



## FRANCHISE OFFERING CIRCULAR

HOME CLEANING CENTERS OF AMERICA, INC., a Kansas corporation  
10851 Mastin Boulevard, Suite 130  
Overland Park, Kansas 66210  
(800) 767-1118

The Franchisor is offering a franchise for the operation of residential and commercial cleaning services under the name "Home Cleaning Centers of America." A franchisee is required to pay a \$9,500 franchise fee. The estimated total investment for a franchise, including the \$9,500 franchise fee, is from \$28,800 to \$30,800. A franchisee should refer to Items 5, 6 and 7 of this Franchise Offering Circular for further information.

### RISK FACTORS

- 1. THE FRANCHISE AGREEMENT PERMITS THE FRANCHISEE TO LITIGATE WITH THE FRANCHISOR ONLY IN THE STATE OF KANSAS. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO LITIGATE WITH THE FRANCHISOR IN KANSAS THAN IN YOUR HOME STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT KANSAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW**
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Information comparing franchisors is available. Call the State Agency listed for your state on the Schedule of State Agencies, attached at the end of this Offering Circular, or your public library for sources of information.

Registration of this franchise by a state does not mean that the state recommends it or has verified the information in this offering circular. If you learn that anything in the offering circular is untrue, contact the Federal Trade Commission and the appropriate agency for your state.

**THE ISSUE DATE OF THIS CIRCULAR IS MARCH 30, 2006.**

**UNIFORM FRANCHISE OFFERING CIRCULAR  
FOR PROSPECTIVE FRANCHISEES REQUIRED BY THE  
FEDERAL TRADE COMMISSION**

**HOME CLEANING CENTERS OF AMERICA, INC.**

**THE DATE OF THIS OFFERING CIRCULAR IS MARCH 30, 2006.**

**INFORMATION FOR PROSPECTIVE FRANCHISEES  
REQUIRED BY FEDERAL TRADE COMMISSION**

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To protect you, we've required your franchisor to give you this information. We haven't checked it, and don't know if it's correct. It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read all of your contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

\* \* \* \* \*

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

\* \* \* \* \*

**Federal Trade Commission  
Washington, D.C. 20580**

ATTACHMENT 1 TO UNIFORM OFFERING CIRCULAR

The Date of registration of this Franchisor or exemption in the states listed below is as follows:

<b>State</b>	<b>Effective Date</b>
California	April 8, 2005
Florida	Exempt
Illinois	December 14, 2005
Kentucky	Exempt
Minnesota	May 11, 2005
Michigan	November 16, 2005
New York	September 19, 1996, as amended through May 11, 2005
Texas	Exempt
Washington	November 5, 2005

**COVER PAGE FOR SALE OF FRANCHISES BY  
HOME CLEANING CENTERS OF AMERICA, INC. IN THE STATE OF MICHIGAN**

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The fact that the proposed transferee to meet franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not permit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation or endorsement by the attorney general.

Any questions regarding this Notice should be directed to the office of the attorney general, 670 Law Building, Lansing, Michigan 48913, (517) 373-7117.

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**ITEM 1**  
**THE FRANCHISOR, ITS PREDECESSORS AND AFFILIATES**

To simplify the language in this Offering Circular, "We" or "Home Cleaning Centers" means Home Cleaning Centers of America, Inc., the Franchisor. "You" means the person(s) who buys the franchise. Home Cleaning Centers' principal business address is 10851 Mastin Boulevard, Suite 130, Overland Park, Kansas 66210 (800/767-1118). Home Cleaning Centers is a Kansas corporation, incorporated as A-1 Suburban Home Cleaning, Inc. on January 1, 1982. The name was changed to Home Cleaning Centers of America, Inc. on July 25, 1983. Home Cleaning Centers has no predecessor or affiliates.

Home Cleaning Centers has, since its incorporation on January 1, 1982, operated residential and commercial cleaning services of the type to be operated by you. Home Cleaning Centers operated a company owned Home Cleaning Centers of America business at 8725 Johnson Drive, Shawnee Mission, Kansas 66202, which operation was sold in January, 1985 and is now owned and operated by a franchisee. Home Cleaning Centers sold its first home cleaning franchise in March of 1984. Home Cleaning Centers does not offer franchises in any other lines of business.

