

Austin Capital Successfully Recapitalizes Conneaut Leather

Cleveland, Ohio (March 1, 2014)

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Austin Capital Corporation (ACC) announced today the successful recapitalization of Leather Resources of America, Inc. (dba Conneaut Leather). As part of the transaction, investors in Austin Capital Partners, LP and Conneaut Leather were able either to cash out of the deal or roll over into the new deal on a tax-free basis.

“We are very excited for our investors,” said Darrell Austin, Principal of Austin Capital. “We created an opportunity to return liquidity to investors looking for it, while simultaneously allowing investors with a longer time horizon the opportunity to remain involved.” At the same time, ACC was able to attract new investors into the deal.

“Conneaut has some very interesting opportunities in front of it just now,” said Samuel Hartwell, also with Austin Capital and Chairman of Conneaut’s board. “The Company, which has traditionally been a private label supplier in contract furniture and other markets, has begun to build its brand, and is seeing significant successes in several new markets.”

“Conneaut is being recognized now for what it has been all along,” added Jack Prause, Conneaut’s President: “And that is as a very high quality, flexible American supplier of fine leather. We’ve developed an extensive line of fine leathers for the high end hospitality and design markets, and we are winning business.”

Conneaut Leather is known for its manufacturing capabilities, large in-stock lines, custom leathers, strikeoffs, special finishes including Crypton™, and cut-to-pattern, which together have made it a leader in the office furniture, hospitality, the automotive aftermarket, and residential OEM markets.

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About Conneaut Leather:

Steeped in 111 years of American manufacturing tradition, Conneaut Leather began producing hides in 1903. Over the years, it has grown from a small boutique leather shop on the shores of Lake Erie to a 55,000 SF ISO-certified state of the art leather manufacturing facility. Its vertical supply chain and unique ability to produce custom leathers within days provides designers, purchasing agents, and manufacturers with a turnkey solution for all their leather needs.

About Austin Capital:

Austin Capital Corporation is a private investment firm that makes equity investments in middle market companies in the Midwest.