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Firm Assists JD Sports in Purchase of Shoe Palace and Nice Kicks

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December 15, 2020 — HHR served as lead legal advisor to British sports and fashion retailer JD Sports Fashion in its acquisition of U.S. athletic shoe retailers Shoe Palace and Nice Kicks.

JD announced on Dec. 14 that it has acquired 100 percent of both Shoe Palace and Nice Kicks against \$325 million in cash, subject to escrows, holdback and customary cash/debt and working capital adjustments. Shoe Palace and Nice Kicks are operated by four brothers from the Mersho family who, in addition to the cash consideration, will be issued equity in the combined business valued at approximately \$356 million.

The acquisition significantly expands JD Sports' presence in the U.S. and strengthens its connection with Hispanic consumers who represent a significant proportion of Shoe Palace's customer base.

"We are delighted to have completed the acquisition of Shoe Palace," said Peter Cowgill, executive chairman of JD Sports Fashion. "We are confident that our combined fascias will provide us with the flexibility and expertise to fulfil our mutual ambition of becoming the No. 1 customer destination for sneakers and lifestyle apparel in the United States."

JD Sports was founded in the U.K. in 1981 and has since expanded throughout Europe and beyond, becoming one of the world's leading retailers of sports and fashion brands. It now has over 2,440 stores in 19 countries. HHR previously advised JD Sports in its public takeover of Finish Line in 2018.

Based in San Jose, Calif., Shoe Palace was established in 1993 by the Mersho family and has over 160 stores. More than half of the stores are located in California, with the others in Texas, Nevada, Arizona, Florida, Colorado, New Mexico and Hawaii.

The acquisition made headlines in Reuters, Financial Times, The Deal and other news sources.

Ken Lefkowitz and Gerold Niggemann led the HHR team, which also included Andy Braiterman, Jerry Harrison, Matt Syrkin, Robert Bell, Rita Haeusler, Robb Patryk, Jim Delaney, Carol Remy, Samuel Hurt, Nitzan Weizmann, Kristin Millay, Justin Cohen, Andrew Herman, Robby Naoufal and Barbara Champoux.

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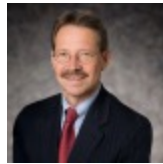
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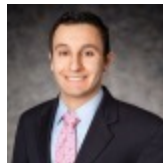
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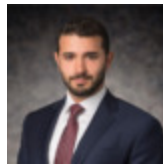
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