
Hughes Hubbard & Reed

Firm Advises MSG in Purchase of Majority Stake in Tao Group

News & Events

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February 10, 2017 — Hughes Hubbard served as legal counsel to Madison Square Garden in its \$181 million acquisition of a majority stake in nightclub operator Tao Group.

The partnership, announced on Feb. 1, will further strengthen MSG's portfolio of live entertainment offerings and provide new growth opportunities. HHR previously advised MSG in its purchase of a controlling interest in Boston Calling Events in 2016 and the purchase of a 50 percent stake in Robert DeNiro's Tribeca Enterprises in 2014.

Under the terms of the deal, MSG will acquire 62.5 percent of the common equity in Tao Group, which operates 19 entertainment dining and nightlife venues in New York City, Las Vegas and Sydney, Australia. Tao Group will retain a 37.5 percent interest in the newly formed company and will continue to manage the day-to-day operations of the company's venues, which include globally recognized brands like Tao, Marquee, Lavo, Avenue, The Stanton Social, Beauty & Essex and Vandal.

"TAO Group is a unique and attractive business that furthers our focus on the 'live experience' while also exposing us to new areas of growth," said James Dolan, executive chairman of The Madison Square Garden Company. "We now have a tremendous opportunity to utilize that expertise across our live offerings, while leveraging each other's strengths to drive value and growth for both businesses."

The agreement also includes a potential earn-out of up to \$25.5 million, contingent on Tao Group's performance.

MSG's offerings include iconic venues (New York's Madison Square Garden, Radio City Music Hall), legendary sports teams (the New York Knicks and the New York Rangers) and original productions (the Christmas Spectacular starring the Radio City Rockettes).

The deal made headlines in The Deal Pipeline, Law360, the New York Post and other news outlets.

Ken Lefkowitz and Michael Traube led the team, which included Chuck Samuelson, Steve Greene, Andy

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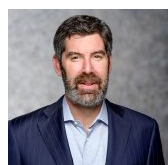
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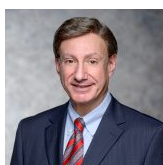
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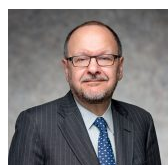
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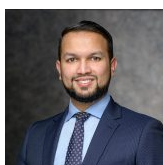
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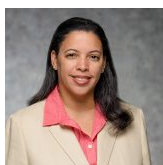
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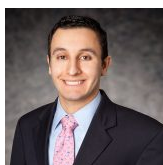
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