

## **Westech Capital Corp. Announces \$8.475 Million Capital Raise**

AUSTIN, TX – September 23, 2011 – Westech Capital Corp. (WTEC:PK), parent company to Tejas Securities Group, Inc. (“Tejas”), today announced the completion of the sale of \$8,475,000 of Series A Preferred Stock (the “Series A Shares”). The funds will be used to expand the firm’s capital and product offerings. Lead investors in the financing include John J. Gorman IV, current Chairman of Westech, and James B. Fellus, an experienced Wall Street executive, who will be joining Westech as CEO. In conjunction with the announcement, Mr. Fellus noted “I am very excited to join the senior management team and I believe there is a tremendous opportunity to expand the Company’s services in sales, trading and investment banking.”

As part of the new capitalization, Westech announced additional changes in its executive team. Specifically, Robert Halder, currently Director of Analytics at Tejas, will now also assume the role of President of Westech. Mr. Halder added “This transaction helps to give us the resources we need to execute on our growth strategy, expanding the platform with both capital and key personnel.” Mr. Gorman, who will remain as Chairman, commented “We are extremely pleased to complete this transaction under these market conditions. We have assembled an extraordinary team of experienced and talented industry executives and professionals and look forward to leveraging our combined strengths to create significant long term shareholder value.”

Under the terms of the Series A Shares, a cumulative dividend will be paid at 7% per annum of the purchase price, as and when declared by the Board of Directors of Westech. The 339 Series A Shares which were purchased at a price of \$25,000 per share shall be convertible into a total of 8,475,000 shares of common stock of Westech at any time at the option of each holder. The Series A Shares shall automatically convert into shares of Common Stock, and the Company shall cause a sufficient number of its shares of Common Stock to be registered sufficient for such conversion upon (i) the registration with the Securities and Exchange Commission of the shares of the Company’s common stock into which the shares of Series A Shares shall be convertible, pursuant to the Securities Exchange Act of 1934, as amended; and (ii) twenty consecutive trading days of the common stock of the Company trading at a price per share of at least Three Dollars (\$3.00).

The Company’s Board of Directors approved the sale of the Series A Shares after receiving an opinion from a third party investment banking firm that the transaction involving the sale of Series A Shares was fair from a financial point of view to the holders of the Company’s common stock. The sale of the Series A Shares was also approved by the holders of a majority of the Company’s outstanding shares of common stock who did not purchase Series A Shares.

### Company Information

Westech Capital Corp., formerly Tejas Incorporated, is a financial services holding company. Its primary business operating subsidiary is Tejas Securities Group, Inc. Tejas Securities Group, Inc. is a full service, independent Broker-Dealer founded in 1994 with offices in Austin, TX, New York City, N.Y., Chicago, IL and Los Angeles, CA. The Company offers brokerage and investment banking services to a wide range of clients. The Company’s core services include (i)

analysis of distressed and high yield corporate debt, high yield municipal bonds, mortgage-backed securities and special situation securities, (ii) trading and other brokerage services to value-based institutional and retail investors active in fixed income and equity instruments, and (iii) corporate finance and strategic advisory services to middle-market companies within the Company's target industries. To learn more about Tejas Securities Group, Inc., please visit its web site at <http://www.tejassec.com>.

#### Safe Harbor Statement

This press release contains forward-looking statements within the meaning of federal securities laws. Actual results are subject to risks and uncertainties, including both those specific to the Company and those specific to the industry, which could cause results to differ materially from those contemplated. The risks and uncertainties include, but are not limited to, general economic conditions, actions of competitors, changes in legislation, and technology changes. Undue reliance should not be placed on the forward-looking statements, which speak only as of the date of this press release. There are many important factors beyond the control of the Company's management that could cause actual results to differ materially from such forward-looking statements. The Company does not undertake any obligation to publicly update any forward-looking statements.

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