



FRANCHISE DISCLOSURE DOCUMENT

Vanguard Cleaning Systems, Inc.
A California Corporation
655 Mariners Island Blvd. Suite 303
San Mateo, California 94404
(650) 287-2400
www.vanguardcleaning.com

The subfranchisor will recruit and support subfranchisees, which will be independently owned businesses offering commercial janitorial and building/facilities maintenance services under the “Vanguard Cleaning Systems” service marks, as well as such other services as may be authorized by the Franchisor.

The total investment necessary to begin operation of a Vanguard® master franchise ranges from \$164,961 to \$472,556. This includes the initial franchise fee that must be paid to the franchisor, which is between \$100,000 and \$350,000 depending on factors like population and number of commercial accounts in your Development Area.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Ray Lee, President, at Vanguard Cleaning Systems, Inc., 655 Mariners Island Blvd. Suite 303, San Mateo, California 94404, (650) 287-2413.

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

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

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

Date of Issuance: April 10, 2025, as amended ~~May~~ September 1, 2025

Competition includes nationally franchised and local janitorial and building maintenance businesses. The market for the sale of subfranchises is also fairly well developed. Typical purchasers of Janitorial Business franchises include people and companies interested in an investment opportunity with relatively low capital requirements, as well as existing commercial cleaning/facilities maintenance companies seeking to expand their account base. Competition for the sale of subfranchises will include national franchising organizations and some local and regional businesses offering comparable investments in franchises and business opportunities.

Owning a franchised business involves economic risks. These risks may be greater for a new business with limited experience, such as a new franchise business. Any revenue, sales volume, profit and possible success a new business owner achieves is linked in part to financial, management and other resources; business, marketing, sales ability, management judgment and other personal skills. We cannot and do not guarantee your success or any income level.

Prior Business Experience

Vanguard offered franchises for independent Janitorial Businesses exclusively in California from 1984 through June 2013, when it transferred all its Vanguard Cleaning Systems® Janitorial Businesses (each, also called a “VCS Business”) franchise agreements to RR Franchising, Inc., a California corporation formed in February, 2013, with its principal place of business at 6281 Beach Boulevard, Buena Park, CA 90621. We and RR Franchising, Inc. are considered affiliates only because the same individual holds the majority of shares in both companies, but they are separate and distinct companies and have different shareholder structures. That same individual owns VCS Enterprises, LLC, which is the holding company that owns IN Franchising, LLC and KY Franchising, LLC, two other affiliates of ours. VCS Enterprises, LLC was formed in Delaware on April 7, 2025, and its principal place of business is 655 Mariners Island Blvd., Suite 303, San Mateo, CA 94404. It is not directly engaged in franchising, but it is the sole member/manager of our affiliates, KY Franchising, LLC and IN Franchising, LLC. KY Franchising, LLC and IN Franchising, LLC were formed on April 9, 2025, and April 8, 2025, respectively, for the purpose of acquiring active Vanguard unit franchise agreements and certain other assets of Fortitude Partners, LLC and Naptown Franchising, LLC (Vanguard Area Franchisors). This asset acquisition was finalized on April 30, 2025. KY Franchising, LLC, a Kentucky limited liability company, is an Area Franchisor operating in certain areas of Kentucky with its principal place of business at 1230 Liberty Bank Lane, Suite 110 Louisville, KY 40222. IN Franchising, LLC, is an Indiana limited liability company, which operates in certain areas of Indiana with its principal place of business at 1060 North Capitol Avenue, Suite 3-103, Indianapolis, IN 46204. Like Vanguard, RR Franchising, Inc., KY Franchising, LLC and IN Franchising, LLC do not operate commercial cleaning services businesses and are engaged only in the business of awarding and supporting their respective subfranchisees. Vanguard, KY Franchising, LLC, IN Franchising, LLC and RR Franchising, Inc. have never offered franchises or master franchise rights in any other line of business.

