

22.0 Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

23.0 Amendment. This Agreement may only be modified or amended if the amendment is made in writing and is signed by the parties.

24.0 Severability. If any provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

25.0 Waiver of Contractual Right. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

26.0 Interpretation. This Agreement shall not be construed against the drafting Party. Both Parties acknowledge adequate opportunity to seek legal counsel regarding this Agreement.

27.0 Applicable Law, Exclusive Jurisdiction, and Venue. This Agreement shall be governed by the laws of the State of Utah. The Courts in Salt Lake County, Utah have exclusive jurisdiction and the Courts in Salt Lake County, Utah are the exclusive venue for disputes relating to the interpretation or enforcement of this Agreement. In the event of a dispute relating to interpretation or enforcement of this Agreement, the prevailing party shall be awarded all reasonable attorneys' fees and costs incurred.

Page -8-

Initials: \_\_\_\_\_

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28.0 Effective Date. Regardless of the date(s) on which this Agreement is signed, the Effective Date of this Agreement is November 14, 2008.

**Profire Combustion, Inc.**

\_\_\_\_\_  
By: Brenton W. Hatch  
Its: President

November 14, 2008

**The Flooring Zone, Inc.**

\_\_\_\_\_  
By: Andrew Limpert  
Acting as a Member and Agent for its Board of Directors

November 14, 2008

**Mr. Brenton W. Hatch**

\_\_\_\_\_  
Individually

November 14, 2008

Initials: \_\_\_\_\_

## EXHIBIT 10.2

### EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made by and between Profire Combustion, Inc., a private Canadian company of Bay 12, 55 Alberta Avenue, Spruce Grove, Alberta, Canada, T7X 3A6 ("Profire" or "the Company"); Flooring Zone, Inc., a public Nevada corporation of 1245 E Brickyard Rd #590, Salt Lake City, Utah 84106 ("FLOZ") and Mr. Harold Albert, of Bay 12, 55 Alberta Avenue, Spruce Grove, Alberta, Canada, T7X 3A6 ("Albert") in Salt Lake City, Utah on November 14, 2008. Profire is a wholly owned operating subsidiary of FLOZ, as such the two corporations may be collectively referred to as the "Companies" in this Agreement. Albert, Profire and FLOZ may be referred to collectively as the Parties. The Parties agree as follows:

1.0 General Employment Terms. The Companies shall employ Albert on a full-time basis for a three year calendar period from the date of this Agreement, unless terminated in accordance with the provisions of this Agreement. The Agreement shall be self-renewing for additional one year employment periods for ten years, unless otherwise terminated in accordance with termination provisions of this Agreement. Mr. Albert shall be designated as the Chief Operating Officer (COO) of the Companies and the president of Profire. In the event of any short-form merger between Profire and FLOZ, Mr. Albert will continue as the COO of the combined and resulting entity. Albert agrees to serve both entities on a full-time basis as the COO, but it is presently intended and agreed that the operating entity, Profire, shall require the majority of his time and services as the COO of Profire. The board of both entities, upon their own initiative or request of the president, shall consider and appoint, as necessary, subordinate officers who shall serve under the general direction and control of Albert as pertaining to all day-to-day activities and assignments. Albert agrees that he will serve under the direction and election of the board of directors of both entities, subject, however, to the specific terms of this Agreement.

2.0 Best Efforts of Albert. Albert agrees to perform faithfully, industriously, and to the best of his ability, experience, and talents, all of the duties that may be required by the express and implicit terms of this Agreement, to the satisfaction of the Companies. Albert shall perform such duties at such place(s) as the needs, business, or opportunities of the Companies may require on a full-time basis.

3.0 Duties of Albert.

3.1 Albert shall serve under the terms of this Agreement as the COO of both Profire and FLOZ and the president of Profire and until and unless the parent corporation, FLOZ, is merged or combined with its wholly owned subsidiary, Profire, Albert shall discharge duties of COO for both the parent and the operating subsidiary. Albert acknowledges the duties are generally described in the By-laws of the Companies and as otherwise prescribed by the respective boards of directors. In the event of any merger or other combination, he shall assume such duties in the combined corporation. Albert shall further be responsible for supervision and management of any subordinate officer of either Profire or FLOZ as directed by the president

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and, consistent with their duties as prescribed by the board of directors and under the By-laws of the respective corporations. Albert shall have the right to conduct and enter into agreements related to or arising out of the day-to-day operations of the Companies and within the general authority to conduct all day-to-day operations as allowed or prescribed by the president. Provided, however, Albert shall not bind the Companies unilaterally into any agreement for acquisition, merger, sale of assets, or incur debts or liabilities other than in the ordinary course of business, or effect any change in the tax filing status, or organization of either Profire or FLOZ.

