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Great American Capital Partners Provides \$17.5 Million Senior Secured Term Loan Facility to Hancock Fabrics

Transaction Marks First Investment by Great American Capital Partners Since Launch in Mid-April

LOS ANGELES, April 22, 2015 /PRNewswire/ -- **Great American Capital Partners, LLC (GACP)**, a wholly owned subsidiary of **B. Riley Financial, Inc.** (OTCQB: RILY), a leading provider of diversified financial and business advisory services, has entered into an agreement with Hancock Fabrics, Inc. (OTCQB: HKFI) to provide a \$17.5 million senior secured first-in last-out (FILO) term loan facility. GACP's term loan was in conjunction with a new five-year \$100 million asset-based revolving credit facility from Wells Fargo Bank, N.A., which replaces Hancock's existing \$100 million facility.



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Founded in 1957, Hancock Fabrics is one of the largest specialty retailers of fashion and home decorating fabrics and sewing accessories in the United States. Hancock Fabrics used the proceeds from the new credit facility to extinguish the amounts outstanding under its existing loan agreement, as well as to pay related fees and expenses. The new facility extends maturities and provides Hancock with additional liquidity and flexibility to execute its store relocation strategy designed to enhance store performance and drive sustainable long-term growth.

"Great American Group (Great American) affiliates have worked closely with Hancock Fabrics in various capacities over the last several years, and this transaction marks another milestone in our long-term relationship," said Stuart Armstrong, chief investment officer of GACP. "Together, we have a deep understanding of Hancock's operations and assets, having provided them with inventory appraisals, assisting in store closing programs, as well as acting as administrative agent on its prior term loan facility. Great American's longstanding relationship and insights into Hancock's asset and collateral values enabled us to quickly and confidently structure this deal."

John Ahn, president of GACP, added: "The transaction also marks the first investment by GACP since our launch earlier this month, which reflects the significant opportunity to provide underserved middle market companies like Hancock with non-traditional and creative financing solutions. It also underscores B. Riley Financial's powerful origination platform to source proprietary opportunities through our deep industry relationships and network of more than 200 financial professionals."

Steve Morgan, president and CEO of Hancock Fabrics, commented: "Great American's sound guidance and timely execution by their team over the years have kept us on a solid course. We look forward to building upon our relationship and working with them to execute our many initiatives."

B. Riley Financial launched GACP in April 2015. GACP focuses on providing asset-based debt opportunities to lower middle market companies. GACP utilizes the wide array of diversified financial and business advisory services provided by the B. Riley Financial platform, which includes a network of more than 200 finance professionals for proprietary deal flow sourcing and in-house valuation and appraisals expertise.

About Hancock Fabrics, Inc.

Hancock Fabrics, Inc. (OTCQB: HKFI) is committed to being the authority in fabric, sewing and crafts, serving creative enthusiasts with a complete selection of fashion and home decorating textiles, sewing accessories, needlecraft supplies and sewing machines. The company currently operates 262 retail stores in 37 states and an Internet store at www.hancockfabrics.com.

About Great American Capital Partners, LLC

Great American Capital Partners provides senior secured loans and second lien secured loan facilities to middle market public and private U.S. companies.

Great American Capital Partners, LLC is part of B. Riley Financial, Inc. (OTCQB: RILY) which provides collaborative financial services and solutions through several subsidiaries, including: B. Riley & Co., LLC, a leading full service investment bank providing corporate finance, research, and sales & trading to corporate, institutional and high net worth individual clients; Great American Group, LLC, a leading provider of advisory and valuation services, asset disposition and auction solutions, and commercial lending services; B. Riley Asset Management, LLC, a provider of investment products to institutional and high net worth investors, and B. Riley Wealth Management, a division of B. Riley Capital Management, LLC, a multi-family office practice and wealth management firm focused on the needs of ultra-high net worth individuals and families. B. Riley Financial, Inc. is headquartered in Los Angeles with offices in major financial markets throughout the United States and Europe. For more information on B. Riley Financial, Inc. please visit www.brileyfin.com.

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