Home Cleaning Centers is engaged in the sale of franchises for the operation of commercial and residential cleaning services under the name "Home Cleaning Centers of America". The franchises sold by us contain the rights to service an exclusive geographical territory and it is our belief that the territories which we grant are significantly larger than territories granted by competing home cleaning franchises.

The franchise consists of the sale of residential and commercial cleaning services, including carpet and upholstery cleaning. You will sell only services and will not be in the business of selling cleaning products to customers.

The market for residential service is expected to be primarily middle and upper income households where both spouses are employed. The market for business is expected to be small businesses, primarily the cleaning of office areas.

You will utilize a common business format and will operate under uniform methods of operation. You will be purchasing certain specified major cleaning materials and equipment and will follow certain cleaning methods and procedures to be outlined by us.

The only governmental regulations pertaining directly to the home cleaning industry are O.S.H.A regulations dealing with the labeling of cleaning supply containers and spray bottles.

Your competition will come from national home cleaning chains and franchises, as well as local individual maids and maid businesses.

**ITEM 2**  
**BUSINESS EXPERIENCE**

The following are the present positions, backgrounds and principal occupations during the past five years of our officers and directors:

MICHAEL J. CALHOON - Director, President and Treasurer

Michael J. Calhoon is a Director and is President and Treasurer of Home Cleaning. In 1977, he formed his own manufacturer's representative company, doing business under the name Calhoon & Co., Inc. In 1986, he sold his interest in the manufacturer's representative business, and moved to the Kansas City area to join the Franchisor. Mr. Calhoon's own company, Calhoon & Co., Inc., owned a franchise, until it was sold to another franchisee in August, 1991.

JEANNETTE CALHOON - Director, Vice-President and Secretary

Jeannette Calhoon managed the franchise owned by Calhoon & Co., Inc., from October, 1986 to August, 1991. At that time, she joined Home Cleaning as Director, Vice-President and Secretary. Ms. Calhoon has responsibility for the day to day administration of Home Cleaning Centers.

DENNIS JAY FRIESEN - Central District Manager

Mr. Friesen joined us in January, 1996 in a consulting capacity as our Central District Manager, where he has responsibility for servicing the franchisees within a given geographical territory, both in terms of inspections, telephone contact and generally assisting the franchisees in the operation of their businesses. He will also be assisting in selling franchises in his territory, and training those that he sells. From March 1991 to present he has also been the owner and operator of a Home Cleaning Centers of America franchise in Lakewood Colorado.

DENNIS CHARLES SIESENNOP - Eastern District Manager

Mr. Siesennop joined us in January, 1996 in a consulting capacity as the Eastern District Manager, where he has responsibility for servicing the franchisees within a given geographical territory, both in terms of inspections, telephone contact and generally assisting the franchisees in the operation of their businesses. He will also be assisting in selling franchises in his territory and in training the ones that he sells. From August, 1988 to present, he has also been the owner and operator of a Home Cleaning Centers of America franchise in Manchester, Missouri.

**ITEM 3**  
**LITIGATION**

No litigation is required to be disclosed in this Offering Circular:



**ITEM 4**  
**BANKRUPTCY**

No person previously described in Items 1 or 2 of this Offering Circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code required to be disclosed in this Item.

**ITEM 5**  
**INITIAL FRANCHISE FEE**

Each Home Cleaning franchisee is required to execute a Home Cleaning Centers of America, Inc. Franchise Agreement, which governs the operation of the franchised business. You will also be required to pay a non-refundable initial franchise fee of \$9,500, half of which is due upon signing the Franchise Agreement and the other half upon commencement of training. In addition, you are required to pay us a non-refundable fee of \$2,000, due upon the commencement of training, in consideration for which we will provide you with initial cleaning supplies, equipment and uniforms.

We require you to pay to us Ten Thousand Dollars (\$10,000) as an advertising fee, before the initial training described in Item XI below. We will spend the \$10,000 for promotional activities in your exclusive franchise zone, during the first few months of operation. We do not derive any profit from this initial advertising fee.

The initial franchise fee described above is uniform for all franchises being offered at this time. We reserve the right to increase the initial franchise fee for franchises being offered in the future. Pursuant to the terms of the Franchise Agreement, the initial franchise fee is not refundable under any circumstances.

