

NorthStar to Pay \$3.4 Billion for Griffin-American



Courtesy of Griffin Capital Securities, Inc. The Centre Medical Plaza in Chula Vista, California, is one of Griffin-American Healthcare's many properties.

NorthStar Realty Finance Corp. said on Tuesday it would acquire Griffin-American Healthcare REIT II Inc. for about [\\$3.4 billion in cash and stock](#). The deal would enlarge NorthStar's investment in the health care real estate sector.

As part of the agreement, NorthStar would pay Griffin-American stockholders \$7.75 per share in cash and \$3.75 per share in NorthStar stock in exchange for each Griffin-American share. NorthStar would also assume \$600 million in Griffin-American debt.

The deal is subject to NorthStar and Griffin-American shareholder approval, as well as customary closing conditions. It is expected to close in the fourth quarter of 2014.

Paul, Weiss, Rifkind, Wharton & Garrison provided legal advice to NorthStar while Latham & Watkins, McGuireWoods and Morris, Manning & Martin acted as counsel to Griffin-American. Gibson, Dunn & Crutcher represented North Star's financial adviser UBS while Skadden, Arps, Slate, Meagher & Flom assisted Column Financial Inc., the real estate financing arm of Credit Suisse AG, in connection with commercial mortgage-backed securities financing for the deal.

NorthStar has been strengthening its foothold in health care real estate recently. [In March](#), it paid \$1.1 billion to buy 43 senior housing and 37 skilled-nursing facilities from Formation Capital and Safanad Limited. Griffin American's U.S. and UK medical office buildings and senior housing facilities will further expand and diversify the company's assets.

"This acquisition represents a highly desirable portfolio of health-care real estate assets, which creates the framework for substantial multiple expansion and provides NorthStar Realty an exciting opportunity to unlock asset

and platform value through future transactions,” David Hamamoto, New York-based NorthStar’s chairman and chief executive officer, said in a statement.

According to [The Wall Street Journal](#), NorthStar defeated other three bidders for Griffin-American.

NorthStar turned to Paul Weiss for legal advice on the deal. The team included corporate partners Bob Schumer and Bruce Gutenplan, real estate partners Harris Freidus and Salvatore Gogliormella and tax partner Scott Sontag. Also on the deal were counsel Joel Karansky and associates Danielle Ash, Joseph Christensen and Barry Langman.

Latham & Watkins advised Griffin-American with a team consisting of M&A partners Charles Ruck, Bradley Helms, Julian Kleindorfer and William Cernius; finance partners David Teh, Loren Finegold and David Broderick; corporate partner Wesley Holmes; compliance partner Michele Johnson and tax partner Ana O’Brien.

Also advising were counsel David Wheeler and associates Emily Corbi, Helen Kim, Matthew Lukacs, Shi Su and Albert Yeh.

McGuireWoods’ team for Griffin-American was led by M&A partners Andrew Cataldo, Clifford Cutchins and Fred Isaf, corporate practices partner Cecil Martin, business and securities litigation partner Bill Boland and securities partner David Robertson.

Morris Manning’s team for Griffin-American was made up of real estate capital markets practice partner Lauren Prevost and tax partner Gerald Thomas with assistance from associates Sarah Fritsch and Bradley Kay.

Morris Manning said it does corporate and security compliance on a regular basis for Griffin-American.

Gibson, Dunn advised North Star’s financial adviser UBS. The team is comprised of corporate partners Eduardo Gallardo and corporate associate Andrew Kaplan.

Skadden offered Column Financial Inc. legal counsel with a team led by real estate partners Evan Levy and Harvey Uris and assistance from associates Rebecca Marcucci and Melissa Goldberg.

Skadden advised on another REIT deal announced last week, representing Little Rock, Ark-based telecom [Windstream](#) in its spinoff of parts of its telecommunications network into a publicly traded REIT.

Skadden’s team on that deal included tax partners David Polster, Pamela Endreny, Matthew Rosen and Fred Goldberg, real estate partner Evan Levy, corporate transaction partner Robert Pincus and corporate finance partner Richard Aftanas. Serving as counsel on the team were David Almroth, Joshua Kaufman and Michael Bergmann.

Skadden also represented Windstream on its \$1.1 billion acquisition of [Iowa Telecom](#) in 2009 and its \$2.3 billion purchase of [Paetec](#) in 2011.