~~Vanguard offered franchises for independent Janitorial Businesses exclusively in California from 1984 through June 2013, when it transferred all its Vanguard Cleaning Systems Janitorial Businesses (each, also called a “VCS Business”) franchise agreements to RR Franchising, Inc., a California corporation formed in February, 2013, with its principal place of business at 6281 Beach Boulevard, Buena Park, CA 90621. RR Franchising, Inc. is the Area Franchisor in the VCS Business franchise territories in California previously operated by Vanguard. Vanguard no longer offers VCS Business unit franchises. We and RR Franchising, Inc. are considered affiliates only because the same individual holds the majority of shares in both companies, but they are separate and distinct companies and have different shareholder structures. Like Vanguard, RR Franchising, Inc. does not conduct a commercial cleaning~~

~~services business and is engaged only in the business of awarding and supporting its subfranchisees. Vanguard has offered master franchises like the one described in this Disclosure Document since February, 1999. Vanguard and RR Franchising, Inc. have never offered franchises or master franchise rights in any other line of business.~~

ITEM 2

BUSINESS EXPERIENCE

Raymond Lee: President; Director; Chief Financial Officer

Mr. Lee has been the President and Chief Financial Officer for and a Director of Vanguard since February 1995, and Chief Financial Officer and a Director of RR Franchising, Inc. since its inception in February 2013.

David Lee: Chief Strategy and Growth Officer

Mr. Lee joined Vanguard as Senior Vice President in August 2023 and was appointed Chief Strategy and Growth Officer in February 2024. Mr. Lee previously served as Chief Operating Officer for Public Storage headquartered in Glendale California, from September 2021 to August 2023. He was Senior Vice President Operations from September 2019 through September 2021, for The UPS Store located in San Diego, California, and served as that company's Vice President of Product Development & Print Services from May 2014 to September 2019.

Margaret Narodick: Chief Legal Officer

Ms. Narodick has been our Chief Legal Officer since August 2018. From June 2002 until that time she served as Senior Counsel with Holmes Lofstrom, PC (previously Holmes Lofstrom, LLP) in Long Beach, California.

Eric Tanner, Vice President

Mr. Tanner joined Vanguard as Vice President in February 2024. Mr. Tanner previously served as Senior Vice President of Franchise Marketing for Scorpion in Valencia, California, from January 2020 to February 2024. He was Vice President of Franchise Marketing for that company from August 2018 to January 2020, and Senior Internet Marketing Manager from June 2016 to August 2018.

Eric Last: Franchise Development Director

Mr. Last has been Vanguard's Franchise Development Director since January 2005.

ITEM 3

LITIGATION

Pending Litigation:

Alida Mazariegos, Paula Gonzalez, Jaime Amaya, Adrianna Tello, and Ryne Bass, Plaintiffs, on behalf of themselves and all others similarly situated v. Vanguard Cleaning Systems, Inc.; RR

Agreement and recover from you its costs of collection, including attorneys' fees. The entire unpaid amount would also be payable as a condition to our consent to a transfer of your Master Franchise rights. Since you operate as a corporation or limited liability company, the principal owners must personally sign the note as a co-maker. The Promissory Note is a negotiable instrument and is fully assignable. Assignment of the Promissory Note would not alter any of your or Vanguard's obligations under the Master Franchise Agreement or other agreements. Vanguard has no practice or present intent to assign or discount the note to a third party, but could do so. In that case, you would lose the ability to raise claims against Vanguard as defenses to payment of the note.

Except for financing described above, Vanguard does not offer direct or indirect financing. Vanguard does not guaranty any of your notes, leases or other obligations.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Vanguard is not required to provide you with any assistance.

Pre-Opening Obligations

1. Vanguard will provide an ~~optional~~ subfranchise on-boarding program (Section 3.1 of Master Franchise Agreement).
2. Vanguard will lend you one copy of its Manuals (e.g., guides, manuals and other publications) for your use during the term of the Master Franchise Agreement (Section 3.2 of Master Franchise Agreement).
3. Vanguard will offer to license to you one copy of its custom account management software program and one copy of its custom accounting software program to assist you in the operation of the franchised business, at your option (Section 3.3 of Master Franchise Agreement; Software License Agreement).
4. Vanguard will work with you to establish a mutually acceptable schedule for the On-Boarding program, which your Designated Manager must complete before you begin operating the Area Franchise Business, unless he or she has comparable experience or another owner is permitted to substitute for the Designated Manager, as determined in Vanguard's discretion. (Section 4.1 of the Master Franchise Agreement).