**ITEM 6**  
**OTHER FEES**

<b>NAME OF FEE</b>	<b>AMOUNT</b>	<b>DUE DATE</b>	<b>REMARKS</b>
Royalty	5% of Gross Sales, up to \$25,000 per month, 4.5% of gross sales if monthly sales exceed \$25,000 but are less than \$100,000; 4% of gross sales if sales are between \$100,000 and \$150,000; 3.5% if sales are between \$150,000 and \$200,000; 3% if sales	10th day of following month	Gross Sales is comprised of all billings, except sales tax

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
	exceed \$200,000. Revenues generated from one account grossing over \$25,000 /month will be 3%.(1)		
Training & Set-up	No Charge for pre-operation training of 2 employees	Upon billing if more than two trainees	Hotel, meals & pre-approved travel included
Advertising	\$10,000 initially and right to charge 1% of gross receipts in future	Before initial training	Used in our exclusive zone
Audit	Cost of audit	Upon billing	Due if audit shows more than a \$50 underpayment
Transfer Fee	Sufficient to cover reasonable costs	Prior to transfer	Due if you sell
Renewal Fee	None mandatory; right to charge up to \$5,000	Upon billing	2 ten year renewal terms

(1) If you have a commercial customer that generates over \$25,000 in billings for you in any given month, the royalty for that customer is 3%.

All of the fees described above other than the training expenses are payable to us, as required in the Franchise Agreement. All such fees are non-refundable.

**ITEM 7**  
**INITIAL INVESTMENT**

Franchisee's Estimated Initial Investment and Other  
Financial Obligations For a Home Cleaning Franchise

NATURE OF INVESTMENT	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM MADE
Initial Franchise Fee	\$9,500	Lump Sum	1/2 signing	Franchisor

NATURE OF INVESTMENT	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM MADE
			1/2 training	
Equipment, Supplies & Uniforms	\$ 2,800(1)	Lump Sum	Before Training	Franchisor
Advertising	\$ 10,000	Lump Sum	Before Training	Franchisor
Software	\$ 0			
Lease of Building	\$ 500(2)	Periodic	Per lease	Lessor
Training	\$ 0			
Additional Funds	\$ 6,000 to \$ 8,000(3)	As Incurred	First five months	Employees, Suppliers, Etc.
<b>TOTAL BASIC PACKAGE</b>	<b>\$28,800 to \$30,800</b>			

1. The figure for equipment, supplies and uniforms consists of \$2,000 of initial cleaning equipment, supplies and uniforms that you buy from us in starting your business, plus approximately \$800 for used office furniture and equipment.
2. The figure of \$500 for the lease of office space is based on one month's rent, for an office containing approximately 500 to 700 square feet.
3. The additional funds figure is based on historical experience, supported by monthly operating figures received from our franchisees. It includes expenses such as salaries, car allowances and other operating expenses incurred during a five month start-up period.

### **ITEM 8**

#### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

As described in Item 7 above, the cost of the initial package of equipment, supplies and uniforms is \$2,000, which you will pay to us upon signing of your lease. We estimate that this purchase will constitute 100% of the purchase requirements of most franchisees, assuming that they have a telephone and space at home for an office. The initial supply package is expected to last you up to six months. While the initial equipment and supply package is purchased from us, some of the subsequent supplies and equipment need not be, and may be purchased from any approved suppliers, provided such items have been approved, all as set out in our Operations Manual. We require you to conform to our specifications and standards with respect to the equipment, supplies, uniforms and other material used in connection with the operation of the franchised business.

It is our practice to require that you and the other franchisees purchase all of your cleaning supplies from us, as we have a national account with Zep Manufacturing Company, and are able to

provide you with discounts on their products that you would not otherwise be able to obtain. We estimate that the purchase of Zep supplies from us will constitute approximately 90% of your ongoing purchase of inventory and supplies.

When you choose to purchase supplies or equipment from us, we will obviously derive income from any such sales. The prices charged by us are generally lower than or comparable to the prices charged by third parties in the industry, mainly due to our business relations with manufacturers and suppliers. In the year ending December 31, 2005, we derived \$106,436 in gross revenues from the sale of equipment and supplies, or about 16% of our total revenues of \$670,744. We have several approved suppliers for all the cleaning supplies and other products, based on national accounts we have set up with those vendors. We have received a mark-up, of 10%, on all Zep Manufacturing cleaning supplies purchased by our franchisees.

