



Gores brothers in Miramax talks, eye Overture-source

By Sue Zeidler

LOS ANGELES, May 25, 2010 (Reuters) - Billionaire brothers Alec and Tom Gores, aiming to establish a big Hollywood presence, are talking with Walt Disney Co. about buying Miramax and are also looking at Liberty Media's Overture Films, said a source familiar with the situation.

The Gores brothers resumed talks for Miramax, the art house studio behind films such as "Pulp Fiction," as Disney's exclusive sale talks with Weinstein Co. and Ron Burkle's Yucaipa fell apart, another source familiar with the situation said.

Liberty was unavailable for comment. Disney declined comment. Officials for the Weinstein Co., Gores brothers and Yucaipa declined to comment.

Before Disney entered into the exclusive window with the Weinstains and Burkle, it had initially received a \$550 million bid from the firms of Alec and Tom Gores, with their brother Sam Gores, head of Paradigm Talent Agency, acting as adviser.

That bid was later raised but it was unclear by how much.

Alec Gores is founder of private equity firm The Gores Group, and

Tom Gores runs Platinum Equity LLC.

"The Gores brothers both specialize in buying broken businesses for a cheap price, fixing them up and then selling them for a tidy profit," said Lloyd Greif, president of Greif & Co, a Los Angeles-based investment bank. "They also love corporate orphans, or assets that are being divested because they're no longer core to the parent company."

That would fit the bill for both Miramax as Disney focuses increasingly on big budget franchise films, and Liberty Media's Overture Films, which produces and distributes niche and independent films like "Brooklyn's Finest" and "The Men Who Stare at Goats."

"Liberty has been seeking options for Overture, including a sale or management buyout, because it doesn't fit with its core business," said Chris Marangi, portfolio manager at Gamco.

Industry experts peg Overture's value at \$300 million.

Hollywood insiders also speculated the Gores brothers through these potential acquisitions may seek to establish an independent film and distribution powerhouse

at a time when that sector faces challenges.

"Perhaps they see an opportunity in this sector now that there's less competition," said Steven Blume, chief operating officer of Content Partners LLC. "They certainly have the financial power to create a new company that could finance and distribute quality product. The business really needs someone like that.

"There aren't many places to go if you are a producer and have a film that doesn't fit into the major studio franchise mold," he added.

The source familiar with the Weinstein/Yucaipa talks said those negotiations stalled after the prospective buyers could not resolve disputes over control of certain assets of Miramax.

The source said he would not rule out discussions resuming between the Weinstains, Yucaipa and Disney.

Burkle's Yucaipa Companies, which has grocery store holdings, and Weinstein Co., run by brothers Bob and Harvey Weinstein, had launched a \$625 million bid for Miramax, which has a library of more than 600 films.