If you are already a Subfranchisor currently operating a Vanguard Cleaning Systems® subfranchising business in a different geographical area under a separate master franchise agreement, or are a related company to such a Subfranchisor, you may be asked to sign an Addendum to your new master franchise agreement in which you acknowledge items 1 and 2, above, will not apply in the newly acquired master franchise agreement (See Exhibit N to this Disclosure Document).

After the Master Franchise Business Opens

1. Vanguard will provide you with advertising and marketing materials or samples of these materials for you to use or customize for use in the solicitation of janitorial accounts and the recruitment of subfranchisees (Section 3.4 of Master Franchise Agreement).

ITEM 6
OTHER FEES

NAME OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Royalty²	5% of your Gross Revenue, but Area Franchisors entering successor or multiple master franchise agreements may be charged a lesser royalty fee rate. ³	10th day of each month.	Gross Revenue includes all amounts received from: the sale of subfranchises; the sale of goods or services to subfranchisees; subfranchisees' initial franchise fees, royalty fees, business support fees, marketing fees and other fee payments; or otherwise from the use of the Marks or System.
Business Development Fee⁴	1.5% of your Gross Revenue	10th day of each month.	We have not charged this fee to date but have the right to do so in the future <u>and are planning on doing so in 2025.</u>
Late Payments	Prime rate of interest or highest applicable legal rate on all amounts not timely paid.	On demand.	Accrues from due date on principal amount not timely paid for any reason.
Transfer Fee	\$10,000, unless transfer is to an immediate family member or the owner with a controlling interest.	Upon or prior to certain transfers of the franchise.	We have not charged this fee to date but may do so as one of the conditions to our consent to your transfer.
Renewal (Successor Term) Fee	\$10,000	30 days before term of franchise expires.	Payable if you elect to enter into a new master franchise term after your current term expires.
On-Boarding Fee⁵	\$10,000	Not less than 3 business days before you participate in a scheduled session	Unless your Designated Manager has previously been involved in the operation of an Area Franchise or has comparable experience in our view, he/she must participate in the On-Boarding program we offer before you can begin operating your Area Franchise Business.

2. Vanguard will permit you to participate in a group insurance plan if one is being offered to Vanguard Area Franchisors, which you can also make available to your subfranchisees (Section 4.19 of Master Franchise Agreement).

3. Vanguard will permit you to participate in any group purchasing programs it may in its sole discretion arrange with suppliers (Section 4.19 of Master Franchise Agreement).

Advertising

The Master Franchise Agreement does not specifically require you to participate in any local or regional advertising cooperatives, and does not specifically empower Vanguard to form, change or dissolve advertising cooperatives. You are required under the Master Franchise Agreement to participate in all promotional and marketing activities reasonably required by Vanguard of its subfranchisors. However, there currently are no promotional/marketing activities or advertising programs/cooperatives in which you are required to participate. There are no franchisee advertising councils.

Vanguard does not have a formal advertising program or an advertising fund. As noted in Item 6, Vanguard ~~is planning on implementing in the future~~ can in the future implement a Business Development Fee in 2025. If it does, Vanguard could choose to use the funds for activities such as local search engine optimization; digital marketing; agency services; promotional, advertising, marketing and related activities; brand/image and website development; public relations, research and consulting services; stimulating account sales; any expenses associated with an advisory group established by us (if any); and for any other purpose which it considers reasonable to enhance the Marks and the System in any medium. Vanguard has the right to make all decisions about any fees collected, including any possible related decisions, such as media selection and coverage areas, advertising sources, and any reimbursements for salaries, administrative costs, overhead and other expenses related to any activity funded by these fees. Any fees Vanguard collects can be deposited into its general funds and are not held in trust. Fees would not have to be spent in any geographic area or within any particular timeframe. There is no audit or accounting requirement for Business Development Fees if they are implemented.

