

Preferred Chelsea bidder offers Premier League reassurance over investors

The American investment firm backing the preferred bidder for Chelsea Football Club has provided assurances about the identities of its underlying investors as it tries to win swift approval for the sport's richest-ever takeover deal.

Sky News understands that Clearlake Capital has informed the Premier League and Raine Group, which is running the sale process on behalf of owner Roman Abramovich, that it has no Russian limited partners – a technical name for investors – in any of its funds.

Clearlake, which would put up the majority of the money to fund the takeover, has also provided a guarantee that it does not invest in any Russian entities or companies, according to a person involved in the process.

Sources close to the consortium, which is spearheaded by Todd Boehly, the LA Dodgers part-owner, said it had offered a total price that was slightly higher than the £4.25bn publicly pledged by Sir Jim Ratcliffe, [the chemicals tycoon who tried to gatecrash the auction on Friday](#).

An insider suggested that Sir Jim and his Ineos group would need to table a substantially higher offer in order to persuade Mr Abramovich and his advisers to stand a chance of entering negotiations about a deal.

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The Premier League is said to be “advanced” in its scrutiny of the Clearlake consortium under its Owners And Directors Test, with questions now submitted to the group relating to the final financial structure of the takeover and the precise

stakes that would be owned by each of the investors.

Although the scrutiny remains incomplete, it is thought highly unlikely that the Premier League will object to Mr Boehly's group.

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Clearlake, which has no direct ownership pedigree in major sports assets, would own a majority of the shares in Chelsea, Sky News revealed last week.

The consortium's other members include Hansjorg Wyss, a Swiss billionaire, and Mark Walter, one of Mr Boehly's fellow LA Dodgers shareholders.

The Clearlake-Boehly bid has until the end of this week to finalise the terms of a takeover, with the other shortlisted consortia told to remain on standby in case a transaction cannot be finalised.

The preferred bidder is being advised by Goldman Sachs and Robey Warshaw, where the former chancellor – and Chelsea fan – George Osborne, now works as a partner.



Image:

Ineos boss Sir Jim Ratcliffe made a late offer for the club Chelsea, who lost 1-0 at Everton in the Premier League on Sunday afternoon, have been up for sale since Mr Abramovich was sanctioned by the government in early March.

Government approval will be required to expedite the sale in the form of a special licence to be issued ministers, with Nadine Dorries, the culture secretary, suggesting last week that the Blues were "on borrowed time".

One person close to the process said it was likely that two separate licences would ultimately be issued by the government: one to implement the transaction itself, and the other to release the proceeds of the sale.

Mr Abramovich remains determined to donate at least £2.5bn to a new foundation benefiting war victims, and last week demanded that the remaining bidders for Chelsea increase their offers by at least £500m in order to enable £1bn to be handed to charity on the day the deal completes.

The Russian billionaire also has a £1.54bn loan outstanding to Chelsea's parent company from another entity connected to him, but is no longer able to write off that loan after being sanctioned, Sky News revealed last week.

Ineos's entry into the race to buy last season's Champions League-winners added another layer of drama into arguably the most hotly contested auction in the history of elite sport.

Sir Jim claimed in a statement that his was "a British bid, for a British club", although it neglected to mention that he had quit the UK and now lives in Monaco.

The billionaire, who has declared an allegiance to Manchester United in the past, tabled an offer for Chelsea several years ago, but publicly dismissed the idea when the auction got underway in March, saying it was overvalued.

One insider expressed scepticism about his ability to transact swiftly, given that he had not had access to due diligence materials necessary to complete a deal.

The three final bidders all provided extensive plans for their management of the club and the redevelopment of Stamford Bridge, with numerous real estate advisors engaged to work on the project.

Chelsea's existing operating licence from the government expires at the end of March, with uncertainty over the club's ownership already being blamed for the departure of key players including Antonio Rudiger, the German centre-half.

By clinching preferred bidder status, the Boehly-Clearlake group has committed not to sell a controlling stake in Chelsea for at least a decade.

That guarantee, which is thought to be unprecedented in a football club auction, has been allied with one for minimum further investment of £1bn in its stadium, academy and women's team.

The demands from Raine highlight the unusual nature of the Chelsea sale process at a time when the ownership of English football clubs faces unprecedented scrutiny and government intervention.

Last week, ministers published their response to former sports minister Tracey Crouch's report on football governance, paving the way for the establishment of a new independent regulator for the sport.

Mr Abramovich has owned Chelsea since 2003, and has turned the club into one of the top sides in Europe, with 19 major trophies having been won under him.

The two defeated consortia were headed by Boston Celtics part-owner Steve Pagliuca and Larry Tanenbaum, the NBA chairman and

Toronto Maple Leafs owner; and Sir Martin Broughton, the former British Airways and Liverpool FC chairman, which would have involved Harris Blitzler Sports & Entertainment – owner of a stake in Premier League side Crystal Palace and a string of US sports teams – holding a controlling interest.

A UK-based spokesman for the Clearlake-Boehly consortium declined to comment, while their US colleagues did not respond to requests for comment.

Neither Raine nor the Premier League would comment on Sunday.