

Hospitality Group Of The Year: Proskauer

By **Shayna Posses**

Law360 (February 26, 2019, 11:54 AM EST) -- Proskauer Rose LLP guided longtime client AccorHotels through sizable deals, like its roughly \$320 million investment in SBE Entertainment Group, and advised on an \$850 million agreement to sell a New York City-area casino and raceway to MGM Resorts International, earning it a spot among Law360's Hospitality Groups of the Year.

Having handled hospitality matters for upwards of 30 years, the firm has a deep understanding of the legal issues at play, but what really distinguishes the team is how plugged in to the industry the lawyers are, partner Joanne Owen said. Hospitality is an operational sector where business issues are critical, and Proskauer's attorneys are on top of them, she said.

"There isn't much that we haven't seen — we've done the novel, we've done the complex, we've handled the strategic, we've helped put deals together, we've helped introduce people," she said. "These are the things that happen when you're deeply entwined in the industry."

The result is a team that has a real impact in the industry and client relationships that span decades, said Jeffrey A. Horwitz, who co-heads Proskauer's private equity real estate practice and runs its lodging and gaming group.

One example is Paris-based AccorHotels, which has called on Proskauer's services for more than 20 years on transactions totaling about \$10 billion, according to the firm.

"Our relationship with Accor is something we're very proud of," Horwitz said. "We do virtually all of their work in the U.S., Latin America and Asia."

Last year was no exception to the firm's prolific relationship with the global hospitality company, with the Proskauer team guiding AccorHotels through a number of important transactions, including its investment in New York-based SBE.

AccorHotels announced in June that it was paying roughly \$320 million for a 50 percent stake in SBE, allowing the French company to expand its presence in North American cities like Los Angeles, Miami



and New York with iconic hotels, according to Proskauer.

The firm also advised the Parisian hotel giant on its \$51 million acquisition of an 85 percent stake in Louisville, Kentucky-based 21c Museum Hotels. Announced in July, the transaction gave AccorHotels a majority stake in 21c, which operates boutique hotels featuring contemporary art museums and "chef-driven" restaurants, according to a news release from the time.

Another notable hotel-related representation was Proskauer's work for Formosa International Hotels Corp. on the Taiwan-based international luxury hospitality group's \$39 million sale of a 51 percent stake in Regent Hotels & Resorts to InterContinental Hotels Group.

The transaction also included an option for the sale of the remaining 49 percent for an amount that IHG has projected won't surpass \$100 million, according to Proskauer.

A March announcement said IHG intends to grow Regent from six hotels to more than 40 in "key global gateway cities and resort locations." However, one of the key motivators for the transaction was the opportunity to convert the InterContinental Hong Kong back to a Regent hotel, the Proskauer news release said.

The classic Hong Kong hotel was opened as a Regent in 1980 and rebranded as the InterContinental Hong Kong in 2001, the announcement noted. But to this day, if a passenger gets in a taxi in Hong Kong and asks for the Regent, the driver will know exactly where to go, said Yuval Tal, the head of Proskauer's Hong Kong and Beijing offices.

The hotel has long been a "symbol of luxury in Asia," so helping return the property to its roots made for a "historical deal," the attorney said.

The firm was also involved in helping unique properties change hands domestically last year, including advising the owners of the Empire City Casino on the sale of the facility to MGM for \$850 million in cash and stock.

The casino and raceway, one of only two gaming facilities licensed to serve the New York City metropolitan area, had been family-owned for nearly five decades prior to the deal, according to a May announcement of the transaction.

Proskauer's ability to handle complicated deals all over the world is a hallmark of the hospitality group, Tal said, noting that the attorneys worked on transactions in five continents last year and are continuing to expand to keep up with the growing industry.

That's all possible because of the strength of the team, Horwitz said. The group spans from New York and Los Angeles to London and Asia, with lots of different people pitching in, all with their own specialties, he noted. Yet, he said, they're pretty seamless.

"Not only does that mean we can expand and do a lot of transactions despite our size, but we also do them at a high level," Horwitz said. "Ultimately, the real key is the team."

--Additional reporting by Joyce Hanson, Sophia Morris, Andrew McIntyre and Benjamin Horney. Editing by Alyssa Miller. All Content © 2003-2019, Portfolio Media, Inc.