You may use only those advertising, marketing and promotional materials, including those published in print, broadcast, Internet and other media, which meet Vanguard's brand standards for use of the Marks. Vanguard can request that samples of all advertising, marketing and promotional materials for any media, including the Internet, used in marketing your Franchised Business be submitted to us for review. You will not use any materials, publications or programs that Vanguard has disapproved. You will discontinue any domain name or URL that contains, uses or displays the words, "Vanguard Cleaning Systems" or "Vanguard", or the initials "VCS," or any Marks upon Vanguard's request, as well as any electronic advertising or social media, on our request. Vanguard has the right to maintain the exclusive web page using the Marks.

Computer System

You must have and maintain a computer system. We occasionally may recommend specifications for the system. We currently recommend a cloud-based network with work-stations and printers that can function within the then current Microsoft Windows operating system environment. As part of the computer system, we offer a customized account contact program (CRM) and a customized interface for the Quick Books accounting program. You may use these program or may independently obtain and use comparable programs from a reputable software provider.

Please read the state specific addenda to this Disclosure Document and to the Master Franchise Agreement (if any) for additional limitations and modifications of the provisions described in the table above and elsewhere in this Disclosure Document that may apply in your state.

ITEM 18

PUBLIC FIGURES

Vanguard does not use any public figure to promote its franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This financial performance representation includes a historic representation of the average Gross Cash Collected cumulatively and by quartile of 45 Area Franchise Businesses in the United States. Each Area Franchise Business means an entity with one or more master franchise agreements. The data was compiled based on monthly royalty reports providing Gross Cash Collected summaries for the applicable month (the "Gross Cash Collected Reports") submitted to us by the 45 Area Franchisor Businesses in operation during the full 12-month period (January 1, 2024 – December 31, 2024). This financial performance representation does not include data from our 1 affiliate-operated Area Franchise Business in operation during the full 12-month period. 2 of the Area Franchise Businesses each operate under two distinct Master Franchise Agreements for different geographical areas ("Development Areas") and reported their Gross Cash Collected on a consolidated basis. "Gross Cash Collected" is defined in Note 1, below.

AVERAGE ANNUAL GROSS CASH COLLECTED FOR CALENDAR YEAR 2024

<u>Number of Area Franchise Businesses</u>	<u>45</u>
<u>Average Gross Cash Collected</u>	<u>\$5,714,016</u>
<u>Median Gross Cash Collected</u>	<u>\$5,059,485</u>
<u>Low/High Range</u>	<u>\$283,147 - \$14,171,607</u>

Of the 45 Area Franchise Businesses included in the calendar year 2024 data, 20 (44%) attained or exceeded Average Gross Cash Collected Revenues.

AVERAGE ANNUAL GROSS CASH COLLECTED 1ST QUARTILE (2024)

<u>Number of Area Franchise Businesses</u>	<u>11</u>
<u>Average Gross Cash Collected</u>	<u>\$10,153,562</u>
<u>Median Gross Cash Collected</u>	<u>\$9,020,582</u>
<u>Low/High Range</u>	<u>\$8,108,295 - \$14,171,607</u>

Of the 11 Area Franchise Businesses included in the 1st Quartile, 4 (36%) attained or exceeded Average Gross Cash Collected.

AVERAGE ANNUAL GROSS CASH COLLECTED 2ND QUARTILE (2024)

<u>Number of Area Franchise Businesses</u>	<u>11</u>
<u>Average Gross Cash Collected Revenues</u>	<u>\$6,719,365</u>
<u>Median Gross Cash Collected Revenues</u>	<u>\$6,658,770</u>
<u>Low/High Range</u>	<u>\$5,255,443 - \$7,776,535</u>

Of the 11 Area Franchise Businesses included in the 2nd Quartile, 5 (45%) attained or exceeded Average Gross Cash Collected.

AVERAGE ANNUAL GROSS CASH COLLECTED 3RD QUARTILE (2024)

<u>Number of Area Franchise Businesses</u>	<u>11</u>
<u>Average Gross Cash Collected</u>	<u>\$4,586,014</u>
<u>Median Gross Cash Collected</u>	<u>\$4,765,957</u>
<u>Low/High Range</u>	<u>\$3,395,673 - \$5,059,485</u>

Of the 11 Area Franchise Businesses included in the 3rd Quartile, 6 (55%) attained or exceeded Average Gross Cash Collected.

