

## Investor wins right to buy \$112M stake in Ring portfolio: sources

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By Adam Pincus



*From left: Frank Ring, 251 Park Avenue South and 212 Fifth Avenue*

Real estate investor Joseph Tabak and his Princeton Holdings won a victory yesterday that gives him the right to invest in a \$112.5 million stake in the underperforming Manhattan Ring family portfolio. A professional arbitrator this afternoon issued a decision siding with Princeton Holdings and partner the Bluestone Group against Michael Ring that forces Ring to sell a stake in a 14-building portfolio to Princeton and Bluestone.

In February 2011, Princeton Holdings and Bluestone signed an agreement to form a joint venture with Ring, and the new company will own Ring's 50 percent share of the office properties.

Ring and his brother Frank have owned the portfolio for nearly 30 years, and have not been able to agree on how to manage the properties, so subsequently the vacancy rates rose, sources said. At one point the properties were threatening to become cash negative, so Michael reached out, in 2011, to the buyers, sources say.

Princeton Holdings began dueling with Michael shortly after the parties signed the February agreement because Ring wanted to back out of the deal, court records say. The agreement allowed Princeton and Bluestone to buy into Ring's 50 percent interest in the properties. Frank and Michael each own 50 percent of all the buildings in a structure known as tenant in common.

Tabak was not available for comment while Bluestone did not respond to a call seeking comment, and Michael and his attorney did not immediately respond to a request for comment.

The largely vacant properties, including office buildings such as 251 Park Avenue South and 212 Fifth Avenue, are concentrated in the nation's tightest commercial office market, Midtown South.

Princeton and Bluestone need to come up with \$65 million in cash to fund their portion of the \$112.5 million, one source said. The balance will be funded by Michael.

The complex deal structures the \$112.5 million as a loan to acquire a 56.25 percent interest in Michael's interest in the properties.

A source familiar with the arbitration said the two sides needed to negotiate the joint venture and will meet again with the arbitrator in 30 days.

Once the joint venture is finalized, Princeton, as the managing partner of the new joint venture, will begin filing lawsuits to get a court-ordered sale of each of the 14 properties, and then take control of them at auction by buying out Frank's portion, court records show.

Extell Development's Gary Barnett used a similar strategy — suing to force out a tenant-in-common owner — to gain full control of 20 West 47th Street in the Diamond District, from the Ring brothers in February 2011.