3.3 Albert will further act consistent with this Agreement to advance the best interest of the Companies and shall not engage in any activities which he deems or believes to be in conflict or inconsistent with the business purposes of either the parent or the subsidiary corporation. Unless otherwise designated, Albert as directed or allowed by the president may be responsible for preparing and filing routine tax, reports or filings, securities reporting documents and other governmentally required filings or notices for the Companies. Albert shall further make suggestions and recommendations to the boards of Profire or FLOZ at all times as to the direction and progress of the Companies, and present strategic business planning to the respective boards of directors as he shall deem appropriate. Albert, as directed by the president, may further supervise and be in control of payroll and compensation for all subordinate officers and employees for Profire or FLOZ, subject to review and the ultimate control by the respective boards of directors, and consistent with any wages and compensation set by the board of directors.

3.4 Albert shall discharge all duties necessary or reasonably required to discharge the continuing operations and the day-to-day business of the operating subsidiary and its parent corporation as directed by the president, and shall report periodically, at each board's request, as to the operations and business of each, including such interim reports as the boards may require as to profits, losses, cash flow and other standard accounting information.

3.5 Albert agrees not to engage in any activities which constitutes a conflict of interest, or impair his full time services to Profire or FLOZ, and agrees that any business concept, opportunities or rights which would logically be developed or employed by the Companies shall be exclusively referred to either Profire or FLOZ for consideration, adoption and acquisition and he shall not, in any way, act in any competitive or inconsistent manner to the well being and profitability of Profire and FLOZ. Albert further agrees not to sit upon or have any management interest in any competitive or potentially competitive company and further agrees not to be retained or sit upon any other board of directors having unrelated business activities without the consent of the present boards of Profire and FLOZ or until after the non-competition period prescribed by this Agreement.

#### 4.0 Compensation of Albert.

4.1 Albert will be paid a starting salary of Seventeen Thousand US Dollars (\$17,000) per month as a base salary for his combined services to Profire and FLOZ. For the purposes of this section, it is understood that all compensation shall be initially paid by Profire even though FLOZ shall remain jointly obligated. As such, the reference to Companies in this section shall refer to Profire as the primary payor, but include both Profire and FLOZ as responsible parties.

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It is further understood and agreed that should there be a subsequent merger or acquisition, Albert shall continue in such position as the COO of the surviving entity and that his compensation shall not be changed or diminished as a result of such subsequent merger or acquisition. Albert shall be paid the foregoing gross monthly salary not later than the last day of each month in which incurred, but subject to standard deductions for mandatory tax, social security and other governmentally imposed deductions or withholdings, such as Medicaid and unemployment insurance.

4.2 In accordance with the Companies' policies, established from time to time, the Companies will pay or reimburse Albert for all reasonable and necessary out-of-pocket personal expenses incurred by him in the performance of his duties under this Agreement, but subject to the presentment of appropriate vouchers or receipts. These personal expenses shall include, but are not limited to, reimbursement for Albert's mobile phone, business travel, business meals, lodging when traveling on company business and ground transportation, including rental vehicles when traveling on company business. All expense items exceeding \$3,000.00 cumulatively per month will require pre-approval of the Companies. The company will also provide a car allowance of \$800 per month.

4.3 Albert acknowledges that the Companies do not presently have any stock option or other stock rights program or plans, nor is there presently any bonus incentives or plans for officers or general employees. While Albert recognizes such plans may be adopted in the future, Albert explicitly agrees that the adoption of such plans is not a promised consideration under this Agreement and the creation or withholding of such plans by the Board of Directors is not a consideration for this Agreement or basis for Albert withdrawal.

