

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K/A

Annual report pursuant to section 13 and 15(d) [amend]

Filing Date: **2013-10-02** | Period of Report: **2012-12-31**  
SEC Accession No. [0001193125-13-387531](#)

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FILER

**Morgans Hotel Group Co.**

CIK: [1342126](#) | IRS No.: [161736884](#) | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **10-K/A** | Act: **34** | File No.: [001-33738](#) | Film No.: [131128139](#)  
SIC: **7011** Hotels & motels

Mailing Address  
475 TENTH AVENUE  
NEW YORK NY 10018

Business Address  
475 TENTH AVENUE  
NEW YORK NY 10018  
212-277-4100

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**Form 10-K/A**  
Amendment No. 2

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(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2012

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-33738

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**Morgans Hotel Group Co.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**16-1736884**  
(I.R.S. Employer  
Identification No.)

**475 Tenth Avenue**  
**New York, New York**  
(Address of principal executive offices)

**10018**  
(Zip Code)

**(212) 277-4100**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class  
**Common Stock, \$0.01 par value**

Name of Each Exchange on Which Registered  
**The NASDAQ Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates of the registrant was approximately \$124,640,776, based on a closing sale price of \$4.70 as reported on the NASDAQ Global Market (formerly the NASDAQ National Market) on June 30, 2012.

As of September 30, 2013, the registrant had issued and outstanding 33,127,741 shares of common stock, par value \$0.01 per share.

#### DOCUMENTS INCORPORATED BY REFERENCE

None.

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## EXPLANATORY NOTE

Morgans Hotel Group Co. (the “Company,” “we,” “us,” “our”) is filing this Amendment No. 2 on Form 10-K/A (this “Amendment”) to amend our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, originally filed with the Securities and Exchange Commission (the “SEC”) on March 6, 2013, as amended by Amendment No. 1 on Form 10-K/A filed with the SEC on April 30, 2013 (as so amended, the “Original Filing”), to correct an error in Part III, Item 10 of the report, in the section entitled “Section 16(a) Beneficial Ownership Reporting Compliance.”

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), Item 10 of the Original Filing is hereby amended and restated in its entirety as set forth below. This Amendment does not amend or otherwise update any other information in the Original Filing. Accordingly, this Amendment should be read in conjunction with the Original Filing and with our filings with the SEC made subsequent to the Original Filing.

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**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

**EXECUTIVE OFFICER BIOGRAPHIES**

The following are our current executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Michael J. Gross	37	Chief Executive Officer
Richard T. Szymanski	56	Chief Financial Officer
Daniel R. Flannery	50	Executive Vice President, Chief Operating Officer
Yoav Gery	44	Executive Vice President, Chief Development Officer

Set forth below are biographical summaries of certain of our executive officers as of April 29, 2013. The biographical information for our other executive officer, Michael J. Gross, our Chief Executive Officer, is set forth below under “– Director Biographies.” Executive officers are elected by and serve at the discretion of our Board of Directors (the “Board”).

**Richard T. Szymanski** has been our Chief Financial Officer since he joined the Company in 2005. From 2003 to 2004, Mr. Szymanski was the Senior Vice President and Chief Financial Officer of Prime Hospitality LLC and its predecessor, Prime Hospitality Corp. From 1986 to 2003, Mr. Szymanski held a number of senior positions at Prime Hospitality Corp. and its predecessor, including Vice President of Finance and Vice President and Corporate Controller. Mr. Szymanski previously worked for Ernst & Young from 1979 to 1986 in several positions including audit manager. Mr. Szymanski received a Bachelor of Science degree in accounting from Rutgers University.

**Daniel R. Flannery** has been our Executive Vice President, Chief Operating Officer since he joined the Company in April 2011. Prior to joining our Company, Mr. Flannery was the Vice President and Managing Director for Marriott International, Inc. from January 2009 to April 2011, where he led the company’s efforts to develop and implement all operating, brand, design, sales, marketing and public relations strategies as well as recruiting and pre-opening efforts for the Marriott brand EDITION’s first hotels. Before that, Mr. Flannery spent seven years at the Ritz-Carlton Hotel Company, a wholly-owned subsidiary of Marriott International, as its General Manager and Area Vice President for New York, New York and Boston, Massachusetts from September 2002 to January 2009. He previously served on the executive committee and board of directors for the Tisch Center for Hospitality, Tourism and Sports Management at New York University, the Dean’s Advisory Council for the Smith School of Business at the University of Maryland, and the board of directors for The Hotel Association of New York City and was a distinguished lecturer for the New York University Brener Lecture Series. Mr. Flannery received a Bachelor of Science from The Smith School of Business at The University of Maryland.

