



Cereality® Cereal Bar & Cafe Files Lawsuit Against Copycat

Company Seeks to Defend Its Intellectual Property and Brand Assets and Protect Its Customers, Prospective Franchisees, and Industry Partners

Chicago, March 17, 2006 -- Cereality® Cereal Bar & Cafe today announced that it has filed a federal lawsuit in United States District Court, Southern District of Ohio-Eastern Division against Cereals, LLC, doing business as "Cerealicious." The lawsuit contends that Cerealicious has infringed on trademarks of Cereality and engaged in unfair competitive activities in the start-up, promotion and franchising of its own business.

In announcing the lawsuit, Cereality's Chief Executive Officer, David Roth, issued the following statement:

"We filed this lawsuit today against Cerealicious after repeated requests to them to stop their actions. This became the last available recourse to protect the Cereality brand, our investors, franchise applicants and most importantly our customers, who should not settle for imitations.

"Since the launch of our first prototype store at Arizona State University in August of 2003, Cereality has garnered an extraordinary amount of goodwill throughout the world as our story became known. We cherish the support and encouragement we've received and continue to be overwhelmed by the level of interest from potential business partners. To date, we've received more than 6,000 emails from other entrepreneurs interested in sharing in our success and we're actively developing opportunities for them.

"As we go about diligently and responsibly creating those opportunities and ensuring that the true "Always Saturday Morning"™ experience is delivered one bowl at a time to our customers, others have recognized the demand and in their haste to profit, are taking short cuts that are just bad business.

"We take it as a compliment that others understand the potency of our concept and are trying to recreate the Cereality experience with their own business ventures. But these competitors must comply with laws that protect Cereality's trademarks and intellectual property, as well as the laws that protect all parties involved in the franchise process.

"As the category leader, Cereality has invested millions of dollars in developing a unique business model that has proven and quantifiable results. We've built an unrivaled management team, hired the best advertising and public relations firms and established a brand that is already recognized worldwide. We also created a robust franchise system that will give our franchise partners an opportunity to be a part of Cereality's success. This is a system that will deliver the highest standards of quality for our customers. In that spirit, we are firmly committed to preventing the category we created from being denigrated by others."

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