Our standards and specifications for items such as equipment and supplies are formulated based on our historical experience in the business. You may purchase your vacuum cleaners from other sources, but your uniforms and cleaning supplies are bought from us. We typically specify only one or two options, choosing what we consider to be the highest quality available rather than the least expensive. We keep up with the markets and change specification when we feel that new products offer higher quality. Although the approved items are made known to the franchisees, the actual standards and specifications are not distributed to the franchisees. We periodically review these approved suppliers and ask that you check with us first before purchasing products from someone not yet approved, and then give us a reasonable time to respond. We do not charge you for reviewing an alternative supplier or item that you may suggest. The evaluations are conducted by Mike Calhoun, our President, and he will typically notify you of the results of his evaluation within 30 days. Because your supplies are purchased directly from us and not from a designated or approved supplier, no vendor pays us any rebates or other fees based on purchases by our franchisees.

There is presently no purchasing or distributing cooperative associated with the franchised system.

**ITEM 9**  
**FRANCHISEE'S OBLIGATIONS**

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AND OTHER AGREEMENTS. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THESE AGREEMENTS AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>ITEM IN OFFERING CIRCULAR</b>
a. Site selection and acquisition of lease	Item III of Franchise Agreement	Items 7 and 11
b. Pre-opening purchases	Item VI of Franchise Agreement	Items 6, 7 & 10

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>ITEM IN OFFERING CIRCULAR</b>
and leases		
c. Site development and other pre-opening requirements	Items III and IV of Franchise Agreement	Items 6, 7 & 11
d. Initial and ongoing training	Item VII of Franchise Agreement	Item 11
e. Opening	Item III of Franchise Agreement	Items 5, 6 & 7
f. Fees	Item VI of Franchise Agreement	Item 11
g. Compliance with standards & policies/ Operating Manual	Items X and XI of Franchise Agreement	Item 11
h. Trademarks and proprietary information	Item XIII of Franchise Agreement	Items 13 & 14
i. Restrictions on products/services offered	Item V of Franchise Agreement	Item 8 & 16
j. Warranty and customer service requirements	Item XVII of Franchise Agreement	
k. Territorial development and sales quotas	Items XIX and I of Franchise Agreement	Item 12
l. Ongoing product/ service purchases	Items VIII and X of Franchise Agreement	Items 8 & 16
m. Maintenance, appearance and remodeling requirements	Item V of Franchise Agreement	None
n. Insurance	Item XII of Franchise Agreement	Item 7
o. Advertising	Item IX of Franchise Agreement	Items 1 & 11
p. Indemnification	Item XII of Franchise Agreement	Item 13
q. Owner's participation/ management/staffing	Item V of Franchise Agreement	Item 15
r. Records/reports	Item XI of Franchise Agreement	Item 6 & 11

<b>OBLIGATION</b>	<b>SECTION IN AGREEMENT</b>	<b>ITEM IN OFFERING CIRCULAR</b>
s. Inspections/ audits	Item XI of Franchise Agreement	Item 6
t. Transfer	Item XIV of Franchise Agreement	Item 17
u. Renewal	Item II of Franchise Agreement	Item 17
v. Post-termination obligations	Item XV of Franchise Agreement	Item 17
w. Non-competition	Item XVI of Franchise Agreement	Item 17
x. Dispute resolution	Item XVIII of Franchise Agreement	Item 17

**ITEM 10**  
**FINANCING**

We are not presently involved in nor do we provide any financing arrangements for our Franchisees. We may assist the Franchisee in obtaining financing for its equipment and in getting terms on the purchase of inventory. If we provide any such assistance, we do not receive any income from such third party.

**ITEM 11**  
**FRANCHISOR'S OBLIGATIONS**

Except as listed below, we need not provide any assistance to you:

A. Pre-opening obligations include:

(1) Delivery of our confidential Operations Manual, which Manual will be loaned to you for the term of the Franchise Agreement. (Franchise Agreement -Item IV.b).

B. Our Obligations After Opening. Pursuant to the terms of the Franchise Agreement, we are obligated to provide the following forms of assistance:

(1) Develop, at our discretion and whenever possible, promotional programs and sales campaigns which shall be sent to you to assist you in selling and promoting Home Cleaning services. (Franchise Agreement - Item IV.c).

(2) Perform ongoing supervisory services, rendered by personal visits or telephone, or by newsletters or bulletins, as we may deem necessary or appropriate.(Franchise Agreement - Item IV.d).

(3) Perform additional services as we may hereafter develop and offer to our franchisees.(Franchise Agreement - Item IV.e).