**Yoav Gery** has been our Executive Vice President, Chief Development Officer since he joined the Company in March 2011. Prior to joining our Company, Mr. Gery served in various executive positions at Marriott International, Inc., including Vice President of Lodging Development from October 2005 to August 2007, Senior Vice President of Lodging Development from August 2007 to May 2010, and most recently as the Chief Development Officer for full service hotels in North America from May 2010 to March 2011, where he led the company’s full service development group in the United States and Canada. While at Marriott, Mr. Gery also helped launch the EDITION brand for Marriott and oversaw the global development efforts for that brand, including projects in the Americas, Europe, the Middle East and Asia. Mr. Gery received an AB degree from Duke University and a JD from George Washington University National Law Center.

Set forth below is the biographical summary of David Hamamoto, who was our Executive Chairman during 2012 until his departure on November 20, 2012.

**David T. Hamamoto** was our Executive Chairman and one of our Directors during 2012 until his departure in November 2012. Mr. Hamamoto was Chairman of our Board of Directors from February 2006 to March 2011, when he was appointed our new Executive Chairman. Mr. Hamamoto is the Chairman of the Board of NorthStar Realty Finance Corp. and has served as its Chief Executive Officer since October 2004 and as its President from October 2004 to April 2011. In July 1997, Mr. Hamamoto co-founded NorthStar Capital Investment Corp., the predecessor to NorthStar Realty Finance Corp., for which he served as Co-Chief Executive Officer until October 2004. From 1983 to 1997, Mr. Hamamoto worked for Goldman, Sachs & Co. where he was co-head of the Real Estate Principal Investment Area and general partner of the firm between 1994 and 1997. During Mr. Hamamoto's tenure at Goldman, Sachs & Co., he initiated the firm's effort to build a real estate principal investment business under the auspices of the Whitehall Funds. Mr. Hamamoto received a Bachelor of Science from Stanford University and a Master of Business Administration from the Wharton School of Business at the University of Pennsylvania.

## DIRECTOR BIOGRAPHIES

Set forth below are descriptions of the backgrounds and principal occupations of each of our directors. The age and other information of each director are as of April 29, 2013.

<u>Name</u>	<u>Age</u>	<u>Current Position with Morgans Hotel Group Co.</u>
Michael J. Gross	37	Chief Executive Officer and Director
Ronald W. Burkle	60	Director
Robert Friedman	57	Director
Jeffrey M. Gault	67	Director
Thomas L. Harrison	65	Director
Jason T. Kalisman	34	Director
Michael D. Malone	59	Director
Andrew Sasson	43	Director

**Michael J. Gross** is our Chief Executive Officer and one of our Directors. Mr. Gross originally joined our Board of Directors in October 2009 as a nominee of Yucaipa American Alliance Fund II, L.P. and Yucaipa American Alliance (Parallel) Fund II, L.P. Mr. Gross remained the Yucaipa designee until he discontinued his relationship with Yucaipa and was appointed our Chief Executive Officer in March 2011. He also served as a member of our Corporate Governance and Nominating Committee until his appointment as our Chief Executive Officer in March 2011. He has concentrated on sourcing opportunities for various Yucaipa investment funds since 2008. From 1998 to 2007, Mr. Gross focused on consumer and real estate companies with various investment and research roles at Prentice Capital Management, S.A.C. Capital Advisors, LLC, Lehman Brothers Inc., Salomon Smith Barney and Granite Partners. Mr. Gross graduated with a Bachelor of Science from Cornell University's School of Hotel Administration.

Mr. Gross brings to the Board his valuable expertise in the real estate and investment industries, his extensive experience as an analyst of public companies in the retail, consumer and real estate industries, as well as his experience serving on the boards of other public companies.

