

SHEARMAN & STERLING^{LLP}

March 26, 2015

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Attention: Michele M. Anderson, Esq.
Chief, Office of Mergers and Acquisitions
Division of Corporate Finance

Christina Chalk, Esq.
Senior Special Counsel, Office of Mergers and Acquisitions
Division of Corporation Finance

Melissa Duru, Esq.
Special Counsel, Office of Mergers and Acquisitions
Division of Corporation Finance

Proposed Tender Offer by Razuya Empreendimentos e Participações S.A. for BHG S.A. – Brazil Hospitality Group

Dear Ms. Anderson, Ms. Chalk and Ms. Duru:

We are writing on behalf of our client, GTIS Partners LP, a limited partnership organized under the laws of the State of Delaware (“GTIS”) and on behalf of GP Capital Partners IV, L.P., an exempted limited partnership organized under the laws of the Cayman Islands (“GPCP IV”), in connection with the cash tender offer (the “Tender Offer”) intended to be made by Razuya Empreendimentos e Participações S.A., a company organized under the laws of the Federative Republic of Brazil (“Newco” and, together with GTIS and GPCP IV, the “Bidders”), for all of the outstanding ordinary shares (the “Shares”) of BHG S.A. – Brazil Hospitality Group, a public company organized under the laws of the Federative Republic of Brazil (the “Target”) that Latin America Hotels, LLC, a limited liability company organized under the laws of the State of Delaware (“LA LLC”) and GPCP4-Fundo de Investimento em Participações, an investment fund established under the laws of the Federative Republic of Brazil (“GP FIP”), do not already own. Newco is a wholly-owned subsidiary of LA LLC and was acquired by LA LLC as a shelf company with no prior operations or activities solely for the purpose of making the Tender Offer. LA LLC and GP FIP are controlled by GPCP IV.

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WE OPERATE IN THE UK AND ITALY AS SHEARMAN & STERLING (LONDON) LLP, A LIMITED LIABILITY PARTNERSHIP ORGANISED IN THE UNITED STATES UNDER THE LAWS OF THE STATE OF DELAWARE, WHICH LAWS LIMIT THE PERSONAL LIABILITY OF PARTNERS. SHEARMAN & STERLING (LONDON) LLP IS AUTHORISED AND REGULATED BY THE SOLICITORS REGULATION AUTHORITY (FIRM SRA NUMBER 211340). A LIST OF ALL PARTNERS' NAMES, WHICH INCLUDES SOLICITORS AND REGISTERED FOREIGN LAWYERS, IS OPEN FOR INSPECTION AT 9 APPOLD STREET, LONDON EC2A 2AP. EACH PARTNER OF SHEARMAN & STERLING (LONDON) LLP IS ALSO A PARTNER OF SHEARMAN & STERLING LLP WHICH HAS OFFICES IN THE OTHER CITIES NOTED ABOVE.

Page 2

The Bidders are implementing the Tender Offer to acquire up to all of the remaining outstanding Shares with the intention of cancelling the registration of the Target as a public company and delisting the Shares from trading on the *Novo Mercado* segment of the São Paulo Stock Exchange (*BM&FBovespa S.A. – Bolsa de Valores, Mercadorias e Futuros* (“BM&F BOVESPA”), as further described in the Material Fact notice (*fato relevante*) issued by the Target on August 8, 2014 announcing the intention of the Bidders to make the Tender Offer.

The Tender Offer will be conducted as a single, unitary cash offer to all holders of Shares in Brazil and the United States, with terms and conditions intended to comply with the applicable regulations of both jurisdictions. In Brazil, the Tender Offer is subject to the regulations of the Securities Commission of Brazil (the *Comissão de Valores Mobiliários* or “CVM”), which is responsible for reviewing the Tender Offer under applicable Brazilian law. The Shares are not registered under Section 12 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and, consequently, the requirements of Section 14(d) of the Exchange Act and Regulation 14D promulgated thereunder will be inapplicable to the Tender Offer. The Tender Offer will be subject to the requirements of Section 14(e) of the Exchange Act and Regulation 14E promulgated thereunder, subject to any relief afforded by the Staff of the Division of Corporation Finance (the “Staff”) of the Securities and Exchange Commission (the “SEC”) in response to this request.

