

CARL MARKS ADVISORY GROUP LLC

For Immediate Release

Media Contact: Cheryl Sereby, Robert Falls & Co.
(216) 696-0229

CARL MARKS ADVISES JOAN FABRICS IN SALE OF ASSETS

July 24, 2007 (New York) – Joan Fabrics Corporation, a Tyngsboro, Mass.-based producer of high quality specialty textiles, has announced the sale of its assets, including product lines Circa 1801, Guild 360 and Texel. Carl Marks Advisory Group LLC (CMAG) advised Joan Fabrics in connection with the transactions and provided interim management services to the company.

CMAG assumed responsibility for management of the company on March 19, 2007, providing interim management for the positions of chief restructuring officer, chief operating officer and chief financial officer. The Carl Marks management team worked to reinvigorate the business following an extended period of minimal activity as a result of financial constraints, enabling the company to be sold as a going concern.

At the time of the sale, Joan Fabrics produced top-quality textiles for the residential and hospitality sectors as well as for office furniture and wall coverings used in commercial facilities in the United States, Canada and Mexico.

Valdese Weavers LLC of North Carolina, one of the largest producers of jacquard upholstery fabrics in the United States, purchased the company's Circa 1801 and Guild 360 product lines. Texel, based in Mexico, was acquired by Elkin McCallum, chairman of Joan Fabrics. Non operating machinery and equipment were sold to Gordon Brothers Group LLC of Boston. Fred Godley of North Carolina acquired Joan Fabrics' non operating plants and warehouses in North Carolina.

“The swift reinvigoration and sale of Joan Fabrics’ assets was an immense accomplishment. We are confident the transactions were well targeted and executed with the right buyers,” said Rick Heller, CMAG partner. “The U.S. textile industry is experiencing exceptionally difficult times as a result of much manufacturing moving offshore. To be able to sell Joan Fabrics’ assets in such a short period of time is a real victory and very good for the company and its stakeholders.”

About Carl Marks Advisory Group LLC

Carl Marks Advisory Group LLC provides a wide array of investment banking and financial and operational advisory services to the middle market, including mergers and acquisitions advice, debt and equity capital placements, financial restructuring plans, strategic business assessments, improvement plans and interim management. The firm has offices in New York and Charlotte, N.C. Additional information about Carl Marks Advisory Group LLC is available at www.carlmarks.com.

###