**Ronald W. Burkle** has been one of our Directors since March 2011. Mr. Burkle is Managing Partner of The Yucaipa Companies, a private investment firm, which he founded in 1986. Mr. Burkle has served as Chairman of the Board and controlling shareholder of numerous companies including Alliance Entertainment, a distributor of music, movies and game software, Golden State Foods, and supermarket chains Dominick's, Fred Meyer, Ralph's and Food4Less. Mr. Burkle is Co-Chairman of the Burkle Center for International Relations at UCLA, a trustee of the Carter Center, the National Urban League and AIDS Project Los Angeles and a member of the board of directors of the Frank Lloyd Wright Building Conservancy. Mr. Burkle served as a director of the following public companies: Occidental Petroleum Corp. from 1999 to 2010, Yahoo! Inc. from 2001 to 2010 and KB Home Corporation from 1995 to 2010.

Mr. Burkle brings to the Board his valuable business expertise in a wide variety of areas, as well as his experience serving on the boards of numerous public and private companies.

Mr. Burkle was appointed to the Board in March 2011 as a designee of the Yucaipa investors, pursuant to certain arrangements we entered into with the Yucaipa investors in October 2009 providing Yucaipa the right to designate one of our directors. Previously, Mr. Gross had been the designee of the Yucaipa investors, until he was appointed our Chief Executive Officer, at which time he discontinued his relationship with Yucaipa. For so long as Yucaipa investors collectively own or have the right to purchase through exercise of warrants 875,000 shares of our common stock, we have agreed to use our reasonable best efforts to cause our Board to nominate and recommend to our stockholders the election of a person nominated by the Yucaipa investors as a director and to use our reasonable best efforts to ensure that the Yucaipa investors' nominee is elected to our Board at each such meeting. If that nominee is not

elected by our stockholders, the Yucaipa investors have certain observer rights and, in certain circumstances, dividend rights on their Series A preferred securities.

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**Robert Friedman** is a Co-Chairman of our Compensation Committee and a member of our Corporate Governance and Nominating Committee, and has been one of our Directors since February 2006. Mr. Friedman was President of Media & Entertainment for @Radical Media, a multi-disciplinary integrated media company, from 2003 to 2012. From 1991 to 2003, Mr. Friedman held a variety of senior positions at AOL Time Warner, including as Head of Corporate Marketing for Time Warner and President of AOL, Interactive Marketing & TV. Mr. Friedman was President of New Line TV and Co-Chairman of Worldwide Theatrical Marketing, Licensing and Merchandising. Mr. Friedman was a member of the original development team of MTV Networks from 1981 to 1989. He also serves on the boards of directors of Vassar College, Columbia Business School, The Mount Sinai Medical Center and The Big Apple Circus. Mr. Friedman received a Bachelor of Arts from Vassar College and a Master of Business Administration from Columbia University, where he was the 2009 commencement speaker for the Columbia Business School.

Mr. Friedman brings to the Board his wealth of experience in the media, communications and marketing industries. His experience and expertise in these areas provide our Board with a valuable resource to keep the Morgans brand competitive in the boutique hotel industry. Mr. Friedman also brings a fresh outside perspective due to his background in communications and marketing, adding to the diversity and strength of our Board.

**Jeffrey M. Gault**, AIA, is a member of our Audit Committee and Chairman of our Corporate Governance and Nominating Committee, and has been one of our Directors since December 2007. Since January 2012, Mr. Gault has served as the President and Chief Executive Officer of Americold, a privately-owned global leader in temperature-controlled warehousing and logistics to the food industry. Americold is owned, in part, by affiliates of The Yucaipa Companies, one of the Company's largest stockholders. Since 1991, Mr. Gault has owned, controlled and has been the Chairman and CEO of Solus Property Company, which holds certain commercial real estate investments. He previously served as Division President of KB Urban, a division of KB Home, from September 2005 to June 2007. His more than 30 years of experience in real estate development and investment activities also includes senior positions with Empire Companies, a Southern California land developer, where he was President and Chief Operating Officer from May 2002 to March 2005; Helios Partners, an affiliate of the Pritzker family interests of Chicago, where he was managing partner from 1994 to 1998; Sun America Realty Partners, an affiliate of Sun America, Inc., where he was managing principal from 1990 to 1994; and Home Savings of America, F.A., where he was Executive Vice President and Director of Real Estate from 1985 to 1990. Mr. Gault earned a Bachelor's Degree in Architecture from the University of California at Berkeley and has a Master's Degree in Environmental Design from Yale University's School of Architecture. Mr. Gault is a licensed architect and general building contractor in the State of California, a member of the American Institute of Architects ("AIA"), and Urban Land Institute, and the former Chairman of the Fisher Center Policy Advisory Board at the University of California at Berkeley. Mr. Gault attended and received certification from the UCLA Director Education and Certification Program for best practices in board supervision of organizational strategy, structure and succession for public companies.

