



Versa Capital Affiliate Finalizes Acquisition of United Retail Group, Inc. Assets New Company Named Avenue Stores, LLC

PHILADELPHIA, Penn. – April 16, 2012 – An affiliate of Versa Capital Management, LLC (Versa) announced today the completion of its acquisition of certain assets of United Retail Group, Inc. (URG), operator of the Avenue® brand of women’s fashion apparel, sold through a nationwide network of stores. With the completion of the sale, the new company, Avenue Stores LLC, has acquired substantially all the assets of URG, including an initial assumption of 246 leases. The new company has hired the vast majority of the former home office staff in Rochelle Park, N.J. and substantially all distribution center employees and store employees in assumed stores.

Avenue Stores, LLC has 90 days to retain additional stores, with a final targeted total of approximately 300 stores. During that time the company may selectively close and consolidate certain stores in order to finalize a geographic footprint that maximizes profitability and sales growth potential.

The new company’s management team is led by Elizabeth “Liz” Williams as CEO and Jim Smith as CFO, both long-time apparel executives. Avenue Stores, LLC has strong and stable financing, with substantial capital from Versa’s \$650 million fund and a \$50 million credit facility led by Wells Fargo.

According to Williams, a veteran retail executive and former long-time President of Fashion Bug, the emphasis for the new business will be placed directly on the customer. “I’m delighted to be working with such a great brand as the Avenue Stores. Our plan calls for exploring every aspect of how we work so that the customer will make Avenue her store of choice every time. That means building new product categories, introducing new fashions that attract customers, and setting fitting process and quality to facilitate the entire shopping experience. We will be working closely with our vendor partners as we develop these new programs. Our goal is to make Avenue the leading U.S. retailer for plus-sized women.”

Added Williams, “I also want to make special mention of the dedicated Avenue employees and the extremely supportive vendor community, without either of whom achievement of this ‘fresh start’ for the Avenue Stores would not have been achieved.”

Gregory L. Segall, Versa CEO and Chairman of Avenue Stores, LLC noted that “We believe Avenue’s customer base is a loyal and growing demographic that can be better served through improved merchandising, marketing and ultimately, overall execution of the business every single day. That’s what retail is all about. While the new business will operate a condensed store base, we intend to return to new store growth at the appropriate time. In the mean time, there’s a great deal of work to do. Avenue Stores is a terrific brand; we want to see it achieve its full potential.”

Philadelphia-based Versa Capital Management, LLC is a private equity investment firm with \$1.2 billion of assets under management focused on control investments in special situations involving middle market companies where value and performance growth can be achieved through enhanced operational and financial management. Versa’s portfolio includes Bob’s Stores, a northeastern apparel retailer that was recognized as Connecticut’s Retailer of the Year, as well as Polartec, the world-renowned designer and

manufacturer of performance fabrics for the outdoor apparel industry. More information can be found at www.Versa.com.

Based in Rochelle Park, N.J., Avenue Stores, LLC operates Avenue® stores throughout the United States. Avenue is a fun, trend-right, multi-channel source for affordable fashion for real size women with a youthful attitude. Visit Avenue online at www.avenue.com.

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