We hereby respectfully request, on behalf of the Bidders, that the Staff confirms that, based upon the facts and circumstances described herein, the Staff will not recommend any enforcement action to the SEC under Rule 14e-1(b) if the Bidders pay consideration during the Put Right Period (defined below), which the Bidders believe is substantially equivalent to a subsequent offering period pursuant to Rule 14d-11 under the Exchange Act, that will be adjusted upwards as required by applicable Brazilian law without extending the tender offer period as would be required under Rule 14e-1(b). We further respectfully request, on behalf of the Bidders, exemptive relief from the provisions of (i) Rule 14e-1(d) to allow the Bidders to announce extensions of the Tender Offer in accordance with the timing and notice requirements of Brazilian law, as described in more detail below and (ii) Rule 14e-5 to allow the Bidders to pay consideration during the Put Right Period, which the Bidders believe is substantially equivalent to and will treat as a subsequent offering period, that will be adjusted upwards as required by applicable Brazilian law.

Shearman & Sterling LLP is acting as U.S. counsel to GTIS. GTIS has provided and authorized Shearman & Sterling LLP to make on its behalf the factual representations set forth in this letter. Skadden, Arps, Slate, Meagher & Flom LLP is acting as U.S. counsel to GPCP IV and has confirmed that GPCP IV has authorized Shearman & Sterling LLP to make on their behalf the factual representations set forth in this letter.

The statements in this letter with respect to the application of Brazilian law to the Tender Offer have been reviewed by Stocche, Forbes, Padis, Filizzola, Clapis Advogados,

Page 3

Brazilian counsel to GTIS and Barbosa, Müssnich & Aragão Advogados, Brazilian counsel to GPCP IV.

I. Background Information

A. *The Parties*

The Target is the third largest hotel company in Brazil and the first Brazilian company to operate in the real estate segment specializing in business tourism hotels. The Target is the only company in this sector listed on the BM&F Bovespa's *Novo Mercado* segment.

The Target is as a "foreign private issuer" as defined in Rule 3b-4(c) under the Exchange Act, has no securities registered under Section 12 of the Exchange Act and is not required to file periodic reports with the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act. The Shares are listed for trading on the *Novo Mercado* segment of the BM&F BOVESPA. Shares represented by American Depositary Receipts traded over-the-counter in the United States through a sponsored Level 1 ADR program that has been cancelled and the related Deposit Agreement terminated effective as of February 23, 2015. Holders of ADRs are entitled to withdraw their Shares from the ADR program during the four month period immediately following this termination date. After such time, any Shares remaining in the ADR program may be sold by the Depositary, including through the acceptance of the Tender Offer or the exercise of Put Rights. As promptly as practicable after commencement of the Tender Offer, the Target (through the Depositary) will deliver a notice to holders of ADRs informing such holders where they can obtain a copy of the Tender Offer Notice (*Edital de Oferta Pública*), free of charge and in English and the deadlines by which they will need to withdraw their Shares from the ADR program in order to accept the Tender Offer or, if such withdrawal occurs after the Auction, to exercise their Put Rights. The notice will also inform holders of ADRs of the date of the end of the four month period immediately following the termination date after which withdrawal of Shares will no longer be possible.

GTIS is a global real estate investment firm headquartered in New York with offices in Los Angeles, San Francisco and Brazil. GTIS was founded in 2005 and currently manages approximately \$2.4 billion of committed equity. GTIS pursues opportunistic real estate investments through direct equity investment and non-traditional lending activities. To date, GTIS has committed capital to residential, retail, industrial, office, hotel and mixed-use projects in the U.S. and Brazil, and is among the largest real estate private equity companies in Brazil.

GPCP IV was launched in 2007 with total commitments reaching \$1.7 billion. GPCP IV is fully invested, and currently in a developing stage. GPCP IV focuses on alternative investments in Latin America.

Page 4

As of the date hereof, LA LLC and GP FIP hold directly 29.51% and 0.67% of the outstanding Shares, respectively, and GPCP IV is deemed an indirect “controlling shareholder” (*acionista controlador*) of the Target.