4.4 Albert shall be entitled to equal treatment with other principal officers with relationship to the Companies' policies on medical and dental plans and benefits, retirement or similar plans, life insurance, sick leave, vacation, or disability. Currently the company will provide \$1,000 /Month for health and dental premiums and \$1,000/month matching retirement benefit when the company establishes a plan. The Companies maintain policy manuals as to such benefits which all parties stipulate they have reviewed and which prescribe and limit the rights and benefits under this paragraph. Albert acknowledges and agrees that such plans and benefits are not presently adopted or funded by the Companies and no promise or assurance of adoption have been made to him as an employment inducement or incentive.

4.5 In the event of termination as provided by this Agreement, Albert shall be paid all earned compensations through the effective date of termination promptly by the Companies, jointly and severally, and in accordance with the terms of this Agreement.

5 . 0 Recommendations for Improving Operations. Albert shall provide Profire with all information suggestions, and recommendations regarding the Companies' business, of which Albert has knowledge and that will be of benefit to the Companies.

6 . 0 Intellectual Property Assignment. Intellectual property for the purposes of this Agreement shall be defined as any trade secrets as defined under Utah statutory law or common law, general proprietary information regarding the operation of the business and specific

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reserved intellectual property rights; such as trademarks, copyrights, and patents. Albert agrees to fully assign any intellectual property developed by or to which he has contributed during his employment to Profire as part of his consideration for the compensation received. Nothing contained in this paragraph shall, however, prohibit or limit individual ownership by Albert of intellectual property owned by or brought by Albert to the Companies, or developed independently of his employment with the Companies and not using any resources unrelated to the Companies' activities.

7.0 Confidentiality. Albert recognizes that the Companies have and will have information regarding the products or services to be marketed and sold, the clients and potential clients to which products or services are to be marketed and sold, and the technique for marketing and selling generally (collectively "Confidential Information") which, in its totality, is not known to the public and which are valuable, special and unique assets of the Companies. Albert agrees that he will not at any time or in any manner, either directly or indirectly, use any Confidential Information for his own benefit or use of any of the Companies' Confidential Information in any way that is directly or indirectly in competition with the Companies. Albert agrees that he will not at any time or in any manner, either directly or indirectly, divulge, disclose, or communicate any Confidential Information to any third party without the prior written consent of the Companies. Albert will also reasonably protect the Companies' Confidential Information and treat it as strictly confidential. A violation by Albert of this paragraph shall be a material violation of this Agreement and will justify termination and/or legal and/or equitable relief as more particularly set-out in paragraph 20 on Remedies.

8.0 Unauthorized Disclosure of Information. If it appears that Albert has disclosed (or has threatened to disclose) Confidential Information or Intellectual Property of the Companies in violation of this Agreement, the Companies, or either of them, shall be entitled to an injunction to restrain Albert and/or his agents from disclosing, in whole or in part, such Confidential Information or Intellectual Property, or from providing any goods or services to any person to whom such Confidential Information has been disclosed or may be disclosed or from using such Confidential Information to sell goods or services. The Companies shall not be prohibited by this provision from pursuing other remedies, including a claim for losses and damages.

9 . 0 Confidentiality After Termination. All provisions of this Agreement regarding Confidential Information or Intellectual Property shall remain in full force and effect after the termination of this Agreement for a period of 36 months.

10.0 Services to Third Parties. Albert shall not provide any consulting services to or enter employment with any third Party during the course of his employment under this Agreement, unless he has obtained the Companies' prior written consent.

11.0 Return of Records, Property and Confidential Information. Upon termination of this Agreement, Albert shall deliver all records, customer or supplier lists, notes, data, memoranda, models, computers, files, computer files, recorded data, and equipment of any nature that are in his control or possession that are the Companies' property or relate to the Companies' business or that are copies of the Companies' documents or that contain the Companies' Confidential Information or Intellectual Property.

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12.0 Termination. Albert's employment under this Agreement may be terminated as follows:

A. Termination Without Cause. This Agreement may be terminated by the Companies at any time without cause, but with a ninety day prior written notice. In the event Albert is terminated by the Companies without cause, the Companies shall pay to Albert, as a severance allowance, his then current monthly Base Salary, and health and other benefits for the 6 months (six months) period following the month of termination and including the month in which notice of termination occurs.