Mr. Gault brings to the Board his extensive background in architecture, real estate development, and construction, as well as his expertise in investment and financial accounting matters. In particular, Mr. Gault provides the Board with valuable counsel, advice and expertise with respect to hotel development projects of the Company.

**Thomas L. Harrison** is a member of our Compensation Committee and Corporate Governance and Nominating Committee and Chairman of the Audit Committee, and has been one of our Directors since February 2006. Mr. Harrison is Chairman of Diversified Agency Services ("DAS"), a group of marketing services companies. A division of the Omnicom Group Inc., DAS provides a broad range of marketing communication services. Mr. Harrison was the President of DAS from 1997 to 1998, and was Chairman and Chief Executive Officer from 1998 to 2011. Prior to joining DAS, Mr. Harrison was co-founder and Chairman of Harrison & Star Business Group. Mr. Harrison is a member of the Executive Committee of the Montefiore Hospital, a fellow of the New York Academy of Medicine and a member of the Dean's counsel of The Steinhardt School at New York University. Mr. Harrison serves on the boards of ePocrates, The Lymphoma Research Foundation and several marketing services companies. He has served as co-chairman of the New York Chapter of the U.S. Olympic Committee. Mr. Harrison is the author of "INSTINCT Tapping Your Entrepreneurial DNA to Achieve Your Business Goals." Mr. Harrison holds an advanced degree in cell biology and physiology from West Virginia University and received a Doctorate of Humane Letters from West Virginia University.

Mr. Harrison brings to the Board his financial expertise and a wealth of entrepreneurial experience in the communications and marketing industries. Mr. Harrison provides the Board with valuable insight into financial and accounting matters and brings a fresh outside perspective due to his background in communications and marketing, adding to the diversity and strength of our Board.



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**Jason T. Kalisman**, CFA, was a member of our Corporate Governance and Nominating Committee through March 18, 2013 and has been one of our Directors since March 2011. Mr. Kalisman is the Managing Partner of Talisman Group Investments, LLC, a hedge fund, and a Founding Member of OTK Associates, LLC, which is our largest stockholder. Prior to founding Talisman Group Investments in 2012, Mr. Kalisman was a Vice President of GEM Realty Capital, Inc., an integrated global real estate investment firm focusing on publicly traded real estate securities and private-market real estate assets, from 2009 to 2012, and an associate in both the Real Estate and Structured Products Group at The Goldman Sachs Group, Inc., a global investment banking and management firm, from 2001 to 2007. Mr. Kalisman received a Bachelor of Arts in Economics from Harvard College and a Masters of Business Administration from the Stanford Graduate School of Business, and has earned the right to use the Chartered Financial Analyst designation.

Mr. Kalisman brings to the Board his valuable expertise in the real estate and investment industries, as well as in corporate finance matters.

**Michael D. Malone** is a member of our Audit Committee and a Co-Chairman of our Compensation Committee, and has been one of our Directors since January 2008. In February 2012, Mr. Malone was appointed to the board of directors of Nationstar Mortgage Holdings Inc., a publicly-traded non-bank residential mortgage servicer and an affiliate of Fortress Investment Group LLC, a global alternative investment and asset management firm. In November 2012, Mr. Malone was appointed to the board of Walker & Dunlop, Inc., a commercial real estate finance company. From February 2008 to February 2012, Mr. Malone served as the Managing Director of Fortress Investment Group LLC, where he was in charge of the Charlotte, NC office and responsible for the business of the capital formation group in the southeast and southwest regions of the United States. Mr. Malone retired from Bank of America in November 2007, after nearly 24 years of service as Senior Executive Banker and Managing Director. Over those years, Mr. Malone worked in and ran a number of investment banking businesses for the bank and its subsidiary, Banc of America Securities, including real estate, gaming, lodging, leisure, and the financial sponsors businesses. Mr. Malone received a Bachelor of Science degree in General Studies from the University of Kentucky.