AVERAGE ANNUAL GROSS CASH COLLECTED 4TH QUARTILE (2024)

<u>Number of Area Franchise Businesses</u>	<u>12</u>
<u>Average Gross Cash Collected</u>	<u>\$1,756,866</u>
<u>Median Gross Cash Collected</u>	<u>\$1,647,956</u>
<u>Low/High Range</u>	<u>\$283,147 - \$3,121,251</u>

Of the 12 Area Franchise Businesses included in the 4th Quartile, 5 (420%) attained or exceeded Average Gross Cash Collected.

General Notes:

1. Gross Cash Collected means payments received by the Area Franchise Business from the sale of subfranchises; from commercial cleaning accounts; from janitorial product sales; from marketing fees and in any other manner from the use of the Marks or System, without deduction for taxes, Franchise Payables (as defined in Note 2) or the cost of goods sold. Royalties, insurance administration fees and business support fees (collectively “Contract Fees”), which are owed to the Area Franchise Businesses under the unit franchise agreements, are not delineated in Gross Cash Collected Reports as these amounts are deducted by the Area Franchisor from commercial

cleaning account cash payments before remitting Franchise Payables to unit franchisees. Contract Fees generally represent an average of 20.5% of Gross Cash Collected, according to a 2023 survey of 29 out of 44 Area Franchise Businesses (median 20.4%; high-low range = 15.3% to 31%). 13 out of 29 Area Franchise Businesses (45%) exceeded the 20.5% average.

2. Area Franchisors perform billing and collection services for Vanguard® commercial cleaning accounts and are required to remit to their unit franchisees commercial cleaning account payments for services performed by the unit franchise businesses (the Franchise Payables), less deductions taken for royalties, business support fees, marketing fees, insurance and all other amounts owed to the Area Franchisor under the unit franchise agreements. Gross Cash Collected includes the gross payments from commercial cleaning accounts billed on behalf of unit franchisees, without deduction for Franchise Payables due to unit franchisees.

3. As used in this Item 19, “Quartile” refers to the relative performance of our Area Franchisors. Accordingly, the “1st Quartile” refers to the top 25% of performing Area Franchisors participating in our survey based on Gross Revenues, the “2nd Quartile” refers to the next highest 25% of performing Area Franchisors in the survey, and so on.

4. Of the 45 Area Franchise Businesses for which data is reported, 27 are operated by Area Franchisors that operated multiple Area Franchise Businesses themselves or with their affiliates/related companies throughout 2024.

5. The average length of time the 45 Area Franchise Businesses have been operating under their current ownership is 15 years. The median length of time the 45 Area Franchise Businesses have been operating under their current ownership is 16 years. The lowest and highest lengths of time in operation are 2 to 22 years. (Partial years have been rounded up). Note that 11 of the 45 Area Franchise Businesses acquired the assets of former Area Franchise Businesses, which had been established and operating for a varying number of years prior to the acquisition.

6. There have been no master franchise sales by Vanguard to persons outside of the Vanguard® franchise organization for approximately 12 years.**7. Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.**

~~— This financial performance representation includes a historic representation of the average Gross Revenues cumulatively and by quartile of 29 Area Franchise Businesses in the United States. Each Area Franchise Business means an entity with one or more master franchise agreements. The data was compiled through a survey sent by us to U.S. Area Franchisors. 29 of the 44 U.S. Area Franchisors responded to the survey. All of the respondents were in operation during the entire 2023 calendar year (January 1, 2023 – December 31, 2023). This financial performance representation does not include data from the 1 affiliate-operated Area Franchise Business in operation during the full 12-month period. 2 of the 29 reporting Area Franchise Businesses operate under two distinct Master Franchise Agreements for different geographical areas (“Development Areas”) and reported Gross Revenues on a consolidated basis. “Gross Revenues” is defined in Note 1, below.~~

~~AVERAGE ANNUAL GROSS REVENUES FOR CALENDAR YEAR 2023~~

Number of Area Franchise Businesses	29
Average Gross Revenues	\$7,742,169

Median Gross Revenues	\$8,025,248
Low/High Range	\$992,512 – \$16,479,494

Of the 29 Area Franchise Businesses included in the calendar year 2023 data, 15 (52%) attained or exceeded Average Gross Revenues.

