

## NewsRoom

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Investment firm objects to O.C. company's deal

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Hudson Bay Capital Management has taken a stake in nursing home owner Sabra Health Care REIT Inc. and is urging shareholders to vote against a proposed takeover of Care Capital Properties Inc.

"We are being asked to approve a transaction that has caused a massive decline in Sabra's stock price and trading multiples," Hudson Bay Chief Executive Officer Sander Gerber wrote to Sabra shareholders in a letter Thursday. The New York-based hedge fund said it owns about 3.2 percent of Sabra's shares, making it the sixth largest holder in the company, according to data compiled by Bloomberg.

Irvine-based Sabra's shares have tumbled more than 13 percent since announcing the all-stock deal to acquire Care Capital in May. Care Capital fell 4.7 percent over the same period, erasing the initial gains after the deal was disclosed. The Dow Jones Equity REIT Total Return Index gained 1.3 percent during that time.

Care Capital was unchanged at \$25.54 after rising as much as 1 percent Thursday. Sabra shares rose as much as 2.8 percent, before closing up 0.4 percent at \$23.08.

Sabra Chief Executive Officer and Chairman Richard Matros defended the Care Capital deal, saying it would give the combined company access to a much larger credit facility that would make it more competitive on future acquisitions.

"We think this is a terrific deal for our shareholders," Matros told Bloomberg. "It gives us scale, diversity, lowers our cost of capital and it broadens our tenant base, which is actually a huge issue."

A representative for Chicago-based Care Capital didn't respond to requests for comment.

Sabra's management team would lead the combined company, which would have an equity market value of about \$4.3 billion and keep the Sabra name, according to the May merger announcement. Sabra is a real estate investment trust that owns nursing homes, assisted-living facilities and rehabilitation and independent-living centers. Care Capital acquires and leases skilled nursing facilities and other health care properties.

Santa Ana-based cable maker sold

Santa Ana-based Cable Exchange has been purchased by CommScope Holding Co. Terms of the deal announced Wednesday were not disclosed.

North Carolina-based CommScope works on infrastructure solutions for communications networks.

Cable Exchange makes fiber optic and copper cables and related products that are used in data centers. The company, which was founded in 1986, has 200 employees in North Carolina and California.

"We are pleased to further expand our capabilities in the data center market," said Eddie Edwards, CommScope president and chief executive officer, in a statement.

Cable Exchange's employees and leadership team will join CommScope. It will operate as a stand-alone business.

The acquisition is subject to regulatory approval.

When asked if there would be any layoffs as a result, CommScope said: "The purpose of the acquisition is to enhance growth opportunities in the growing data center market. As always, we intend to adjust our business to meet customer demand. We believe the people, products and performance of Cable Exchange are a great match for CommScope."

# Hannah Madans

Uber drivers win round over classification

Uber drivers have won a tentative victory in their long-running legal battle to be classified as employees rather than independent contractors.

A federal court in North Carolina gave conditional certification on Wednesday to a class-action lawsuit by several Uber drivers that was brought under the Fair Labor Standards Act. The plaintiffs can now seek out the approximately 18,000 drivers who opted out of arbitration in their contracts with Uber and are thus eligible to join the case. Uber has more than 600,000 U.S. drivers.

"The ruling today is going to allow drivers across the country to band together to challenge Uber's misclassification of them," said Paul B. Maslo, a lawyer for the plaintiffs. "They are employees and should be getting minimum wage and overtime as required by federal law."

Jerry H. Walters Jr., a lawyer for Uber, declined to comment. Uber said in a statement that it was "disappointed with this decision, particularly because a U.S. District Court recently denied conditional certification in another case;" that ruling was in Florida.

Almost from the beginning of Uber's rise as an alternative to traditional taxis, the role of its drivers has been contentious. Many felt they were captive to Uber's rules and demands and should thus be accorded the protections and benefits of traditional employees. Uber has always challenged that notion.

Investment group buys Chicago paper

For two months, Chicago's status as a true two-newspaper town seemed tenuous. No longer.

On Thursday, an investment group led by businessman Edwin Eisendrath and the Chicago Federation of Labor announced that it had acquired the Chicago Sun-Times, stymieing a bid by newspaper publisher Tronc (which owns the Chicago Tribune, the Los Angeles Times and other papers) and its chairman, a former majority owner of the Sun-Times.

"When the big guy decided to eat the little guy, this group of people stood up and said, #No more,# " Eisendrath said.

Eisendrath's group, which also includes private investors, acquired the Sun-Times and the Chicago Reader, a free weekly paper, from Wrapports Holdings. Terms of the deal were not disclosed, but a person with knowledge of it said the purchase price was \$1, The New York Times reported. The group also secured more than \$11 million to fund the newspaper's operations.

When Tronc announced its deal to buy the Sun-Times, the company said it would continue to operate the newspaper as an independent newsroom. But the possibility that Tronc might own two newspapers in Chicago concerned some in the city, including Eisendrath.

Credit:

---- **Index References** ----

Company: BAY CAPITAL MANAGEMENT; CARE CAPITAL PROPERTIES INC; CHICAGO READER INC; CHICAGO SUN TIMES INC; COMMSCOPE HOLDING CO INC; DAEMYEONG O&C CO LTD; SABRA HEALTH CARE REIT INC; SUN TIMES DISTRIBUTION SYSTEMS INC; UBER TECHNOLOGIES INC; WRAPPORTS LLC; TRONC INC

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