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PUBLIC RELATIONS, INC.



NEW YORK POST

December 2, 2016

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nypost.com

New York Post, Friday, December 2, 2016



RON BURKLE
Closes \$805M deal.

Burkle bagging Morgans

By JOSH KOSMAN

Ron Burkle and two other investors finally closed on their deal to buy Morgans Hotel Group after a three-year battle.

Burkle's Yucaipa Cos., along with Sam Nazarian's SBE Entertainment and Cain Hoy Enterprises, closed the deal for the boutique hotel group Wednesday morning for \$2.25 a share, or \$805 million, the parties confirmed.

Yucaipa and financier Cain Hoy Enterprises split a 50 percent stake, with SBE Entertainment retaining the other half.

The expanded company will have a portfolio of 22 hotels including the Delano and Mondrian brands.

Yucaipa and Cain Hoy will also own \$150 million of preferred shares in the new combined company.

Burkle's interest in Morgans dates back to 2009, when his Yucaipa Cos. lent \$75 million to a desperate Morgans during the financial crisis.

In November 2013, Burkle bid \$8 a share for the chain.

Morgans rejected the bid, but as its business eroded, Burkle was able to grab it for less.

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