AVERAGE ANNUAL GROSS REVENUES 1ST QUARTILE (2023)

Number of Area Franchise Businesses	7
Average Gross Revenues	\$12,616,944
Median Gross Revenues	\$12,216,703
Low/High Range	\$10,869,822 – \$16,479,494

Of the 7 Area Franchise Businesses included in the 1st Quartile, 3 (43%) attained or exceeded Average Gross Revenues.

AVERAGE ANNUAL GROSS REVENUES 2ND QUARTILE (2023)

Number of Area Franchise Businesses	7
Average Gross Revenues	\$9,216,590
Median Gross Revenues	\$8,997,340
Low/High Range	\$8,564,917 – \$10,684,423

Of the 7 Area Franchise Businesses included in the 2nd Quartile, 2 (29%) attained or exceeded Average Gross Revenues.

AVERAGE ANNUAL GROSS REVENUES 3RD QUARTILE (2023)

Number of Area Franchise Businesses	7
Average Gross Revenues	\$6,453,716
Median Gross Revenues	\$6,716,165
Low/High Range	\$5,247,693 – \$8,025,248

Of the 7 Area Franchise Businesses included in the 3rd Quartile, 4 (57%) attained or exceeded Average Gross Revenues.

AVERAGE ANNUAL GROSS REVENUES 4TH QUARTILE (2023)

Number of Area Franchise Businesses	8
Average Gross Revenues	\$3,314,020
Median Gross Revenues	\$3,394,711
Low/High Range	\$992,512 – \$5,181,077

~~Of the 8 Area Franchise Businesses included in the 4th Quartile, 4 (50%) attained or exceeded Average Gross Revenues.~~

General Notes:

- ~~1. Gross Revenues means all revenue received by the Area Franchisor from the sale of subfranchises, from the sale of products/services to Subfranchisees, from accounts or in any other manner from the use of the Marks or System, without deduction for taxes or franchise payables. Area Franchisors perform billing and collection services for Vanguard[®] commercial cleaning accounts and are required to remit to their unit franchisees account revenues for services performed by the unit franchise businesses, less deductions taken for royalties, business support fees, marketing fees, insurance and all other amounts owed to the Area Franchisor under the unit franchise agreements (the franchise payables).~~
- ~~2. As used in this Item 19, "Quartile" refers to the relative performance of our Area Franchisors. Accordingly, the "1st Quartile" refers to the top 25% of performing Area Franchisors participating in our survey based on Gross Revenues, the "2nd Quartile" refers to the next highest 25% of performing Area Franchisors in the survey, and so on.~~
- ~~3. Amounts are calculated on an accrual basis, not on a cash basis.~~
- ~~4. Of the 29 Area Franchise Businesses for which data is reported, 15 are operated by Area Franchisors that operated multiple Area Franchise Businesses themselves or with their affiliates/related companies throughout 2023.~~
- ~~5. The average length of time the 29 Area Franchise Businesses have been operating under their current ownership is 15 years. The median length of time the 29 Area Franchise Businesses have been operating under their current ownership is 15 years. The lowest and highest lengths of time in operation are 2 to 22 years. (Partial years have been rounded up). Note that 6 of the 29 participating Area Franchise Businesses acquired the assets of former Area Franchise Businesses, which had been established and operating for a varying number of years prior to the acquisition.~~
- ~~6. There have been no master franchise sales by Vanguard to persons outside of the Vanguard[®] franchise organization for approximately 12 years.~~
- ~~7. **Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.**~~

~~We have not audited or independently verified the Area Franchise Businesses' Gross Cash Collected information included in this Item 19, which is reported to us on a cash basis. We have not audited or independently verified the Area Franchisor information included in this Item 19, which is based on responses to a survey we sent to all Area Franchisors in the United States.~~

Written substantiation for the financial performance representation will be made available to the prospective master franchisee upon reasonable request.

