



# CEOCFO

## Interviews & News!

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**Nexia Holdings is a diversified holdings company with a focus on the fashion sector with their Black Chandelier brand selling products online and in 4 regional locations in Salt Lake City, Utah, with a second growth opportunity through their Landis Lifestyle Salon**



### Services

**Business Services  
(NEXA-OTC: BB)**

**Nexia Holdings Inc.**

**59 West 100 South  
Salt Lake City, UT 84101  
Phone: 801-575-8073**



**Richard D. Surber  
President and CEO**

### BIO:

Richard D. Surber, 34 is currently the Chief Executive and Financial Officer of Nexia Holdings, Inc. Nexia is a publicly traded company on the NASDAQ over-the-counter bulletin board (OTCBB: NEXA). Nexia is a holding company

with operations in retail clothing, health & beauty industry and commercial real estate. Mr. Surber is spearheading the growth of Nexia into a national retailer with a 5-year plan to increase Nexia's revenues from \$1.8M in 2006 to \$50M in annual sales by 2011.

Mr. Surber is a member of the California bar. He practices law on a limited basis specializing in complex corporate and securities law matters. He graduated from the University of Utah with a Bachelor of Science degree in Finance and then with a Juris Doctor with an emphasis in corporate law, including securities, taxation and bankruptcy.

He has served as an officer and director on over a dozen micro cap companies over the last decade. In addition, he has effected many complex legal transactions that have assisted many promising private companies in obtaining financing by bringing such companies public through reverse mergers and spin off transactions.

Mr. Surber is currently a driving force in the development of Gold Fusion Laboratories, Inc. dba Black Chandelier and Landis LLC (subsidiaries of Nexia).

### Company Profile:

Nexia Holdings, Inc. (OTC Bulletin Board: NEXA), headquartered in Salt Lake City, Utah, is a diversified holdings company with operations in real estate, health & beauty, and fashion retail. The Company has been acquiring undervalued properties in the Salt Lake City area since the early 1990s. Nexia owns a majority interest in Landis Lifestyle Salon, a hair salon built around the world-class AVEDA™ product line. Through its

Gold Fusion Laboratories subsidiary, Nexia owns the innovative retail and design firm Black Chandelier and its related brands. Black Chandelier is expanding nationwide, and currently operates four retail locations and online operations.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Surber, please give us the background on Nexia.

**Mr. Surber:** "Nexia is a holding company. We have operations in three areas. Our current focus is predominantly on the fashion sector under the name brand Black Chandelier. We have four regional locations in the Salt Lake area in Utah and an online store, blackchandelier.com. The second area of operations is under Landis, LLC, which is the Landis Lifestyle Salon, a hair salon built around the AVEDA™ product line. The third is commercial real estate. Both of those operations are in Utah as well."

**CEOCFO:** Is there any common thread other than businesses in Utah?

**Mr. Surber:** "Utah is where everything is based. However, our plan is to hopefully have at least fifty stores over the US over the next five years."

**CEOCFO:** Please tell us about Black Chandelier.

**Mr. Surber:** "Black Chandelier is mainly appealing to young women & men in the 20-35 year range, where the consumer has grown out of the Hot Topic Inc. (NASDAQ:HOTT) type style, but they don't really identify with the Banana

Republic either. They're defined more by art and what Black Chandelier provides is the diversity and the uniqueness that these people are looking for in clothing."

**CEOCFO:** Are these stores located in malls?

**Mr. Surber:** "We only want to be in high traffic malls. Right now, we have a location in an outdoor lifestyle center called Gateway. It was built about five years ago and it is a \$300 million project. It is the second highest retail sales location in Utah. The last location, the top mall, is owned by General Growth Properties Inc. (NYSE:GGP). We are actually looking for additional locations with General Growth Properties. The other two are in a center called Trolley Square, which is undergoing renovations and The Shops at Riverwoods in Provo. We are gearing up a grassroots marketing program where we are going to be marketing to friends, family, and we are expecting a lot of purchases in optimization technique and we will be following trends of other successful companies like Amazon. We are looking forward to licensing deals, creating clothing for interesting personalities."

**CEOCFO:** Where do you see the newer locations?

**Mr. Surber:** "We have identified a location in Boise, Idaho and that is a General Growth property. We have identified several locations in the Denver metropolitan area. We are going to grow the retail chain to half-a-dozen stores in each metropolitan area. Boise will be the exception to that rule. I see us going to the Denver area second, then to the second tiered Middle-America markets to ensure a successful growth plan. We have been getting a tremendous response from retail shopping centers across the country. We want to make sure we have the proper financing in order to build a strong brand."