Mr. Malone brings to the Board his valuable experience and expertise in the financial and real estate industries. The Board draws on Mr. Malone's knowledge and experience in these fields for strategic direction and counsel.

**Andrew Sasson** has been one of our Directors since November 2011. Mr. Sasson is founder of The Light Group, a private lifestyle food and beverage business that opened its first venue in Las Vegas in December 2001. The Light Group currently operates numerous venues in Las Vegas under management agreements with MGM Resorts International and its affiliates, including nightclubs, restaurants, pool lounges and bars. On November 30, 2011, Mr. Sasson's interest in The Light Group and certain related affiliates was acquired by a subsidiary of the Company (the "Light Group Transaction"). Prior to founding The Light Group in 2001, Mr. Sasson founded Jet Lounge (1996) and the Light lounge (2000) in New York City, as well as the Jet East nightclub (1997) in Southampton, New York. In addition, Mr. Sasson previously served as a director of India Hospitality Corp., an Indian hospitality and leisure company, from June 2006 to April 2010.

Mr. Sasson brings to the Board over 15 years of experience in the hospitality industry and particularly valuable expertise in the food and beverage community.

Mr. Sasson was appointed to the Board pursuant to a one-year consulting agreement the Company entered into with Mr. Sasson in connection with the Light Group Transaction. The Company agreed to appoint Mr. Sasson to the Board and to cause Mr. Sasson to be nominated for election to the Board at the Company's 2012 annual meeting of stockholders. Had Mr. Sasson not been elected to the Board, certain promissory notes in an aggregate amount of \$18 million held by Mr. Sasson and the Chief Executive Officer of The Light Group would have accelerated and become immediately due and payable. The consulting agreement expired pursuant to its terms on November 30, 2012.

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## **SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Section 16(a) of the Exchange Act requires that our executive officers, directors, and persons who own more than 10% of a registered class of our equity securities file reports of ownership and changes in ownership on Forms 3, 4 and 5 with the SEC and Nasdaq. These reporting persons are required by the SEC to furnish us with copies of all Forms 3, 4 and 5 that they file.

Based solely on information provided to us by our executive officers, directors and persons who own more than 10% of our common stock, we believe that such persons complied with all Section 16(a) filing requirements applicable to them with respect to transactions during 2012, except that Mr. Burkle filed a Form 4 on March 26, 2012 that covered certain dispositions of our common stock by funds affiliated with Mr. Burkle on March 20, 2012.

## **CODE OF ETHICS AND CODE OF BUSINESS CONDUCT**

We have adopted a Code of Ethics, which is applicable to all of our directors, officers, including our principal executive officer, principal financial officer and principal accounting officer, and employees. This code is intended to:

- promote honest and ethical conduct, including fair dealing and the ethical handling of conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure;
- promote compliance with applicable laws and governmental rules and regulations;
- ensure the protection of the Company's legitimate business interests, including corporate opportunities, assets and confidential information; and
- deter wrongdoing.

We have also adopted a Code of Business Conduct, which is applicable to all of our directors, officers and employees. This code covers areas of professional conduct, including honest and candid conduct, conflicts of interest, disclosure, compliance with all applicable laws, rules and regulations, corporate opportunities, confidentiality, fair dealing and the protection and proper use of Company assets.

We have posted both our Code of Ethics and Code of Business Conduct to our website at [www.morganshotelgroup.com](http://www.morganshotelgroup.com) and intend to promptly post any waiver or amendment of our Code of Ethics that applies to our principal executive officer, principal financial officer or principal accounting officer to our website.

In addition to the Code of Ethics and Code of Business Conduct, our Audit Committee has in place a whistleblower reporting procedure that enables it to receive, retain and treat complaints received regarding accounting, internal accounting controls or auditing matters. The procedures in place permit our employees to confidentially and anonymously submit their concerns regarding questionable accounting or auditing matters directly to the Audit Committee. Upon receiving a concern or complaint pursuant to these procedures, the Audit Committee chair will:

- either call a meeting of the Audit Committee or add the complaint to the agenda for discussion at the next regularly scheduled Audit Committee meeting, depending upon the apparent urgency of the matter;
- review the complaint to determine whether the complaint raises a material concern;
- investigate or have a designee investigate each concern or complaint; and
- review the results of the investigation and communicate the findings and recommendations to the full Board.

