



For Immediate Release

**MILMAR FOOD GROUP SIGNS \$20 MILLION
RECAP DEAL WITH CAPSTONE BUSINESS CREDIT**

Venture Merchant Banking Provides Working Capital,
Expansion Support to Ready-Made Frozen Food Manufacturer

New York, NY -- April 7, 2009 -- Milmar Food Group, a manufacturer of value-added frozen foods within the kosher food products industry with nationwide distribution, today with Capstone Business Credit, announced that it has completed a comprehensive \$20 million dollar financial restructuring and the formation of a new holding company, MilMar Food Group II, LLC. The new holding company will continue operations and will not have any negative impact on its customers or suppliers or affect its day-to-day operations in any manner. All levels of employment will remain the same, and possibly increase, as a result of this deal.

The financial restructuring involved the formation of a new holding company and a transfer of substantially all of the assets and liabilities of MilMar Food Group, to the new holding company, MilMar Food Group II, LLC. The restructuring has resulted in a substantial reduction of debt, an increase in par inventory levels, and renewed support for the company's expanding customer base. The recapitalization represents asset-based lending and subordinated debt for expansion, which includes acquisitions of companies that would compliment the current business and customer base.

"This restructuring marks a major step forward in our family business," commented Martin Hoffman, President and Chief Executive Officer of MilMar Food Group II, LLC. "We can refocus our team on its core mission of building sales and value in our operations. We are grateful for the support we received throughout the process from our shareholders, lenders and especially our employees," continued Hoffman. "Despite the difficult economy, our firm is growing with a 10-15% sales increase projected for 2009 – sales growth that will be possible in large part due to our long-term financing relationship with Capstone."

ABOUT MILMAR FOOD GROUP, II

MilMar Food Group was established in July 2000. The company is a leading producer of a diverse mix of fine frozen foods, including hors d'oeuvres, crepes, blintzes and pre-plated prepared entrées, which are distributed nationally and internationally to the foodservice, retail, wholesale club, private label and airline industries.

The firm manufactures *Spring Valley, No Forks Required, Juno Chefs, and KoshAir* brands, which are distributed in the US and Canada through national and independent foodservice distributors, airline in-flight distributors, and retail chain supermarkets and club stores.

The company employs more than 200 full time permanent wage and salaried employees and up to 300 people seasonally, and operates from a 60,000 square foot USDA and OU kosher inspected facility located on 60 acres in Orange County, New York.

For more information about MilMar Food Group II, visit www.milmarfoods.com.

ABOUT CAPSTONE BUSINESS CREDIT, LLC

Capstone Business Credit, LLC, a privately-held, venture merchant banking firm, provides structured financing and working capital to companies involved in the domestic and international trade of finished consumer and industrial products.

The firm infuses working capital into businesses with typical sales of less than \$100 million and provides unique structured financial products designed to provide the additional working capital needed to take advantage of incremental sales opportunities that smaller firms often lose, forfeiting growth opportunities.

Capstone has provided more than \$2 billion in funding to small businesses across a wide range of industries that include electronics, bath and body, men's and women's apparel, flooring, marble and concrete, wine, kosher foods, ladies handbags, among others.

For more information about Capstone Business Credit, LLC visit www.capstonetrade.com.

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