

Scott Group Acquires Hokanson Carpets, Expands Product Offerings and Adds Employees, Showrooms

Written by Australian Business

GRAND RAPIDS, MI, September 19, 2014 **/24-7PressRelease/** -- In a transaction designed to accelerate growth, Michigan-based Scott Group Custom Carpets, LLC has acquired Texas-based Hokanson Carpets, Inc.

The acquisition will allow Scott Group, which focuses on designing and producing luxury carpets and rugs for the private aviation and architectural-design markets, to expand its geographical footprint and to move aggressively into the residential design sector. Hokanson concentrates on designing and producing custom rugs and carpets for prestigious residences around the world.

Hokanson Carpets, which operates six showrooms in major cities across the United States, will strengthen the U.S. presence of the Scott Group in Los Angeles, New York, Chicago and Dallas and expand it by establishing a presence in Houston and Boston. Additionally, Scott Group has representation in the United Kingdom and Europe and operates a design and production facility in Grand Rapids, which features a state-of-the-art dye operation and mill where all its products are produced.

Eighteen Hokanson employees, including account executives and designers will also join the Scott Group team, which has added 20 new employees during 2014 and plans to add another 20 in the coming months to meet increasing customer demand. Terms of the transaction were not disclosed.

"We have long been admirers of Larry Hokanson and his company and believe that by coming together, we can lead the industry by providing an incredibly broad array of products for the interior design and architectural community," said Michael Ruggeri, president and CEO of Scott Group. "In addition to an expanded geographic presence, the markets and products of strength for each company are highly complementary, which makes the partnership that much more ideal.

"Our brands align, as do our visions, which will facilitate integration of our teams and our business practices. Scott Group will continue to produce all our products in our Grand Rapids, Michigan facility, while the Hokanson brand will continue globally sourcing its products. Together, we will be able to offer exceptional quality and unparalleled customer service."

Founded in Houston in 1987 by Larry Hokanson, Hokanson Carpets specializes in traditional designs for the residential market that reinterpret the lessons of decorative history. The company works in exotic yarns to produce sophisticated designs in unexpected combinations of

textures and fibers.

Some of the most important rug and carpet projects in the United States, Europe, the Middle East, Australia and Asia have Hokanson rugs complementing the decor. Leading projects include the restoration of the Russian Royal Palaces in St. Petersburg, the office of Canada's Speaker of the House and the Burj Khalifa - the world's tallest building - in Dubai.

"I am very energized about this next phase for Hokanson and am equally excited to be joining the leadership team of Scott Group," Larry Hokanson explained. "I started Hokanson nearly 30 years ago with a vision of becoming the premier provider of custom rugs and carpets to interior designers and architects.

"By joining forces with Scott Group, we will be able to complete that vision as this enables us to become a truly global brand, offering the finest in luxury rugs and carpets with the unique advantage of a domestic manufacturing center in Michigan."

Founded in 1969, Scott Group uses the world's finest natural fibers to design and produce luxury carpets and rugs for private aircraft, luxury yachts, high-end residential homes, commercial venues and the hospitality industry. The company moved to Grand Rapids in 1982, establishing one of the only domestic design and production facilities in the country. It was purchased in 1997 by its current senior leadership team, Michael Ruggeri and Tim Hill in Grand Rapids and Rich Ruggeri in Dallas.

Today, Scott Group has 200+ employees who work in its Grand Rapids headquarters and in showrooms in Chicago, Dallas, Los Angeles, New York and Scottsdale, Ariz. Scott Group carpets can be found in the finest private aircraft, luxury retail stores, corporate offices, yachts and residences in the world including the State Dining Room and Oval Office in the White House.

Sustainability is important to Scott Group, which has invested significantly in materials and production processes to enable its customers to secure LEED certification. Customers can receive LEED credits based on renewability of resources used by Scott Group, impact of reduced transportation and improved indoor air quality through low-emitting products.

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The acquisition of Hokanson is consistent with Scott Group's mission to deliver a broader set of products to its current customer base and to expand its markets of focus. Ruggeri and his leadership team continue to evaluate opportunities to add to its portfolio of brands through acquisitions or joint ventures.

"Together, Scott Group and Hokanson comprise the largest U.S. provider of luxury handmade rugs and carpets," Ruggeri added. "Scott Group is poised to continue expanding and will aggressively pursue other future opportunities that enhance value for our world-class client base."

About Scott Group Founded in 1969, Scott Group Custom Carpets is an industry leader in the design and production of custom carpets and rugs to the architectural design trade. Using the world's finest natural fibers, Scott Group combines creativity and meticulous craftsmanship in the design and production of luxury carpets and rugs. Scott Group owns and operates a fully integrated manufacturing facility in Grand Rapids, Michigan with 14 artists and a total staff of 200 employees. Unique in its approach, Scott Group's design team works hand in hand with artisans on a daily basis to ensure the end product meets or exceeds the customer's expectations. For more information, visit <http://www.scottgroup.com>.

About Hokanson Founded in Houston in 1987 by Larry Hokanson, Hokanson Carpets specializes in ornate, traditional designs that reinterpret the lessons of decorative history. Based in Houston, the company works in exotic yarns to produce sophisticated designs in unexpected combinations of textures and fibers. Its products can be found in residences in the United States, Europe, the Middle East, Australia and Asia. Hokanson has an in-house team of artists who work with clients to translate their visions into beautifully designed carpets and rugs. For more information, visit <http://www.hokansoncarpet.com>.