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Lake Capital sells Hudson Energy to Canadian fund for \$304 million

By: [Lynne Marek](#) April 20, 2010

(Crain's) — Hudson Energy Corp., an energy marketing company owned by Chicago-based Lake Capital Partners, has agreed to be acquired by Just Energy Income Fund of Canada for \$304 million.

Toronto-based Just Energy, which operates a North American energy marketing business, will sell \$330 million in debt securities in Canada to raise money to pay for the acquisition through a subsidiary and for the financing transaction, the company said in a release.

The acquisition and debt offering are expected to close in early May.

Suffern, N.Y.-based Hudson, which has 100 full- and part-time employees, sells electricity and natural gas to residential and commercial customers in Illinois, New York, New Jersey and Texas.

“Despite larger volume customers, (Hudson's) gross margin percentage is similar to ours,” Just Energy CEO Ken Hartwick said in the release. “While contract terms are shorter, (Hudson's) annual customer attrition has been low at 5.5% in a challenging market environment.”

The law firm Kirkland & Ellis represented Hudson and Lake Capital in the transaction. RBC Capital Markets, GMP Securities LP and CIBC World Markets Inc. will lead the underwriting for the debt offering.