(4) Use our best efforts to maintain the high reputation of Home Cleaning Centers of America.(Franchise Agreement - Item IV).

C. Advertising. The Franchise Agreement provides that you are required to pay us \$10,000 before the initial training. The \$10,000 will be used for promoting and advertising in your exclusive franchise zone. The method and timing of such expenditure will be at your discretion, with our guidance and approval. Franchisees usually spend that money on print advertising, such as fliers, and internet media. The advertising is by definition local, in your own territory. We do not use an outside agency, and prepare the materials in house. If you want to create your own materials for use with the grand opening fund, those materials must be approved by us. While we do not currently charge an advertising fee based on gross sales of your franchise store, we do reserve the right, in the Franchise Agreement, to charge 1% of gross sales in the future, as described below. We do not require you to join a local advertising cooperative.

Currently, we do not have any company owned stores and an Advertising Fund has not yet been established. We cannot, therefore, state whether we will contribute to the Advertising Fund for any company owned stores on the same basis that you and the other franchisees contribute, at such time as the Advertising Fund may be established.

We reserve the right in our Franchise Agreement to require you, in the future, to cooperate with other franchise owners in connection with regional or national advertising and marketing activities. If and when we implement a regional and national advertising program, you will be required to pay 1% of the gross revenues of your store towards such a program. Although not stated in the Franchise Agreement, it is anticipated that at such time as we implement the program, the advertising money and program would be handled as follows:

(i) The Advertising Fees paid by you and the other franchisees will be deposited in an advertising fund administered by us and used only for advertising and promotion for the mutual benefit of all franchisees included within a trade area served by common advertising media.

(ii) Identification of those franchisees included within a trade area served by common advertising media will be made by us in our discretion.

(iii) The selection of media, timing, text and negotiation of cost for such advertising and promotion will be made by us in our sole discretion.

(iv) We will account to you and the other franchisees on a semi-annual basis regarding the expenditures from the advertising fund. The advertising fund will be administered by us separate and apart from all other monies of ours.

Because such a program administered by us is not yet in effect, it is not possible for us to provide any further information concerning it.

We presently handle all direct mail from our office. We charge you \$10 for each mailing "drop", plus a mark-up on the flyers, to cover our costs associated with the advertising program. You have the option of either buying our approved flyers or buying them from another printer and working with your own mailing consolidator. It has been our experience, however, that we are able to do the printing and mailing at a lower cost.

D. Computer Purchases. There are no mandatory computer hardware or software purchase requirements. The business can be operated on a manual basis, although our HCCA proprietary (PIC) software program is available no charge.

E. Operations Manual. The Table of Contents of our Operations Manual is as follows.

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XXIV. APPENDIX

F. Site Location. You sign a Franchise Agreement granting you a specific area in which to construct and operate your franchised business. You then submit to us one or more sites for the location of your office. We may make suggestions about sites, but given the nature of our business, the site is generally not critical and we do not have to approve your site. Our only requirement on the site is that you do have to find a location outside of your home for your office and the location has to be within your franchise zone.

You are not obligated to have more than one office in the exclusive franchise zone at any one given time. You are required to open the Home Cleaning Centers of America Office within a prescribed period of time, with the exact amount of time varying with each franchisee. As a general rule, the opening is to take place within ninety days of execution of the Franchise Agreement.

G. Initial Training. Within 10 days of the execution of the Franchise Agreement, you will designate as many as two individuals, which may include yourself if you are buying the franchise in your individual capacity, for pre-operational training by us.

Training takes place at one of our existing Franchisee's place of business. The training period is five days. The first day is spent working with a cleaning crew. The next two days are spent going through our 150 page operations manual. The fourth and fifth days are spent in the field, going over bids, checking houses and handling all of the jobs that are done daily in the office, such as confirming with customers on the phone for the next day, putting a schedule together, daily paperwork that goes to our office and daily payroll. Training is usually done by either Denny Siesennop, our franchisee in St. Louis, or Dennis Friesen, our franchisee in Denver. These franchisees are paid a training fee for their services. Our President, Mike Calhoon, assists in ongoing training. The experience of these three people is set out in Item 2 of this Offering Circular.

There are no tuition charges for training the initial two individuals and we will reimburse you for pre-approved travel expenses, hotel rooms and reasonable meal expenses incurred by the two trainees during such initial training. You may select more than two employees for training but we reserve the right to charge you tuition and training charges for such additional individual.

