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Hunter Bates' humble
beginnings started him on
path to learn, lead | P31

Local private-equity firm has exploded into sports marketing in past year

BY JOHN R. KARMAN III | STAFF WRITER
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With 20 years of experience, Ken Meyerson is one of the most successful tennis agents in the industry. Based in Miami, the veteran player representative counts among his clients U.S. Open champion Justine Henin, the top-ranked women's player in the world, and superstar Andy Roddick, currently ranked No. 5 among men's players. Meyerson has been a partner with some of the country's largest and most profitable sports marketing firms and, most recently, served as president of the tennis-representation division for SFX Sports Group, once one of the biggest aggregations of sports-management companies worldwide.

So why has Meyerson become affiliated with a Louisville-based private-equity firm just making a name for itself on the sports representation scene?

One reason is that he's impressed with the firm's founder, Jonathan Blue.

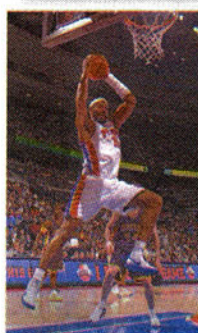
Firm gives agents 'economies of scale'

As part of its entry into the industry last year, Blue's company, Blue Equity LLC, acquired SFX Tennis and, along with it, secured the

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BLUE STREAK

Blue Equity's recent acquisitions mean it now represents NBA players Rasheed Wallace and Brevin Knight, more than 50 NFL players including Reggie Bush, DeAngelo Hall and Muhsin Muhammad, U of L football coach Steve Kragthorpe and former UK basketball coach Tubby Smith.



Blue Equity LLC's roster includes Reggie Bush, Justine Henin and Rasheed Wallace.

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BLUE EQUITY LLC

Major changes planned for Schneider hotels

Executive Inn to close;
Executive West to be rebranded

BY JOHN R. KARMAN III | STAFF WRITER
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The Al J. Schneider Co. has major plans for its two hotel properties located near the Kentucky Exposition Center and Louisville International Airport.

The 472-room Executive Inn, which opened in 1963, will close in December 2008, and the building will be turned over to the Kentucky State Fair Board, which owns the land where the hotel is located.

Harold Workman, president of the Kentucky State Fair Board, said the Executive Inn will be demolished.

The fair board plans to build a 600-room convention hotel at the fairgrounds. Workman said the cost of that project likely will be more than \$100 million.

The Schneider Co. has a lease through 2013 for the Executive Inn property.

Mary Moseley, president of The Schneider Co., said terms of the agreement to turn over the property have not been determined.

As the Executive Inn closes, the 596-room Executive West, which opened in 1975, will be branded as a Crowne Plaza Hotel after a multimillion-dollar renovation.

The Schneider Co., which is owned and operated by heirs of the late developer Al Schneider, approved the plans yesterday, Sept. 27, and will sign a contract with InterContinental Hotels Group PLC, the operator of the Crowne Plaza brand.

The Schneider Co.'s plans were to be considered yesterday by the Kentucky State Fair Board. That meeting was scheduled after Business First's press deadline.

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40U40: Former 40 Under 40 honoree Jonathan Blue is making headlines with his new sports marketing firm. Find out about 2007's honorees in today's special publication. | **INSIDE**



SMALL BUSINESS SNAPSHOT: Bringing administration functions up to speed paid off for Phillip Patterson Painting | P23

SIGN OF THE TIMES: First Residential Mortgage has laid off 30 workers | P4

College Industrial Park sold to Pennsylvania firm for \$21 million

BY JOHN R. KARMAN III | STAFF WRITER
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College Industrial Park, a 48-acre development located on a reconditioned brownfields site just west of the University of Louisville's Belknap Campus, has a new, out-of-town owner with aggressive plans for the local market.

Exeter Property Group LLC, based in Plymouth Meeting, Pa., bought the park in three separate transactions, which closed Sept. 20, according to information on the Jefferson County Clerk's Web site.

Exeter bought the park for \$21.4 million from longtime owner Nationwide Life Insurance Co., based in Columbus, Ohio.

Kevin Shea, an investment officer and principal with Exeter, said College Industrial Park fits well with the newly formed but fast-growing company's strategy to buy distressed or underperforming properties, stabilize them and make them successful.

"College is an opportunity for us to do what we do best," he said.

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Division now employs about 75, including 20 agents, worldwide

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services of Meyerson and Donald Dell, who was one of the world's first sports agents.

Meyerson said the "straightforward" nature of negotiations between Blue and the SFX agents convinced him that Blue Equity was the right place for him to continue his career.

"I found his passion to be sincere," Meyerson said of the 40-year-old Blue, whose firm also owns companies in the real estate, financial-services, and media and publishing fields.

More than a year since joining Blue Equity, Meyerson said he has no regrets.

He continues to work one-on-one with clients from his home base in Miami, while the firm handles many of his back-office responsibilities in Louisville.

"I feel like I'm running my own business, but I feel like I've got economies of scale" because of the association with Blue Equity, said Meyerson, who is president of the firm's tennis division.

Local agency represents NBA, NFL players

That's the idea behind Blue Equity's burgeoning — and as-yet unnamed — sports and entertainment division.

The firm's strategy, Blue said, is to bring top sports agents, events and television properties together under the company umbrella, explore areas for possible collaboration and centralize such functions as accounting, human resources, payroll and billing.

