



capstan fund
opportunity meets expertise

For Immediate Release

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Nashville based Capstan Fund makes its first investment.

<http://www.capstanfund.com>

Nashville based private equity fund Capstan, LLC announced this morning it had purchased distressed assets from a bank and provided financing necessary to reopen an Ace Hardware store in Mt. Juliet under new ownership. The investment marks the first major cash deployment of Capstan Fund which was founded earlier this year by Tennessee based entrepreneur Steve Curnutte.

Partnering on the deal is Steve Avery, already the owner and operator of 5 other stores in middle Tennessee. *"Avery is the largest Ace retailer in middle Tennessee. He is an extremely astute operator and therefore the optimal partner to rejuvenate the Mt. Juliet location,"* said Curnutte.

According to Avery, *"the Mt Juliet community is vibrant and loyal. They stuck by the previous owner even as the store struggled recently due to road construction. We've packed it with new inventory and are looking forward to a fresh start and again becoming a vital part of the Mt Juliet community. I am especially grateful to landlords Terry Smith and Nate Greene of Collier International for working hard to help us reopen the store."*

A 'Distressed Opportunities Fund,' Capstan is one of the only such funds in Tennessee. Its methodology for deploying assets ranges from Debtor in Possession loans (DIP loans), to buying claims or notes in distressed circumstances, to direct debt or equity investments into distressed circumstances. The fund has 'significant capital' to deploy, and anticipates a second investment within 6 months.

Curnutte worked closely with Brooks Smith and Jeffrey Buschmann of Bradley Arant Boult Cummings to structure the legal components of the fund, and is working with Whisenant Stewart and Watrous, CPA's for the ongoing accounting and valuation work of the fund.

The target of Capstan's investment, an Ace Store at 4110 North Mount Juliet Road in Mt Juliet, had been open for several years. However, federal stimulus money for road and bridge construction to widen the corridor from I-40 caused major disruptions. Ultimately the business failed a few weeks ago and closed its doors.

"Ace is about ease of use," said Avery, *"people know they can get in, get good advice, and get out quickly. Road construction caused significant damage."* Now that construction is ending, the new owners have injected significant capital to ensure the store can reestablish itself as a top retail location.

According to Curnutte, *'we view Mt. Juliet as a smart bet. It is solid community with a great economic base.'* Avery adds, *'we are looking forward to being part of a great community, and a great business environment.'*

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