The training program described above is mandatory for all new franchisees. You will be required to meet training requirements similar in substance, if not form, to the training programs described above.

We do not have a policy, at this time, on refresher courses for an individual who has already received training as described above.

The initial training program takes place as soon as possible after execution of the Franchise Agreement, and we will train you and one other person as follows:

DAY 1:

- 7:00 a.m. Meeting with Management (take care of paperwork)
- 7:30 a.m. Arrive at office (come in as new employee)  
Spend the day working as a Specialist

DAY 2:

- 7:30 a.m. Observe morning procedures
- 8:00 a.m. Review previous day
  - Chapter I (Overview)
  - Chapter II (Licenses)
  - Chapter III (Insurance)
  - Chapter IV (Taxes)
  - Chapter V (Banking)
  - Chapter VI (Telephones)
  - Chapter VII (Building & Utilities)
- 11:30 a.m. Lunch
- 1:00 p.m. Chapter VIII (Equipment)
  - Chapter IX (Supplies)
  - Chapter X (Maintenance)
  - Chapter XI (Advertising)
- 4:00 p.m. Observe employees coming back to office

DAY 3:

- 7:30 a.m. Observe (scheduling, etc.)
- 8:00 a.m. Review previous day
  - Chapter XII (Hiring)
  - Chapter XIII (Training the Specialist)
  - Chapter XIV (Training the Supervisor)
- 11:30 a.m. Lunch
- 1:00 p.m. Chapter XV (Sales)
  - Chapter XVI (Carpet cleaning)
  - Chapter XVII (Customer service)
  - Chapter XVIII (Telephone & office procedures)
  - Chapter XIX (Trouble shooting guide)
  - Chapter XX (Incentive programs)
  - Chapter XXI (Accounting procedures)
  - Chapter XXII (Office cleaning)
  - Chapter XXIII (Automobile leasing)
- 4:00 p.m. Observe and help with return of employees.  
You help do all paperwork functions.

**DAY 4:**

- 7:30 a.m. You help with all paperwork functions
- 8:00 a.m. Review previous day
- 8:30 a.m. You help with every function of the office  
Today you must go on bids, check houses and do all paperwork

**DAY 5:**

Recap and additional help.

**ITEM 12**  
**TERRITORY**

The Franchise Agreement grants you an exclusive right to construct and operate a Home Cleaning Centers of America facility in an area specified in the Agreement. The exclusive territory is based on demographic information available to us. Each territory will include a minimum of 25,000 qualifying households, which are presently defined as a household with an estimated annual income of over \$60,000. We may not establish any other franchises in the exclusive area described in the Franchise Agreement, nor may we establish any company owned businesses in such area during the term of the Franchise Agreement. We are also prohibited from establishing other franchises or company owned outlets providing similar products under a different trademark or trade name within the exclusive area. You are prohibited from soliciting or performing any business from anywhere inside the exclusive territory of any other Franchisee. You may, however, provide cleaning services to people located outside of the exclusive territory, provided that the people do not live in the territory of another franchisee. You may service a customer in the territory of another franchisee if the customer was a direct referral or if the customer was a customer before the other franchisee signed its Franchise Agreement to obtain the other territory.

The exclusive territorial rights granted to you in the Franchise Agreement will continue in effect so long as such Franchise Agreement is in effect, and such exclusivity is not dependent upon achievement of a certain sales volume, market penetration or other contingency.

**ITEM 13**  
**TRADEMARKS**

We own the service mark "Home Cleaning Centers of America", which is registered on the Principal Register of the United States Patent and Trademark Office, registration certificate number 73499376, registered on May 21, 1985 and "Country Club Cleaning", registration number 3025521, registered Dec 13, 2005.

There are no currently effective determinations in the Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of this state or any court, any pending infringement, opposition or cancellation: or any pending material litigation involving the trademarks.

There are no agreements in effect which significantly limited our rights to use or license the use of said service mark in any manner material to the franchise.

We are not aware of any infringing uses which could materially affect your use of such service mark.

You agree in the Franchise Agreement to indemnify and hold us harmless from all liability which we may incur in connection with the operation of the franchised business by you. This indemnity does not, however, extend to actions brought against us or you by one claiming infringement on such claimant's service mark, trade mark or trade name rights, so long as such claim is based on the proper use by you of the proprietary marks licensed by the Franchise Agreement. Home Cleaning obligates itself in the Franchise Agreement to protect the proprietary marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the proper use of the marks.

