



Blackwells mulls seeking board changes at Colony

Activist Insight

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Activist investor Blackwells Capital is reportedly considering pushing for board changes at real estate investment trust Colony Capital.

CorpGov reported on Tuesday that Blackwells will likely nominate at least four candidates for election to the board of Colony. The nomination window opens on October 30.

The activist already has three seats on the board, after working with Colony in February to improve its corporate governance, starting with a board refreshment. Colony at the time entered an agreement with Blackwells whereby two new independent directors were immediately appointed to the board. The activist and REIT then agreed on an additional member to join the board later in the year.

A source familiar with the matter told CorpGov on Tuesday that Blackwells intends to continue pressuring Colony to do what is in the best interest of shareholders.

News of the potential board nominations comes weeks after Colony announced the resignation of its CEO, Thomas Barrack, who plans to step down within the next 18 to 24 months.

The leadership transition comes as Colony acquires Digital Bridge Holdings for \$325 million as part of its strategic evolution into becoming "an investment manager of assets, businesses, and investment management products in which the digital and real estate frontiers intersect." The Digital Bridge transaction follows the May closing of Digital Colony Partners, a \$4.05 billion fund sponsored by Colony and Digital Bridge.

The source said on Tuesday that management could face considerable pressure from Blackwells if it does not show more substantial progress in its turnaround beyond the recent succession plan announcement.