B. Termination For Cause. The Companies may also terminate this Agreement upon prior notice if the Agreement is terminated for cause. For purposes of this Agreement, termination for cause shall mean termination for fraud, embezzlement, bankruptcy, loss of license, misfeasance, theft, or a material criminal act or any material breach of this Agreement. In the event that Albert's employment is terminated for cause, then Albert shall be entitled to receive his then current monthly Base Salary and any employee rights or compensation which would vest in the month of termination pro rated through the date of termination, but offset by any amounts which may have been appropriated or wrongfully taken by Albert or which arise out of damages to the Companies through the errors or omissions of Albert.

C. Resignation. In the event that Albert's employment is terminated pursuant to his resignation, then Albert shall be entitled to receive his then current monthly base salary and any other compensation or right which would vest in the month the resignation becomes effective. Albert's employment shall be terminated on the earlier of: 30 days following the written submission of his resignation; or the date such resignation is accepted by the Companies.

D. Assistance. In the event of a voluntary termination, Albert agrees to provide reasonable orientation, training and assistance to any new employee or agent of the Company and to be compensated for such training at his last level of computation pro rated on an hourly basis.

13.0 Termination for Disability or Death. The Companies shall have the option to terminate this Agreement, if Albert is no longer able to perform the essential functions of the position with reasonable accommodation. In the event of termination for disability or death, Albert shall receive the termination rights and benefits described by paragraph 12A for termination without cause.

14.0 Disclosure. Albert is required to disclose any outside activities or interests, including ownership or participation in the development of intellectual property or trade secrets, that may conflict or compete with the interests of the Companies. Immediate disclosure is required under this paragraph if the activity or interest is related, directly or indirectly, to the sale or marketing of any product similar to any product offered by the Companies anywhere in the world; or the sale or marketing (anywhere in the world) of any product that is similar to or that competes with any of the products sold by or to be sold by the Companies. Albert, at all times he is associated with the Companies under this Agreement, agrees to provide a copy of all securities or accounts in which he has a legal or beneficial interest on a monthly basis to the Companies and all

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transactions in those securities or accounts within ten days of the transaction. The Companies will retain such information on a confidential basis and disclose it only pursuant to legal process, including arbitration.

15.0 Assignment. Albert's obligations under this Agreement may not be assigned or transferred to any other person, firm, corporation or entity without the prior written consent of the Companies.

16.0 Non-Competition. During the term of this Agreement and for an eighteen (18) month period after termination, Albert agrees not to engage within North America in any competitive activity or business as an owner, consultant, employee, officer, director, agent, majority interest holder or in any like capacity with the Companies.

17.0 Compliance with Companies' Rules. Albert agrees to comply with all of the published rules, regulations, and guidelines of Companies as they are amended from time to time consistent with this Agreement.

18.0 Solicitation of Customers and Solicitation of Employees:

18.1 All clients of Profire or FLOZ during the term of this Agreement, whether or not solicited by or retained through the efforts of Albert, shall remain exclusively the clients of Profire or FLOZ.

18.2 Albert agrees that during his employment by the Companies hereunder and for the period of two years after his termination date, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others, solicit, divert or appropriate, or attempt to solicit, divert or appropriate to any competing business (i) any person or entity whose account with the Companies were sold or serviced by or under the supervision of Albert during the period serviced by Albert up to three years preceding the termination of such employment; (ii) any person or entity whose account with the Companies have been directly solicited at least twice by the Companies within the one year period prior to the date of termination of employment; or (iii) any account existing at any financial institution.

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18.3 Albert agrees that during his employment by the Companies hereunder and for a two year period following the termination of such employment for any reason, he will not, either directly or indirectly, on his own behalf or in the service or on behalf of others solicit, divert or hire away, or attempt to solicit, divert or hire away any person then employed by the Companies or then serving as a sales representative of the Companies.

19.0 Return of Property. Immediately upon termination of this Agreement, Albert shall deliver all property (including keys, records, notes, data, memoranda, models, and equipment) that is in his possession or under the his control, which is Companies' property or related to Companies' business. Such obligation shall be governed by any separate confidentiality or proprietary rights agreement signed by Albert.