**ITEM 14**  
**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents or copyrights material to the franchise.

**ITEM 15**  
**OBLIGATION TO PARTICIPATE IN THE**  
**ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

If the Franchisee is an individual, he is not required by the Franchise Agreement to be actively and directly involved in the operation of the franchised business, although we recommend direct participation. We recommend direct on premises supervision by an individual franchisee, but do not require it, in the Franchise Agreement or elsewhere. There is no requirement that the General Manager who undergoes training be the Franchisee, if the Franchisee is an individual, or that the General Manager be an officer, shareholder or partner of the Franchisee, if the Franchisee is a corporation or partnership. The General Manager is required to successfully complete our training program and be responsible for on premises supervision. You are not required to place any restrictions on your General Manager in terms of non-competition or trade secrets.

**ITEM 16**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

The services you may provide to the public is limited to only those prescribed by us in our Operations Manual, and all of those services, and other specifications we may determine from time to time to be appropriate. There are no express limitations on our ability to change those specifications.

You are expected to provide services only to those residences and businesses located within your franchise zone, as determined by our Franchise Agreement.

**ITEM 17**  
**RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

This table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this offering Circular.

<b>PROVISIONS</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>SUMMARY</b>
a. Term of the franchise	Item II	Term is 10 years
b. Renewal or extension of the term	Item II	If you are in good standing, you can renew for 2 additional 10 year terms
c. Requirements for you to renew or extend	Item II	Give written notice and sign new Agreement
d. Termination by you	None	No right
e. Termination by us without cause		Not permitted
f. Termination by us with cause	Item XV	We can terminate if you default See <b>Appendix</b>
g. "Cause" defined- defaults which can be cured	Item XV	Curable defaults: non-payment of fees, non-reporting, failure to meet Franchise Agreement standards, non-compliance with local law, misuse of marks, loss of approved site, bankruptcy, ownership of competitor, failure to meet Operations Manual standards. All curable defaults may be cured within 10 days after notice.
h. "Cause" defined- defaults which cannot be cured		
i. Your obligations on termination/non-renewal	Item XV	Obligations include completed identification and payment of amounts due
j. Assignment of contract by us		We may assign our rights if assignee agrees to fulfill our obligations
k. Assignment/transfer by you	Item XIV	Includes transfer of contract or assets or ownership change

<b>PROVISIONS</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>SUMMARY</b>
l. Our approval of assignment/transfer by you	Item XIV	We have the right to approve all assignments but will not unreasonably withhold approval
m. Conditions for our approval of assignment/transfer	Item XIV	New franchisee qualifies, transfer fee paid, training arranged, release signed by you, all fees owed by you paid, and current Agreement signed by new franchisee
n. Our right of first refusal to acquire your business	Item XIV	Right of first refusal is reserved by us
o. Our option to purchase your business	Item XV	Upon termination or expiration, purchase supplies and equipment, telephone number and customer list
p. Your death or disability	Item XIV	Your estate or beneficiaries can inherit your rights or assign your franchise
q. Non-competition covenants during the term of the franchise	Item XVI	No involvement in competing business
r. Non-competition covenants after the franchise is terminated or expires	Item XVI	No competing business for 1 year within 30 miles of your franchise zone, cannot open cleaning business that looks like or imitates Home Cleaning, and cannot solicit former customers for 2 years
s. Modification of the Agreement	Item XVIII	No modifications generally unless agreed to in writing by both parties but Operating Manual subject to change
t. Integration/ merger clause	Item XVIII	Only the terms of the Franchise Agreement are binding (subject to state law). Any other promise may not be enforceable
u. Dispute resolution by arbitration or mediation	No provision	No Provision

<b>PROVISIONS</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>SUMMARY</b>
v. Choice of forum	Item XVIII	Litigation must be in the state of Kansas, whether state courts or federal courts located therein ( <b>SEE APPENDIX</b> )
w. Choice of law	Item XVIII	Law of the state of Kansas ( <b>SEE APPENDIX</b> )

These states have statutes which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise: ARKANSAS [Stat. Section 70-807], CALIFORNIA [Bus. & Prof. Code Sections 20000-20043], CONNECTICUT [Gen. Stat. Section 42-133e et seq.], DELAWARE [Code, tit.], HAWAII [Rev. Stat. Section 482E-1], ILLINOIS [815 ILCS 705/1-44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Sections 523H.1-523H.17], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Section 75-24-51], MISSOURI [Stat. Section 407.400], NEBRASKA [Rev. Stat. Section 87-401], NEW JERSEY [Stat. Section 56:10-1], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code 13.1-557-574-13.1-564], WASHINGTON [Code Section 19.100.180], WISCONSIN [Stat. Section 135.03]. These and other states may have court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

#### **ITEM 18** **PUBLIC FIGURES**

At the time of the effective date of this Offering Circulation, there is no public figure whose name is used in connection with the franchise.

