Proskauer

Proskauer Represents Hoteles City Express in its Strategic Relationship and Sale of Brands to Marriott International, Inc.

October 19, 2022

NEW YORK, October 19, 2022 – Proskauer, a leading international law firm, announced today that it represented Hoteles City Express, S.A.B. de C.V. (BMV: HCITY) (Hoteles City), one of the leading hotel chains in Mexico in the select-service segment, and its operating affiliate, Operadora de Hoteles City Express (Operadora), in entering into a strategic relationship with Marriott International, Inc. and the sale of five brands – City Express, City Express Plus, City Express Suites, City Express Junior and City Centro – to Marriott International, Inc., the world's largest hotel company, for $100 million. The sale included associated trademarks, domains and related intellectual property as well as the City Premios Rewards loyalty program and other assets and liabilities related to the brands.

As part of the transaction, all leased and wholly owned hotels will enter into long-term franchise agreements with Marriott. All franchise contracts of co-invested, franchised and managed properties will be assigned to Marriott with the opportunity to sign a new agreement. Hoteles City and Operadora will retain all management agreements, development activities and ownership of hotels (wholly owned, co-owned and leased).

The transaction forms a strategic partnership between Hoteles City and Marriott and will allow the companies to expand and strengthen the distribution of the City Express brands in Latin America, the Caribbean and North America. Additionally, Operadora will become an approved operator, developer, project manager and construction supervisor in Latin America and the Caribbean for future properties with respect to the City Express brands and other Marriott select service brands.

Founded 20 years ago, the City Express portfolio is currently comprised of 152 hotels, including 17,356 rooms across 75 cities in Mexico and three additional countries in Latin America.

The Proskauer team was led by partners Jeff Horwitz and Yuval Tal and included senior hospitality consultant Cynthia Cheng, associates Lara Miller, Laura Addicott and Jason Finger (M&A/PERE); partner Stuart Rosow and associate Sean Webb (Tax); and partner Wai Choy (IP).

Galicia Abogados, S.C., provided advice on Mexican law. Morgan Stanley & Co. LLC acted as exclusive financial adviser to Hoteles City.

About Proskauer

We are 800+ lawyers serving clients from 12 offices located in the leading financial and business centers in the Americas, Europe and Asia. The world's leading organizations, companies and corporations choose us to be their representatives in their most critical situations. But more, they consider Proskauer a strategic partner to drive their business forward. We work with asset managers, major sports leagues, Fortune 500 companies, entertainment industry legends and other industry-redefining companies.

Over the past two years, our PERE and M&A teams have advised on some of the most complex transactions across a range of industries. Recent representations include representing the Patrick D. Bowlen Trust and related entities in the $4.65 billion sale of the Denver Broncos to the Walton-Penner family; advising long-time client Stamps.com in its $6.6 billion acquisition by leading software investment firm, Thoma Bravo; representing Accor in continuing to build its Ennismore lifestyle platform (to include Rixos and Paris Society) and sell a 10.8% stake to a consortium led by Qatar First Bank; representing Morgan Stanley & Co. LLC in its role as financial adviser to Watermark Lodging Trust in its sale to Brookfield Asset Management for $3.8 billion; and counseling Grifols and its affiliate Biomat in a $1 billion investment by the Singaporean Sovereign Wealth Fund GIC.

Related Professionals

- **Jeffrey A. Horwitz**
  Partner
- **Yuval Tal**
  Partner
- **Cynthia Cheng**

Local Partner

- **Laura A. Addicott**
  Associate
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- **Sean Webb**
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