## **BOARD COMMITTEES**

The Board has a standing Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee. All members of the committees described below are "independent" under Nasdaq rules as discussed under "Item 13 – Certain Relationships and Related Transactions, and Director Independence – Director Independence."

The table below provides membership information for each of the Board committees as of April 29, 2013:

<u>Name</u>	<u>Audit Committee</u>		<u>Compensation Committee</u>		<u>Corporate Governance and Nominating Committee(1)</u>
Robert Friedman			X	**	X
Jeffrey M. Gault	X	†			X
Thomas L. Harrison	X	*†	X		X
Michael D. Malone	X	†	X	**	

(1) Mr. Kalisman was a member of our Corporate Governance and Nominating Committee through March 18, 2013. Mr. Harrison was appointed to the Corporate Governance and Nominating Committee on March 18, 2013.

\* Chairman

\*\* Co-Chairman

† Audit Committee Financial Expert

### Audit Committee

Our Audit Committee currently consists of Messrs. Harrison (Chairman), Gault and Malone. Pursuant to its charter, the committee is responsible for, among other things, (i) overseeing management's maintenance of the reliability and integrity of our financial reporting and disclosure practices, (ii) overseeing management's establishment and maintenance of processes to assure that an adequate system of internal control is functioning, (iii) overseeing management's establishment and maintenance of processes to assure our compliance with all applicable laws, regulations and corporate policy, (iv) reviewing our annual and quarterly financial statements prior to their filing or prior to the release of earnings, (v) reviewing the performance of the independent public accounting firm, (vi) appointing, retaining or terminating the independent public accounting firm, and (vii) pre-approving all audit, audit-related and other services, if any, to be provided by the independent public accounting firm. The Board has designated each of Messrs. Gault, Harrison and Malone as our audit committee financial experts as that term is defined by the SEC and has determined that each is "independent" as that term is defined by Nasdaq. See "Director Biographies" for information regarding their financial expertise and business background. The Audit Committee has the power to investigate any matter brought to its attention within the scope of its duties and to retain counsel for this purpose where appropriate. Our Audit Committee met six times in 2012.

### Compensation Committee

Our Compensation Committee currently consists of Messrs. Friedman (Co-Chairman), Malone (Co-Chairman) and Harrison. Pursuant to its charter, our Compensation Committee is responsible for, among other things:

reviewing and approving the corporate goals and objectives relevant to the compensation paid to our CEO, evaluating the CEO's performance in light of these goals and objectives and, either as a committee or with the other independent directors of the Board, determining the CEO's compensation;

determining the compensation paid to the other executive officers of the Company;

overseeing and administering our incentive compensation plans and programs;

reviewing and approving any severance or termination payments or benefits, as well as any perquisites or other personal benefits provided to the executive officers of the Company;

overseeing and assisting the Company in preparing the compensation discussion and analysis, or the Compensation Discussion and Analysis, for inclusion in the Company's proxy statement and annual report on Form 10-K;

providing a description of the processes and procedures for the consideration and determination of executive and director compensation for inclusion in the Company's proxy statement;

reviewing and discussing the Compensation Discussion and Analysis with management and making a recommendation to the Board regarding whether to include the Compensation Discussion and Analysis in the Company's proxy statement and annual report on Form 10-K; and

preparing a compensation committee report to be included in the Company's proxy statement and annual report on Form 10-K.

Pursuant to its charter, the Compensation Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee consisting of one or more members.

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The Board of Directors has established a special one-member committee of the Board (the “Non-Executive Equity Award Committee”), and delegated to that committee limited authority to grant equity awards to non-executive officers and non-director employees pursuant to the Morgans Hotel Group Co. 2007 Omnibus Incentive Plan, as amended (the “Amended and Restated 2007 Plan”). The Non-Executive Equity Award Committee is comprised of Mr. Gross. Grants by the Non-Executive Equity Award Committee may not exceed 540,000 shares of common stock in the aggregate (subject to downward adjustment for specific awards) or such other limit as the Compensation Committee may establish from time to time. The special one-member Non-Executive Equity Award Committee’s authority does not in any way limit the Compensation Committee’s authority to administer the Amended and Restated 2007 Plan.