B. Structure of the Tender Offer

As described above, the Tender Offer is intended to be conducted as a single, unitary cash offer to all holders of Shares in Brazil and the United States, with terms and conditions intended to comply with the applicable regulations of both jurisdictions. For purposes of applicable Brazilian regulations, the Tender Offer will comprise the cancellation of the registration of the Target as a public company and the delisting of the Shares from trading on the BM&F BOVESPA.

In order to effect the cancellation of the Target’s registration as a public company, at least two-thirds of the holders of the outstanding publicly-held Shares must, in addition to agreeing to the deregistration of Target as a public company, register for the Tender Offer with a broker (*sociedade corretora*) in accordance with Article 22, paragraph 1, of the CVM Instruction No. 361, dated as of March 5, 2002 (“Instruction 361/02”). The term “publicly-held shares” (*ações em circulação*) is defined in Instruction 361/02 to include all outstanding shares other than shares held by the controlling shareholder, its affiliates or other related parties, or held by the officers and directors of the issuer, or held in treasury.¹ For purposes of the Tender Offer, “publicly-held shares” are shares held by shareholders other than (1) GPCP IV and its related parties, (2) GTIS and its related parties, and (3) the officers or members of the Board of Directors or Fiscal Counsel (*conselho fiscal*) of the Target.

The Tender Offer will be conditioned on, among other things, the valid tender of at least 72.5% of the publicly-held Shares not held by (i) GPCP IV and its related persons as defined by Brazilian law (*pessoas vinculadas*), (ii) the managers (officers and directors of BHG), and (iii) held in treasury.

Under regulations promulgated by the CVM (“CVM Regulations”) and *Novo Mercado* rules, the price offered to public shareholders in connection with the Tender Offer will not be less than the fair market value and the economic value of the shares, as determined by an independent appraisal report (the “Appraisal Report”) prepared by an independent valuation firm selected by such holders.

Before the Tender Offer may be commenced, it must be registered with the CVM. The registration process involves CVM review of all offering documents, including the Appraisal Report. As established by Brazilian law and CVM Regulations, the review process could take from 60 to 120 calendar days.

¹ Art. 3, Item III of Instruction 361/02.

Page 5

II. Laws and Regulations Applicable to the Tender Offer

A. CVM Regulations

The Tender Offer is subject to CVM Regulations and in particular to Instruction 361/02, as amended, relating to the conduct of tender offers for publicly held companies.

Under Instruction 361/02 a tender offer may be either “mandatory” or “voluntary.” The Tender Offer is considered a mandatory offer as the making of the Tender Offer is a condition to the cancelation of the Target’s registration as a publicly held company. Under Instruction 361/02, mandatory tender offers, including those made by the “controlling shareholder” (*acionista controlador*), for the shares of a public company in Brazil are subject to certain provisions of the Instruction 361/02 for the protection of public minority shareholders.

Instruction 361/02 requires that all forms of public tender offers be effected by means of an auction (the “Auction”) on the stock exchange on which the subject securities are listed.² The Auction must be held on a fixed date disclosed in the Tender Offer Notice (*Edital de Oferta Pública*) that is not less than 30 and not more than 45 calendar days from the date the Tender Offer Notice is published.³ The Auction must be conducted in accordance with CVM Regulations and the rules of the exchange.⁴ The Bidders will pay for Shares purchased pursuant to the Auction within three Brazilian business days of the Auction date.

B. Tier II Exemption

The relief requested by this letter would be available under Rule 14d-1(d) under the Exchange Act (the “Tier II Exemption”) if the Bidders qualified for the Tier II Exemption. In order to qualify for the Tier II Exemption U.S. residents may hold no more than 40% of the outstanding Shares calculated in accordance with Instruction 2 to Rule 14d-1(d). Based on the analysis conducted by the Bidders in accordance with Instruction 2 to Rule 14d-1(d), the Bidders estimated that approximately 43.95% of the Shares (after excluding Shares held by LA LLC (29.51%) and GP FIP (0.67)% and Shares held in treasury (2.07%)) were held by United States residents as of July 31, 2014 (this date being no more than 60 days before the public announcement of the Tender Offer). Based on the foregoing, the Bidders are unable to conclude that the Tier II Exemption is available in respect of the Tender Offer.

