Chelsea FC sale: US investor Clearlake to own 50% stake if Boehly wins auction

A Californian investment firm would become the largest shareholder in Chelsea FC if a consortium spearheaded by a part-owner of the LA Dodgers baseball team wins the battle to buy the Stamford Bridge club.

Sky News has learnt that **Clearlake Capital** would own 50% of Chelsea's shares under a bid proposal to be submitted later on Thursday by Todd Boehly.

A source close to the situation said that Mr Boehly himself would own a significant minority stake in the club, with his co-investors Mark Walter, Hansjorg Wyss and the London property developer Jonathan Goldstein also owning minority shareholdings.

However, Mr Boehly would have "operational control" of **Chelsea**, the source added.

They added that all of the consortium members were partners who had worked together "for many years".

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Lord Finkelstein, a Times journalist, and Barbara Charone, a celebrity publicist, would also join Chelsea's board as non-executive directors if the Boehly bid is successful, it emerged last month.

The disclosure that Clearlake – a Santa Monica-based firm which manages $60bn for investors and is variously described as a hedge fund and private equity firm – would be the dominant shareholder in Chelsea if the bid succeeds comes just hours before the four shortlisted parties must table final

proposals.

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Many of the bidders have been amassing new investors in recent

weeks in an attempt to add media, sporting and property expertise as well as new financial muscle.

Sky News revealed this week that Steve Pagliuca, a private equity billionaire, had added the National Basketball Association chairman Larry Tanenbaum to his bid, joining business heavyweights including Bob Iger, the former boss of Walt Disney.

The Chelsea supporters' group which counts former Blues captain John Terry among its founders threw its weight behind Mr Pagliuca's bid on Wednesday.

More than 10,000 Chelsea fans have expressed an interest in owning shares as part of the deal that will see Roman Abramovich replaced as the club's owner.

The deadline for final bids, which are expected to value Chelsea at more than £2.5bn, comes 48 hours after Chelsea were knocked out of the Champions League and three days before the Blues face Crystal Palace in an FA Cup semi-final.

Two of Crystal Palace's minority shareholders, Josh Harris and Dave Blitzer, are part of a consortium bidding for Chelsea spearheaded by Sir Martin Broughton, the former Liverpool FC and British Airways chairman.

Raine Group, the merchant bank overseeing Chelsea's sale, is expected to recommend a preferred offer to the government – which must issue a licence approving the sale – in the coming weeks.

Raine is considering awaiting clearance from the Premier League for all four consortia before presenting a preferred bidder to ministers.

Scrutiny of the four bids by English football's top flight has already got under way after the remaining consortia submitted details of their key investors to Raine nearly two weeks ago.

The Premier League is expected to take the remainder of this month to evaluate those involved in the bids – who include a string of US billionaires and pillars of the British corporate establishment – and its work to approve all four consortia means the process may need to be extended.

The other consortium vying to buy Chelsea is led by the Chicago Cubs-owning Ricketts family, who have teamed up with Cleveland Cavaliers-owner Dan Gilbert and the hedge fund billionaire Ken Griffin.

They have all been told they must provide legal undertakings that they will guarantee at least £1bn of investment in the club's infrastructure, its academy and women's team if they buy it.

The sale process has been complicated by the sanctions against Mr Abramovich but has not inhibited interest from a multitude of billionaires who either control or own stakes in a legion of North American teams spanning baseball, basketball and ice hockey.

The cluster of bidders underlines the extent to which the English Premier League has become a magnet for financiers from across the Atlantic during the past 20 years.

Arsenal, Liverpool and Manchester United have all been acquired by US-based businessmen during that period, and a significant number of other top-flight clubs also have American backing.

Last season's Champions League winners have been thrown into disarray by Russia's war on Ukraine, with Mr Abramovich initially proposing to place the club in the care of its foundation and then formally putting it up for sale.

By the standards of conventional takeover processes, the Chelsea auction has moved at breakneck pace, with executives at other major investment banks suggesting that such a complex

sale would typically have taken at least six months.

Prior to being sanctioned, Mr Abramovich had said he intended to write off a £1.5bn loan to the club and hand the net proceeds from the sale to a new charity that he would set up to benefit the victims of the war in Ukraine.

A rapid sale is seen as essential if Chelsea is to avert the uncertainty that would trigger the break-up of one of the top flight's most valuable playing squads.

Mr Abramovich had initially **slapped a £3bn price tag on the Stamford Bridge outfit**, with the net proceeds being donated to a charitable foundation set up to benefit the victims of the war in Ukraine.