

**Stellus Capital Management, LLC Provides First Lien Financing to Blue Wolf Capital as part of StateServ Recapitalization.**

**Houston – TX, September [ ], 2016** - Stellus Capital Management, LLC (“Stellus”) announced today that its affiliates acted as Sole Lead-Arranger in providing a Unitranche Loan Facility in support of Blue Wolf Capital Partners’ (“Blue Wolf”) recapitalization of StateServ Medical (“StateServ”).

Tempe, AZ based StateServ is the leader in providing high-quality DME services to hospices nationwide. StateServ works to help hospices improve end of life care for patients and their families. DMETrack, StateServ’s proprietary software, has set a new standard in providing up-to-the-moment data on DME utilization, cost, equipment tracking, and ordering capabilities to hospices.

Paul DiCosmo, CEO of StateServ, said, “It was a pleasure working with Stellus on this transaction. To remain the market leader, StateServ needs to constantly innovate and expand to reach new markets. We look forward to Stellus continuing to support the growth of our platform.”

Adam Pollock, Managing Director at Stellus added, “StateServ takes a unique approach to a very essential service offering. We are excited to partner with Blue Wolf, the StateServ team and Texas Capital Bank in providing a comprehensive capital solution to support their continued success.”

Moore & Van Allen served as legal counsel to Stellus.