In 2012, Mr. Gross made recommendations to the Compensation Committee with respect to the compensation levels paid to the executive officers, other than himself, but the Compensation Committee made all definitive determinations. In this respect, Mr. Gross worked closely with the co-chairmen of the Compensation Committee, our outside compensation consultant, the finance and legal departments, as necessary, and the executives themselves. After review and consideration of each executive’s performance in 2012 and other criteria described in the Compensation Discussion and Analysis below, Mr. Gross recommended to the Compensation Committee each executive’s compensation level, with the Compensation Committee making the final determination. Mr. Gross also discussed his own compensation with the Compensation Committee, but the Compensation Committee, upon consultation with Exequity LLP, the outside compensation consultant retained by the Compensation Committee, made the final determination in executive session without Mr. Gross being present, as required by our Compensation Committee charter.

Under its charter, the Compensation Committee has authority to retain compensation consultants, outside counsel and other advisors that the Compensation Committee deems appropriate, in its sole discretion, to assist it in discharging its duties. The Compensation Committee has engaged Exequity to act as its compensation consultant. The Compensation Committee has sole authority to terminate this engagement. Exequity’s primary role in 2012, as requested by the Compensation Committee, was to evaluate executive compensation levels and programs for our executives and provide recommendations regarding executive compensation strategy, the annual cash incentive program and the long-term equity incentive program. Our Compensation Committee met ten times in 2012.

#### **Corporate Governance and Nominating Committee**

Our Corporate Governance and Nominating Committee currently consists of Messrs. Gault (Chairman), Friedman and Harrison. Pursuant to its charter, our Corporate Governance and Nominating Committee is responsible for, among other things, (i) seeking, considering and recommending to the Board qualified candidates for election as directors and to fill any vacancies on the Board, (ii) recommending a slate of nominees for election as directors at the annual meeting, (iii) preparing and submitting to the Board qualifications for the position of director and policies concerning the term of office of directors and the composition of the Board, (iv) considering all candidates for election as directors recommended by the Company’s stockholders in accordance with the procedures set forth in the Company’s annual proxy statement and (v) considering and recommending to the Board other actions relating to our corporate governance. The Corporate Governance and Nominating Committee also annually recommends to the Board nominees for each committee of the Board and facilitates the assessment of the Board’s performance as a whole and of the individual directors. Our Corporate Governance and Nominating Committee met four times in 2012.

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**PART IV**

**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

(a) and (c) Financial Statements and Schedules.

Reference is made to the “Index to the Financial Statements” on page F-1 of the Original Filing and to Exhibit 99.1 incorporated therein by reference.

All other financial statement schedules are not required under the related instructions, or they have been omitted either because they are not significant, the required information has been disclosed in the consolidated financial statements and the notes related thereto.

(b) Exhibits

We hereby file as part of this Annual Report on Form 10-K the exhibits listed in the Index to Exhibits.

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## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on October 1, 2013.

MORGANS HOTEL GROUP CO.

By: /s/ Jason Taubman Kalisman

Name: Jason Taubman Kalisman

Title: Interim Chief Executive Officer

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## EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description of Exhibits</u>
31.1	Certification Statement of Chief Financial Officer of Morgans Hotel Group Co. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification Statement of Chief Executive Officer of Morgans Hotel Group Co. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)



**17 CFR 240.13a-14(a)/15(d)-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard Szymanski, certify that:

1. I have reviewed this amendment to the annual report on Form 10-K of Morgans Hotel Group Co. for the fiscal year ended December 31, 2012; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

/s/ Richard Szymanski

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Richard Szymanski  
Chief Financial Officer

Date: October 1, 2013

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO  
17 CFR 240.13a-14(a)/15(d)-14(a),  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Taubman Kalisman, certify that:

1. I have reviewed this amendment to the annual report on Form 10-K of Morgans Hotel Group Co. for the fiscal year ended December 31, 2012; and

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

/s/ Jason Taubman Kalisman

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Jason Taubman Kalisman  
Interim Chief Executive Officer

Date: October 1, 2013