



FRANCHISE DISCLOSURE DOCUMENT

Buddha Capital Corporation, a California corporation doing business as Vanguard Cleaning Systems of The Central Valley and Vanguard Cleaning Systems of The Central Coast

**91 D'Arcy Parkway
Lathrop, California 95330
209 858 5737
egong@vanguardcleaning.com
www.vanguardcleaning.com**

Our franchisees operate independent businesses ("VCS Businesses") providing commercial janitorial services under the Vanguard Cleaning Systems® trade name

The total estimated investment necessary to begin operation of a VCS Business franchise is between \$5,735 20 to \$22,200 00 This includes between \$3,900 and \$18,000 that must be paid to the franchisor, depending on the Vanguard Cleaning Systems Business Plan you choose under your franchise agreement and whether the initial franchise fee is paid in cash or financed

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 Edward L Gong at 91 D'Arcy Parkway, Lathrop, California 95330 and 209-858-5737

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

Issuance Date August 22, 2016

Buddha Capital Corporation FDD 2016

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 BUSINESS OVERSIGHT
 SALES FRANCHISES

STATE COVER PAGE

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

Call the state regulators listed in Exhibit G for information about the franchisor, or about franchising in your state

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

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

- 1 **THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ATTENDING A FACE-TO-FACE MEETING AND THEN IF UNRESOLVED, BY ARBITRATION HELD IN SAN JOAQUIN COUNTY, CALIFORNIA OUT-OF-STATE MEETINGS AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE**
- 2 **THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS**
- 3 **THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT**
- 4 **WE HAVE NO OBLIGATION TO REPLACE OR REFUND A BUSINESS PLAN ACCOUNT IF THE ACCOUNT IS CANCELED OR LOST ANYTIME AFTER 12 MONTHS, FOR ANY REASON**
- 5 **IF AN ACCOUNT IS CANCELED, FOR ANY REASON, WITHIN 6-12 MONTHS OF ACCEPTING THE ACCOUNT, WE ARE ONLY OBLIGATED TO OFFER ACCOUNTS REPRESENTING 50% OF THE FULL REVENUE VALUE OF THE LOST ACCOUNT**
- 6 **THE FRANCHISE AGREEMENT COULD TERMINATE WITHOUT CAUSE IF THE MASTER FRANCHISE AGREEMENT TERMINATES OR ENDS**
- 7 **THE FRANCHISE AGREEMENT AND THIS DISCLOSURE DOCUMENT CONTAIN PROVISIONS THAT REQUIRE FRANCHISEE TO ACKNOWLEDGE THAT IT IS AN INDEPENDENT CONTRACTOR WHETHER A FRANCHISEE IS CONSIDERED AN EMPLOYEE OF INDEPENDENT CONTRACTOR IN CALIFORNIA IS DETERMINED ON A CASE BY CASE BASIS COURTS LOOK AT THE LANGUAGE IN THE CONTRACT AS WELL AS THE DEGREE OF CONTROL THE FRANCHISOR EXERTS OVER THE FRANCHISEE THEREFORE, DEPENDING ON THE CIRCUMSTANCES, SUCH PROVISIONS THAT STATE THE FRANCHISEE IS AN INDEPENDENT CONTRACTOR MAY NOT BE ENFORCEABLE IN CALIFORNIA**

- 8 THE TERRITORY IS NOT EXCLUSIVE YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS
- 9 WE MAY REQUIRE YOUR SPOUSE TO SIGN A PERSONAL GUARENTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS
- 10 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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

Effective Date _____



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