**CEOCFO:** Is there much competition in the start-up fashion retail chain area?

**Mr. Surber:** "It is very difficult and that is why we are going after our core-consumer who wishes to be defined by art and intellect rather than pre-determined

trends some of the fringe and we are hoping to create a trend. Fashion designers and a lot of the designs are kind of Victorian/Goth and that appeals to the kind of the fringy cool kids/ young adult."

**CEOCFO:** Your target demographic is a very fickle population, particularly in the clothing styles, how will Nexia get it right?

**Mr. Surber:** "Because of the plan that we have in place. Right now Andy Montana is the head of business operation and he helped brand Love Sac, which grew to 80 locations nationally and was instrumental in re-launching the bean bag fad and establishing Love Sac as the category leader and eventually sold out but he has done an excellent job of branding. Jared Gold has been active for about twelve years and he has been able to garner a lot of outside media attention. The initial

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**- Richard D. Surber**

response from the stores in Salt Lake City, which is a very fickle market, has been very good in my opinion. We are looking at other models as well like the Hot Topic in conjunction with the Gap and Banana Republic."

**CEOCFO:** What is the financial picture like for Nexia today?

**Mr. Surber:** "We are in the process of finishing an equity line of credit. We can raise up to \$10 million through a hedge fund. We are hoping to push that through in the coming month and that should help finance us through the coming years."

**CEOCFO:** Do you expect to continue with the other phases of Nexia?

**Mr. Surber:** "Yes!"

**CEOCFO:** Please tell us more about each of the other areas that you have.

**Mr. Surber:** "What we might end up doing is breaking these things off. For Landis Lifestyle Salon we have opened a 45,000 square foot facility and the concept is based selling the AVEDA™ product and then working on the service. AVEDA™ is owned by Estee Lauder Companies Inc (NYSE:EL), which is one of the largest cosmetic companies in the world. They know what they are doing. We have had tremendous success with this location. From this location this year we have attracted \$1.9 to 2.1 million. We are going to use this location to roll out additional AVEDA™ concept. I also believe it is an opportunity to go around and consolidate a number of the existing AVEDA™ salons and increase the net profits."

**CEOCFO:** What about the real estate component of Nexia?

**Mr. Surber:** "What I look for are segments of the market that are overlooked by a lot of the big boys; so it is really specialized, but that is currently on the back burner now. In that subsidiary we only have three commercial pieces of real estate now. One of them is where our corporate office is located and where a lot of the manufacturing designs for Black Chandelier are located. Almost a 40 thousand square foot turn-of-the-century property and it is right across the street

from where what will be the largest construction project in Utah. It is estimated to be a \$2 billion mall renovation. The property was appraised at \$2.4 million a year ago and we only owe them about \$900 thousand. The potential is \$6 million or more. If you look at Nexia, ticker symbol NEXA, and our market cap is tiny, because we have more equity in property than our current market value."

**CEOCFO:** With regard to Black Chandelier; should this really take off on the net, are you ready? Do you have the merchandise and the proper infrastructure should it really hit fast?

**Mr. Surber:** "What we have established this year is manufacturing in India and China. The design staff is going to be the

same whether we produce a dozen shirts or ten million T-shirts. As far as the manufacturing, we do have the capacity and ability to do that.”

**CEOCFO:** Why should potential investors be interested in Nexia, and you personally, since much of this revolves around you?

**Mr. Surber:** “As far as investors interested in me, I have been active for about fourteen years. I have done an excellent job along with my team members. We have a very good management team

which includes personalities like Jarod Gold who is a mainstay and founder of Jared Gold Courtour and the creator of Black Chandelier brand name. Matthew Landis has been setting up the Landis Lifestyle Salon with the AVEDA™ product for the last twelve years. AVEDA™ is a strong name in salons. After the first year I don’t think it would be farfetched for us to pursue consolidation and exponentially grow that portion of the business. Jared Gold and Andy Montana are working with companies like World Wrestling Entertainment Inc.

(NYSE:WWE), which is an NYSE company. As the licensing deal goes through with a company like the WWE, we would create merchandise to help grow their business and for them it could explode. When we get people to understand the vision of Black Chandelier, we could create a trend. I think we have longevity. There is great potential for tremendous return; there is some risk as well, but you won’t see these types of returns with larger companies.”



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