RETAIL

Saks parent Hudson's Bay Co. postpones Dec. 17 shareholder meeting in continuing saga to take company private

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Fireworks display as Saks unveils holiday windows and lighting at its Fifth Avenue flagship store in New York. Image credit: Saks Fifth Avenue

By STAFF REPORTS

Saks Fifth Avenue owner Hudson's Bay Co. has put off its special for Dec. 17 that was called by a group of shareholders including the top management to take the company private.

The announcement, made today, can mean one thing that was alluded to by sources in a *WWD* article: that HBC executive chairman Richard Baker and his Rupert Acquisition LLC consortium owning 57 percent could not convince most of the remaining minority shareholders to accept the go-private offer for HBC.

"The company intends to schedule a new date for the postponed special meeting of shareholders as soon as practicable, and to provide shareholders with an amended management information circular that will contain additional information that the Ontario Securities Commission requires to be included in the circular," HBC said in a statement.

"The amended management information circular will also contain information on amended dates for proper submission of proxy voting instructions and dissent elections."

Baying for blood

Rupert Acquisition offered $10.30 (Canadian) per share for the remaining 43 percent of the stock it did not own.

But activist shareholder Land & Buildings and Catalyst Capital Group, a Canadian investor in distressed debt and a minority shareholder in HBC, deemed the Baker-led bid's terms as too low.

Catalyst came up with its own rival offer of $11 (Canadian) per share for HBC, which the Baker-led group asked shareholders to vote against.

The battle for control of HBC escalated Dec. 3 after current management sent a letter to a special committee to reject an all-cash offer from Catalyst that values the company at around $1.5 billion.

Led Mr. Baker, the group that owns 57 percent of the outstanding common shares of HBC, told shareholders they had a choice to make: accept the all-cash offer from Catalyst or remain invested in HBC as a public company.

Catalyst, which owns 17.5 percent of HBC equity, has made its own unsolicited offer for the 349-year-old company that owns Saks Fifth Avenue, Saks Off 5th and Hudson's Bay (see story).

Now, with the Dec. 17 meeting called off, it seems that Mr. Baker is facing the same hurdles that the Nordstrom family faced recently after being rebuffed from taking the Nordstrom department store private.

DEPARTMENT STORES in North America are facing competition from luxury brands with their monobrand stores and ecommerce players.

Neiman Marcus, Nordstrom and Bloomingdale's parent Macy's Inc. have all faced issues with falling foot traffic to stores, although, to their credit, they are investing in both the bricks-and-mortar and online experiences.

HBC has retained Saks and its off-price chain, Saks Off 5th, as well as Hudson's Bay in Canada. But the company divested itself of Lord & Taylor and Gilt Groupe.