Other than the preceding financial performance representation, Vanguard Cleaning Systems, Inc. does not make any financial performance representations. We also do not authorize our employees or

representatives to make any such representations either orally or in writing. If you are purchasing a master franchise, however, we may choose to provide you with the actual records of that company. If you receive any other financial performance information or projections of your future income from our employees or representatives, you should report it to the franchisor's management by contacting Ray Lee, President, Vanguard Cleaning Systems, Inc., 655 Mariners Island Boulevard, San Mateo, CA, Suite 303, 94404, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Subfranchisor Summary
For the Fiscal Years 2022, 2023 and 2024

Outlet Type	Year	Subfranchisors at the Start of the Year	Subfranchisors at the End of the Year	Net Change
Franchised	2022	48	48	0
	2023	48	48	0
	2024	48	48	0
Company-Owned*	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	49	49	0
	2023	49	49	0
	2024	49	49	0

The above chart and the Master Franchise charts that follow are tabulated based upon the number of Master Franchise Agreements in effect as of the applicable year end. Some Area Franchisors operate in multiple regions under a single master franchise agreement, and these Area Franchisors are identified in Exhibit G – List of Active Subfranchisors. Chart adjustments have been made to eliminate Canadian subfranchisors and satellite office locations operated under a single Master Franchise Agreement.

* We do not grant any franchises for commercial cleaning businesses, but our affiliate, RR Franchising, Inc., operates an Area Franchise Business. As noted in Item 1, we and RR Franchising, Inc. are considered affiliates only because the same individual holds the majority of shares in both companies, but they are separate and distinct companies with different shareholder structures. ~~Our affiliate is also included in Table 3 because it operates under a master franchise agreement.~~ On May 1, 2025, 2 other affiliates of ours acquired from 2 operating Area Franchisors their master franchise rights in Kentucky and Indiana respectively, their unit franchise agreements and other business assets, which brings the total of company-owned Outlets to 3 as of that date. Our affiliates are also included in Table 3 because they operate under a master franchise agreement.

A list of all Vanguard Subfranchisors as of December 31, 2024, is attached to the Disclosure Document as Exhibit G. A list of all Vanguard Subfranchisors who have left the Vanguard system in the year ending December 31, 2024, is attached as Exhibit H.

If you buy this franchise your contact information may be disclosed to other buyers when you leave the system.

In some instances, former franchisees sign provisions restricting their ability to speak openly about their experiences with the Vanguard Cleaning Systems franchise system. Certain of our former Area Franchisors signed confidentiality clauses in the last three years. You may wish to speak with current and former Area Franchisors but be aware that not all former Subfranchisors will be able to communicate with you.

Table No. 4

**Status of Company Owned Subfranchisor Outlets
For the Fiscal Years of 2022, 2023 and 2024**

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
California	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1*
Total Outlets	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

* We do not grant any franchises for commercial cleaning businesses, but our affiliate, RR Franchising, Inc., operates an Area Franchise Business. As noted in Item 1, we and RR Franchising, Inc. are considered affiliates only because the same individual holds the majority of shares in both companies, but they are separate and distinct companies with different shareholder structures. On May 1, 2025, 2 other affiliates of ours acquired from 2 operating Area Franchisors their master franchise rights in Kentucky and Indiana respectively, their unit franchise agreements and other business assets, which brings the total of company-owned Outlets to 3 as of that date.

Name	Address	City	State	Zip	Phone
PJG Enterprises, Inc.	467 Buck Road, Suite B45	Huntingdon Valley	PA	19006	215-396-2018
Side by Side Productions, Inc.	4219 Hillsboro Pike, Ste. 204	Nashville	TN	37215	615-298-4333
Gilliam Investments, Inc.	2201 Brookhollow Plaza Dr., Suite 445	Arlington	TX	76006	972-479-9800
Brett Properties, LLC	2008 W. Koenig Lane	Austin	TX	78756	512-961-5310
Brett Enterprises, LLC	6950 Portwest Drive, Suite 110	Houston	TX	77024	713-869-8966
Brett Systems, Inc.	1638 Lockhill Selma	San Antonio	TX	78213	210-525-0710
Keystone Group, LLC	1568 South West 500, Ste. 201	Woods Cross	UT	84010	801-292-4700
All One Cleaning Services, Inc.*	1403 Greenbrier Pkwy, Ste. 450	Chesapeake	VA	23320	757-366-0576
(2 ND location)	7130 Glen Forest Drive, Ste. 402	Richmond	VA	23226	804-525-7201
Hardy & Associates, Inc.	6912 220 th Street SW, Ste. 306	Mountlake Terrace	WA	98043	425-778-0240
Inland N.W. Franchising, Inc.* (2 ND location)	920 North Argonne Rd, Ste. 129	Spokane Valley	WA	99212	509-922-1499
Saint Croix Management Incorporated	11220 W. Burleigh Street, Suite 100	Wauwatosa,	WI	53222	414-763-1777

*Denotes a Subfranchisor operating multiple regions under a single master franchise agreement.