#### **ITEM 19** **EARNINGS CLAIMS**

Attached hereto as Exhibit D is the Earnings Claim Statement of the Franchisor.



**ITEM 20**  
**LIST OF OUTLETS**

FRANCHISED  
STORE STATUS SUMMARY FOR  
DECEMBER 31, 2003/2004/2005

STATE	TRANSFERS	CANCELED OR TERMINATED	NOT RENEWED	REACQUIRED BY FRANCHISOR	LEFT THE SYSTEM OTHER	TOTAL FROM LEFT COLUMNS (2)	FRANCHISES OPERATING AT YEAR END
Alabama							1/1/1
California	1/0/0					1/0/0	1/1/1
Colorado	0/0/1					0/0/1	7/7/7
Florida		0/0/1				0/0/1	1/2/2
Georgia							3/3/3
Illinois	1/0/0					1/0/0	4/4/5
Indiana							2/2/2
Iowa							0/1/1
Kansas							3/3/3
Michigan		0/0/1				0/0/1	1/1/0
Minnesota	0/0/1					0/0/1	1/1/2
Missouri	1/0/0					1/0/0	6/6/6
New Jersey	0/0/1					0/0/1	1/1/1
Nevada		0/0/2				0/0/2	2/2/0
South Carolina	0/1/0	0/0/1				0/1/1	1/2/2
Texas							2/2/2
<b>TOTAL</b>	<b>3/1/3</b>	<b>0/0/5</b>	<b>0/0/0</b>	<b>0/0/0</b>	<b>0/0/0</b>	<b>3/1/8</b>	<b>36/39/39</b>

- (1) Note: All numbers are as of December 31 for each year, except as noted.
- (2) The numbers in the "Total" column may exceed the number of stores affected because several events may have affected the same store. For example, the same store may have had multiple owners.

A list of the names, addresses and telephone numbers of the above-mentioned franchises is attached to this Offering Circular as Exhibit "A".

**STATUS OF COMPANY OWNED STORES  
FOR YEARS 2003/2004/2005**

<b>STATE</b>	<b>STORES CLOSED DURING YEAR</b>	<b>STORES OPENED DURING YEAR</b>	<b>TOTAL STORES OPERATING AT YEAR-END</b>
TOTAL	0/0/0	0/0/0	0/0/0

**PROJECTED OPENINGS FOR YEAR  
ENDING DECEMBER 31, 2006**

<b>STATE</b>	<b>FRANCHISE AGREEMENTS SIGNED BUT STORE NOT OPEN (1)</b>	<b>PROJECTED FRANCHISED NEW STORES IN THE NEXT FISCAL YEAR</b>	<b>PROJECTED COMPANY OWNED OPENINGS IN NEXT FISCAL YEAR</b>
California	1	1	
Texas		1	
TOTAL	1	2	0

A list of names, addresses and telephone numbers of every franchisee whose franchise has, within the twelve-month period immediately preceding the date of this Offering Circular, been terminated, canceled, not renewed or, who has, during the same time period, otherwise voluntarily or involuntarily ceased to do business pursuant to the Franchise Agreement, or has not communicated with us within the ten weeks prior to the date of application of this registration, is attached to this Offering Circular on the last page of Exhibit "A".

**ITEM 21  
FINANCIAL STATEMENTS**

Attached as Exhibit "B" to this Offering Circular are the financial statements of Home Cleaning Centers (including Balance Sheet, Income Statement, and Statement of Cash Flow) for our most recent fiscal year, ending December 31, 2005, and for the fiscal years that ended December 31, 2004 and December 31, 2003. Also attached are unaudited financial statements as of a date within 90 days of the date of this Offering Circular.

**ITEM 22  
CONTRACTS**

Attached to this Offering Circular as Exhibit "C" is a copy of the Franchise Agreement, which constitutes the only contract or agreement proposed to be used in connection with the sale of the franchised business.