



PRESS RELEASE

L2 CAPITAL ACQUIRES LEADING ONLINE RETAILER OF AREA RUGS

DEVON, PENNSYLVANIA - April 28, 2017 - L2 Capital announced that it has completed the acquisition of Winchester Carpet and Rugs, which operates www.Rugs-Direct.com ("Rugs Direct" or the "Company"), the leading online specialty retailer of area rugs and various other complementary home décor items. Terms of the deal were not announced.

With roots dating back to the 20th century in both conventional retail and direct mail, the Company's website boasts over 180,000 SKUs and generates annual page views in excess of 46 million from consumers and professional interior designers throughout North America. Rugs Direct is headquartered in Winchester, Virginia, and has approximately twenty-five employees.

Bob Levine, Managing Partner of L2 Capital, said, "We are very excited to be able to support such a successful company and group of managers. Together, with the assistance of the world-class Board we've assembled, we're optimistic we'll be able to build upon the Company's current growth trajectory."

David Craig, Co-Owner of Rugs Direct, noted, "L2 Capital is a terrific partner for Rugs Direct due to their in-house operational and e-commerce expertise, as well as their external consumer product and direct-to-consumer marketing resources."

"This partnership places Rugs Direct in an outstanding position for growth and continued leadership in the home-décor market," added Randy Kremer, Rugs Direct's other Co-Owner. "We've learned a lot and have been very successful in our first 20 years of e-commerce," said Kremer. "In partnership with L2, the sky's the limit."

Oxer Mezzanine Partners and Salem Investment Partners provided the debt financing and co-invested in this transaction. Rugs Direct was advised by Dinan Capital Advisors.

L2 Capital Partners (www.L2Capital.net) is a lower middle market private equity family office that specializes in making controlling or minority investments in business service, consumer product and manufacturing companies with enterprise values up to \$60 million. L2 Capital adds value by helping business executives and owners meet their strategic and

financial goals by providing access to professionals and resources gained over 40 years of principal investing experience.

For additional information, contact L2 Capital at info@L2Capital.net or (610) 922-4030.