**Denotes a Subfranchisor operating multiple regions under a corresponding number of master franchise agreements.

Note: The assets of Fortitude Partners, LLC and Napster Franchising, LLC were acquired by affiliates of ours, KY Franchising, LLC and IN Franchising LLC, as of May 1, 2025. Like our affiliate RR Franchising, Inc., KY Franchising, LLC and IN Franchising, LLC operate as subfranchisors under master franchise agreements with us.

CANADA

Name	Address	City	State	Zip	Phone
1164093 Alberta Ltd.*	2150 29 St. NE, Unit 10	Calgary	AB	T1Y7G4	403-736-0555
1164093 Alberta Ltd *	4808 87 Street NW, Ste. 130	Edmonton	AB	T6E5W3	780-988-0590
0915134 B.C. Ltd	5589 Byrne Road, Suite 220	Burnaby	BC	V5J 3J1	604-558-1852
2188374 Ontario Inc.	5160 Explorer Drive, Unit 20	Mississauga	ON	L4W4T7	905-614-0400

*Denotes a Subfranchisor operating multiple regions under a single master franchise agreement.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Renewal Pending <u>July 29, 2025</u>
Hawaii	June 2, 2025 <u>Renewal Pending</u>
Illinois	April 23, 2025
Indiana	April 30, 2025
Maryland	Not Registered
Michigan	August 2, 2024 <u>2025</u>
Minnesota	<u>May 13, 2025, as amended</u>
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Renewal Pending <u>June 12, 2025</u>
Washington	Renewal Pending <u>August 12, 2025</u>
Wisconsin	April 25, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

ITEM 23
RECEIPTS
(YOUR COPY)

This Disclosure Document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Vanguard Cleaning Systems, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, Vanguard Cleaning Systems, Inc. or an affiliate in connection with the proposed franchise sale, except as to the following states.

The state laws of New York require that Vanguard Cleaning Systems, Inc. give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

The state laws of Michigan require that Vanguard Cleaning Systems, Inc. give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Vanguard Cleaning Systems, Inc. does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit "J".

The Franchisor is Vanguard Cleaning Systems, Inc., 655 Mariners Island, Blvd., Suite 303, San Mateo, California, 94404. Its telephone number is 650-287-2400.

Date of Issuance: April 10, 2025, as amended September 1, 2025.

The name, principal address and telephone number of each franchise seller offering the franchise:

Name: Ray Lee	Name Dave Lee
Address: 655 Mariners Island Blvd., Suite 303	Address: 655 Mariners Island Blvd., Suite 303
Address: San Mateo, CA 94404	Address: San Mateo, CA 94404
Phone: 650-287-2400	Phone: 650-287-2400

Vanguard authorizes the agent for service of process in your state listed in Exhibit J of this Disclosure Document to receive service of process for Vanguard.

The State and issuance date of the Disclosure Document I have received is: _____, April 10, 2025, as amended September 1, 2025. This disclosure document included the following exhibits:

Supplement: State Required Addenda

Exhibit A Master Franchise Agreement

Exhibit A to the Master Franchise Agreement: The Marks

Exhibit B to the Master Franchise Agreement: Development Area and Designated Manager

Exhibit C to the Master Franchise Agreement: Owner's Guaranty and Assumption of Subfranchisor's Obligations

Vanguard Cleaning Systems, Inc.

Master Franchise Disclosure Document – Minnesota – 4/2025, as amended 9/2025

Receipts

ITEM 23
RECEIPT
(OUR COPY)

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Vanguard Cleaning Systems, Inc.

Master Franchise Disclosure Document – Minnesota – 4/2025, as amended 9/2025

Receipts