20.0 Remedies. The remedies of Profire or FLOZ under this Agreement for damages or injunctive relief shall survive the termination of employment of Mr. Albert and/or this Agreement. The remedies shall specifically include the following:

A. For any wrongful appropriation or continued association with a Profire or FLOZ client, damages equal to treble the last annual fees earned from that client by Profire or FLOZ, or if the client has been a Profire or FLOZ client less than one year, the calculation of the annual fee projected from the actual fee;

B. For any wrongful appropriation or taking of a proprietary procedure, list, property secret, or other thing or concept of value; liquidated damages of not less than ten thousand dollars (\$10,000) per occurrence, or such greater actual and punitive damages as may be proven;

C. The pursuit or recovery of actual damages under this Agreement shall not limit or prevent the right of Profire or FLOZ to obtain appropriate injunctive relief which shall be granted to prevent or prohibit any ongoing wrongful acts or appropriations;

D. The prevailing party under any action brought under this Agreement for damages or injunctive relief shall be entitled to costs of court, reasonable attorney fees and interest from the date of breach at 12% APR for any damages awarded.

21.0 Notices. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered in person or deposited in the United State mail, postage paid, addressed as follows:

If for the Employee:

Harold Albert  
Bay 12, 55 Alberta Avenue  
Spruce Grove, Alberta, Canada T7X 3A6

If for the Companies:

Andrew W. Limpert  
1245E. Brickyard Rd. #590  
Salt Lake City, UT 84106

Page -8-

Initials: \_\_\_\_\_

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Such addresses may be changed from time to time by either party by providing written notice in the manner set forth above to the other party and attaching proof of service of such change to this Agreement.

22.0 Entire Agreement. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

23.0 Amendment. This Agreement may only be modified or amended if the amendment is made in writing and is signed by the parties.

24.0 Severability. If any provisions of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid or enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

25.0 Waiver of Contractual Right. The failure of any party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

26.0 Interpretation. This Agreement shall not be construed against the drafting Party. Both Parties acknowledge adequate opportunity to seek legal counsel regarding this Agreement.

27.0 Applicable Law, Exclusive Jurisdiction, and Venue. This Agreement shall be governed by the laws of the State of Utah. The Courts in Salt Lake County, Utah have exclusive jurisdiction and the Courts in Salt Lake County, Utah are the exclusive venue for disputes relating to the interpretation or enforcement of this Agreement. In the event of a dispute relating to interpretation or enforcement of this Agreement, the prevailing party shall be awarded all reasonable attorneys' fees and costs incurred.

28.0 Effective Date. Regardless of the date(s) on which this Agreement is signed, the Effective Date of this Agreement is November 14, 2008.

**Profire Combustion, Inc.**

November 14, 2008

\_\_\_\_\_  
By: Brenton W. Hatch  
Its: President

Page -9-

Initials: \_\_\_\_\_

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**The Flooring Zone, Inc.**

November 14, 2008

\_\_\_\_\_  
By: Andrew Limpert  
Acting as a Member and Agent for its Board of Directors

**Mr. Harold Albert**

November 14, 2008

\_\_\_\_\_  
Individually

Page -10-

Initials: \_\_\_\_\_

**EXHIBIT 31.1**

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Brenton W. Hatch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Flooring Zone, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2008

By: /s/ Brenton W. Hatch

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Brenton W. Hatch  
Principal Executive Officer

**EXHIBIT 31.2**

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER  
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Andrew Limpert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of The Flooring Zone, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal controls over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 14, 2008

By: /s/ Andrew Limpert

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Andrew Limpert  
Principal Financial Officer

**EXHIBIT 32.1**

**CERTIFICATION OF PRINCIPAL  
EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of The Flooring Zone, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "*Report*"), I, Brenton W. Hatch, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2008

By: /s/ Brenton W. Hatch

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Brenton W. Hatch  
Chief Executive Officer

**EXHIBIT 32.2**

**CERTIFICATION OF PRINCIPAL  
FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with this Quarterly Report of The Flooring Zone, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "*Report*"), I, Andrew Limpert, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 14, 2008

By: /s/ Andrew Limpert

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Andrew Limpert  
Chief Financial Officer