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## **PRESS RELEASE**

**DETREX CORPORATION** - (OTCQX:DTRX)

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### **Environmental Liabilities Transfer, Inc. Attempts to Back Out of Agreement, Files Lawsuit Against Detrex Corporation**

**CLEVELAND – June 2, 2017** – Detrex Corporation (OTCQX:DTRX) announced that Environmental Liability Transfer Inc. (“ELT”), Commercial Development Company Inc. (“CDC”), and their owners, have filed a complaint in Oakland County Michigan Circuit Court falsely alleging that Detrex committed fraud by failing to fully disclose the extent of environmentally hazardous waste on a property transferred to ELT in 2013. Detrex categorically denies all claims asserted by Plaintiffs and intends to assert all defenses and counter-claims. Detrex is confident that it will prevail in this lawsuit.

On June 18, 2013, Detrex, ELT and CDC entered into an Environmental Liabilities Transfer Agreement (the “Agreement”) pursuant to which ELT assumed responsibility for the remediation of environmental conditions at sites formerly owned and/or operated by Detrex and/or its former affiliates in exchange for payments of approximately \$13.7 million. ELT owners Thomas Roberts, Karin Roberts, Michael Roberts and Melody Roberts personally guaranteed ELT’s performance under the Agreement up to \$6 million, and CDC also guaranteed ELT’s performance under the Agreement.

The nature of the Agreement is best described by Randall Jostes, CEO of ELT, in the Spring 2017 edition of Middle Market Growth:

“An ELT provider such as Environmental Liability Transfer, Inc. underwrites and contractually assumes all environmental liabilities at a guaranteed fixed price, which is calculated by combining a variety of factors, including known and potential risks, operational costs, and the fair market value of any real estate assets that may be part of the transaction.

...

ELT’s are a guaranteed fixed price solution: any and all cost overruns to the liability are the sole responsibility of the ELT provider.”

On November 9, 2016, Thomas Roberts and Michael Roberts informed Detrex that ELT’s continued performance of its obligations under the Agreement would result in ELT incurring losses and, accordingly, ELT desired to back out of their obligations under the Agreement. In response to Detrex’s refusal to rescind the Agreement, ELT threatened to stop performing under

the Agreement. In an attempt to preserve its reputation in the market, ELT now asserts that Detrex committed fraud as a pretext for backing out of the Agreement.

Detrex categorically denies all of ELT's allegations and believes this lawsuit is simply an attempt by ELT and its owners to extract themselves from a transaction that is less profitable than anticipated. In the months prior to entering into the Agreement four years ago, ELT conducted extensive due diligence on all the transferred sites and agreed to assume all liability known or unknown, as is customary in these transactions.

"There are no takebacks in environmental liability transfer. This move undermines ELT's core business model and could be a red flag for any deal they've done," said Tom Mark, CEO of Detrex. "ELT was unsuccessful in its attempt to extract itself from its commitments to Detrex and has now resorted to a lawsuit full of restated history and invented facts."

Detrex intends to assert all available counter-claims against, and seek significant damages from, ELT, CDC and the Roberts. Detrex fully expects the Court to enforce ELT's obligations under the Agreement.

The Elco Corporation, the Company's sole operating subsidiary, is not a party to the ELT lawsuit and none of the properties or environmental conditions covered by the Agreement are related to Elco's operations. Elco's performance continues to be strong as noted by Mr. Mark. "Revenues and profitability in the first five months of this year are continuing to surpass last year's performance in the comparable period. The actions we took in 2016 to improve Elco's foundation for growth and to reduce holding company overhead are yielding results."

#### About Detrex Corporation

Founded in 1925, Detrex Corporation through its subsidiary The Elco Corporation is a leading manufacturer of high performance specialty chemicals including additives for industrial petroleum products and high purity hydrochloric acid.

#### Forward Looking Statements

Statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 (the "1995 Act"). The words "believe," "expect," "anticipate," "estimate," "guidance," "target" and similar expressions identify forward-looking statements. The Company cautions readers that forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially from those projected in the forward-looking statements. Certain risks and uncertainties are identified from time to time in the Company's reports. Some factors that could cause results to differ materially from those projected in the forward-looking statements include: market conditions, environmental remediation costs, pension expense and funding requirements, liquidation value of assets, and marketability of real estate and the market value and future liquidity of Detrex stock. The Company claims the protection of the safe harbor for forward-looking statements contained in the 1995 Act.