In the past year and a half, Blue Equity has increased its portfolio at a rapid pace, although company officials declined to dis-



Corey Brewer, left, and Joakim Noah, right, stood with Jonathan Blue of Blue Equity LLC at this summer's NBA draft. Brewer and Noah, who played for NCAA tournament champion University of Florida, were represented by Blue Equity LLC.

PHOTO COURTESY | BLUE EQUITY LLC

close revenue figures.

Just prior to its acquisition of SFX Sports' tennis division, Blue Equity bought veteran basketball and football agent Bill Strickland's practice, which included representation for such National Basketball Association players as Rasheed Wallace and Brevin Knight.

Earlier this year, the Louisville company also bought Worldwide Football, the sports-representation firm owned and operated by top National Football League player agent Joel Segal.

With that acquisition, Blue Equity brought about 50 NFL players into the fold, including stars Reggie Bush, DeAngelo Hall and Muhsin Muhammad.

Scattered in between, the Louisville firm bought several smaller companies, including Lexington-based Game Seven Sports Marketing, which represents University of Louisville football coach Steve Kragthorpe and former University of Kentucky and current University of Minnesota basketball coach Tubby Smith.

It also acquired Buenos Aires, Argentina-based sports-management and events company Humarks, which represents Argentinean tennis players.

Checking egos at the door

In building Blue Equity's sports holdings, the plan has not necessarily been to acquire client lists or to look only to the largest companies with the highest revenues, according to Michael Principe, a New York City-based attorney who is chief operating officer of the firm and vice chairman of its sports-properties division.

Rather, the goal is to find people and companies that are a good fit for the firm, he said. "If you have the right people, the clients and the business will follow."

Though that might sound vague, it means, in part, asking people in a very egocentric business to check those egos at the Blue Equity door.

"There are a lot of very strong personalities (in the industry), and we encourage strong personalities," Principe said. "But we look for the right people. We want people who want to win and who zealously represent their clients. We try very hard to manage those strong personalities and avoid situations where they could butt heads."

Offices include New York, L.A., Moscow

As far as properties, Blue Equity owns,

manages and markets a number of events, including Hoop It Up, a three-on-three basketball tournament, and Let It Fly, a four-on-four flag football competition.

It also distributes international television rights for the U.S. Open and the AVP Crocs Tour, a volleyball competition that visited Louisville in May.

All told, Blue Equity's sports and entertainment division now employs about 75 people, about 20 of whom are agents, in 15 offices around the world.

In the United States, the offices are scattered across the country in such sites as New York City, Los Angeles, Denver and Washington, D.C.

Internationally, Blue Equity has offices in Toronto; Moscow; Warsaw, Poland; Tel Aviv, Israel; and Buenos Aires, among other sites.

Big player on draft day

Blue's acquisition strategy calls for the principals of the sports and entertainment companies that his firm buys to remain and maintain their offices in their respective cities.

Both Strickland and Segal, for instance, have long-term employment agreements with Blue Equity.

That paid off mightily for the firm during the April NFL draft, when Segal represented three first-round selections: Levi Brown, LaRon Landry and Craig Davis. He was the only agent to represent two top-10 picks.

At this summer's NBA draft, Joakim Noah and Corey Brewer from the NCAA tournament champion University of Florida were among Blue Equity's clients.

Headlines say 'Louisville'

While that's good for his firm, Blue, an unabashed advocate of his hometown of Louisville, said it also is good for the city.

Each time Blue Equity makes an acquisition or signs a notable player, the headlines say "Louisville company."

"It helps Louisville because it keeps Louisville on the map," Blue said. "The more we do as a firm, the more attention it brings to the city."

He added that the growth of Blue Equity's sports and entertainment division also might result in more

events coming here, particularly when the planned downtown arena is completed and The Gardens is renovated.

Tennis event could be in offing

Blue also sees potential synergies between what he and his Blue Equity staff are doing and the Greater Louisville Sports Commission's mandate to bring events to town that fill area hotel rooms, restaurants and retail shops.

He and Diane McGraw, executive director of the sports commission, worked together to stage the AVP volleyball event and are exploring future collaborations, he said.

McGraw, who has been involved in the sports and entertainment business for more than 25 years in New York City, Los Angeles, Philadelphia and Orlando, Fla., said she has established a rapport with Blue and is a believer in his Blue Equity platform.

"He is going to be very instrumental in helping us bring events to Louisville," McGraw said, adding that she sees many opportunities to bring tennis showcases, in particular, to the city.

Meyerson agreed. He noted that a cur-

BLUE | FROM PRECEDING PAGE

Executive has worked to bring sporting events to Louisville since failed NBA bid

rent Blue Equity property, Rock N Racquets, which combines tennis and music, might be a good fit for Louisville.

Rock N Racquets travels to a different site, usually a midsized city, each year. This year's event is scheduled for Dec. 14 in Omaha, Neb.

"I certainly think that we can bring some tennis to Louisville," Meyerson said. "I like Louisville. I feel like Louisville is the kind of town that is not too big, not too small. It just kind of feels right."

Shooting for the top

Blue's public efforts to bring sporting events

to Louisville began several years ago with a failed bid to coax an NBA franchise here.

Then, in 2004, he helped bring the Mike Tyson-Danny Williams fight to Freedom Hall. With his private-equity firm, Blue said, his goal is to not only create a major national player on the sports management and marketing stage but also to build an elite one.

That's no surprise to McGraw of the Louisville sports commission.

"Jonathan's only going out for the best of the best," she said. "He's such a dynamic person and personality. You really have to be at the top level (to be considered an acquisition target). That's what's going to make him very successful." |