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BACKGROUND

UNIQUE FRANCHISE CONCEPT DEVELOPS IN PORTRAIT PHOTOGRAPHY INDUSTRY

ATLANTA – The development of a new franchise operation can be a complicated process. But new portrait photography franchise, CLIX, has found that with the right composition, the right people and a little creativity, building a successful operation can be a picture perfect franchise opportunity.

The Composition

DigiQuick Portrait Studios was set into motion in 1999 to change the face of portrait photography. Austin Haines, a 25-year veteran of the imaging and photography industry, had built a successful regional photography operation with seven locations across New York State. DigiQuick Portrait Studios (now known as CLIX) was a retail portrait photography company that offered high-quality, cost-effective, creative and fun pictures for families, high school seniors, and pre-school classes and delivered their product right away.

Haines successfully built the DigiQuick business regionally, and knew that taking it national was a future goal. With an eye towards national expansion for his business, Haines contemplated his options. Haines very much enjoyed the creative, entrepreneurial process of developing a business concept, establishing a base for that business, and all of the risks associated with it. He instinctually knew that he could refine his DigiQuick business and offer consumers much more than just great pictures. He had a vision to develop an in-store, onsite design station where customers could manipulate and create their own great photos. He also had the instinct that this idea would be palpable to a larger, more national audience. But he knew he would need help refining and building this concept.

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Setting the Scene

Haines had become close with Rochester businessman Richard (Dick) Kaplan, CEO of Pictometry International Corporation. Kaplan had become a great sounding board for Haines and suggested that franchising might be the key to successfully taking Haines' business national. Haines and Kaplan approached Trillium Group, a venture capital company based in Rochester, N.Y., and an investor in DigiQuick. Trillium was excited by the CLIX vision.

Trillium agreed with the initiative. Haines worked with Kaplan and the group to construct a team that would develop and refine the existing unique portrait photography model for franchising. Haines, who still operated his DigiQuick Portrait Studios, wanted to continue to develop this concept and to be a visionary, Haines knew he would need a Chief Executive Officer that would share his vision and to oversee the actual growth and day-to-day business operation of the franchise organization. Kaplan indicated that he knew of a young executive based in Georgia who would be the perfect partner.

David Asarnow, an Atlanta businessman, who had cut his teeth in business early in life, had learned the values of hard work and determination as a young boy working in his grandfather's business. He was working at a national plastics company where he had grown through the ranks and was directing the national accounts division. A classic self-starter, Asarnow had started as a district salesperson within the company and within one year was leading the team.

After several years and multiple promotions, he was selected to establish and lead the new national accounts division at the company, which quickly became the fastest growing division within the organization. In 2004, Asarnow's division accounted for over 80% of the company's sales growth.

Asarnow's energy, solid business sense and ability to successfully manage and build a business made him an ideal candidate for the CEO position at CLIX. He was interviewed, amongst a pool of several competitive candidates, and immediately

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stood out head and shoulders above the rest with Haines and the Board. With Haines' interest in continuing to pursue his creative vision for the business, it was imperative that they find someone who could share his passion and vision, while matching his energy and determination to develop and grow the franchise business operations. Haines and the board also knew that the ultimate person selected for the CEO position would need to "click" with them. One important aspect of Asarnow that impressed everyone was the passion, clear chemistry and synergy that he and Haines seemed to share. Asarnow was selected as CEO of CLIX in August of 2004. The future of CLIX was in focus.

Asarnow and Haines worked to continue refinement of the CLIX concept and develop the structure for the Franchise Model.

The CLIX Board of Directors consists of Asarnow, Haines and several influential Rochester based businessmen. Their shared vision is to offer franchisees three distinct revenue streams in one business – a retail-based portrait studio; a large protected territory for on-site special event photography; and on-site, do-it-yourself or assisted digital scrapbooking, and photo imaging and design services. To their knowledge, no other franchise operation offers an opportunity to build a business through three revenue streams in one franchise opportunity. It was this key component that would be the launching pad, for finally bringing CLIX to life.

A Portrait Of Success

Over the course of eleven months, the CLIX team worked to refine and develop the CLIX franchise model. Corporate headquarters for CLIX was established in Atlanta. The CLIX Board of Directors identified the Southeast as a geographic location with huge potential for business growth. Since the Atlanta area is home to the headquarters of a significant number of franchise-based companies, it has a very strong infrastructure in place to support the CLIX concept with a group of franchisor peers.

Haines is currently in the process of converting all of his DigiQuick Portrait Studios to CLIX stores and became the first CLIX franchisee. His first complete CLIX store conversion opened in August of 2005, in Rochester, N.Y.

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Today, CLIX and its executive team are presenting the CLIX franchise opportunity to business people across the country. To date, Asarnow and Haines have strong interest and initial franchise agreements in progress in CA, FL, GA, MO, NC, NE, PA, SC, and VA. The team is hopeful that there will be six CLIX franchise operation agreements finalized by December of 2005 and an additional 30 stores to open across the country by December of 2006. With Asarnow and Haines at the helm, the future is bright for CLIX.

Founded in 1999, CLIX is a rapidly growing portrait photography franchisor offering in-store portrait photography, special event photography and on-site, do-it-yourself and assisted digital scrapbooking, photo imaging and design centers. The company currently employs 47 people at seven stores across New York State. For more information on CLIX franchise opportunities, call 1-888-246-2549, visit www.GetYourClix.com or e-mail franchise@getyourclix.com.

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