² Art. 12.1 of Instruction 361/02.

³ Art. 12.1 of Instruction 361/02.

⁴ Art. 12.2 of Instruction 361/02.

III. Discussion of Issues and Requested Relief

1. Request for Relief From Rule 14e-1(b) of the Exchange Act

One of the applicable provisions of Instruction 361/02 is a requirement that, in the event the offeror acquires through the tender offer more than two-thirds of the publicly held shares, the offeror must afford any remaining holder the right to require the offeror to purchase its remaining shares, at any time during a three-month period immediately following the date of the Auction (the "Put Right Period"), at the price paid in the Auction adjusted upwards in the manner provided for by applicable Brazilian law.⁵

In the case of the Tender Offer, the Bidders will afford all holders of publicly-held Shares whose Shares are not purchased in the Auction the right during the Put Right Period to sell those Shares to the Bidders for cash (the "Put Right") at the Tender Offer price plus an upward adjustment from the date of the settlement of the Auction to the date of payment for Shares purchased pursuant to the Put Right at the monthly SELIC rate. Thus, the actual price paid for such Shares will vary depending on the date the Put Right is exercised by any holder. Any variance in the amount of the upward adjustment paid on exercise of the Put Right results solely from the passage of time between the settlement date of the Auction and the date of payment. Although under Brazilian law payment by the Bidders to holders exercising the Put Right is required to be made no later than fifteen days after such exercise, the Bidders will pay such holders within three Brazilian business days of such exercise.

Rule 14e-1(b) prohibits, among other things, an increase or decrease in the consideration offered in a tender offer unless the tender offer remains open for at least ten U.S. business days from the date notice of such change is first published or sent or given to shareholders. To the extent Rule 14e-1(b) could be deemed applicable by virtue of the payment of the upward adjustment, we would request that the Staff confirm that it would not recommend any enforcement action against the Bidders under Rule 14e-1(b) if the Bidders pay consideration during the Put Right Period that will fluctuate because of the upward adjustment required by applicable Brazilian law, without extending the Put Right Period as would be required under Rule 14e-1(b).

We note that the SEC has recognized that the payment of interest on securities tendered during a subsequent offering period where required under foreign law conflicts with the provisions of both Rule 14d-10(a)(2) and Rule 14d-11(f) of the Exchange Act and has sought to address this conflict to an extent in the 2008 amendments to the cross-border tender offer rules by adopting a rule change to Rule 14d-1(d)(2) to permit bidders in Tier II cross-border tender offers to pay interest on securities tendered during a subsequent offering period

⁵ Art. 10.2 of Instruction 361/02. The Bidders believe that the Put Right Period is substantially equivalent to a subsequent offering period and will treat the Put Right Period as a subsequent offering period.

Page 7

where such payment was required under applicable foreign law.⁶ The rule change addressed the conflict between the U.S. rules cited above and the laws of certain foreign jurisdictions, notably Germany and Brazil, which mandated the payment of interest during subsequent offer periods. The adopting release for the 2008 amendment indicated that the amendment was intended to codify, for Tier II offers, exemptive relief that had been granted on several earlier occasions. While Rule 14d-10(a)(2) and Rule 14d-11(f) of the Exchange Act are not applicable to the Tender Offer, we understand that the rationale behind the adoption of the rule change in the 2008 amendments was to allow for interest payments to be paid during subsequent offerings periods where required under applicable law. The Bidders believe that the Put Right Period is substantially equivalent to and will treat the Put Right Period as a subsequent offering period.

As discussed above, the Bidders are unable to conclude that the Tier II Exemption is available in respect of the Tender Offer. If the Tier II Exemption were available, the Bidders would be entitled to pay the upward adjustment in accordance with Rule 14d-1(d) of the Exchange Act.

We believe that the relief requested with respect to Rule 14e-1(b) is consistent with that granted by the Staff in similar situations in the past. *See e.g., Cash tender offer by United Health Group Inc. for all outstanding shares of Amil Participações S.A.* (November 20, 2012); *Net Serviços de Comunicação S.A., Offer by Empresa Brasileira de Telecomunicações S.A.-Embratel for Preferred Shares of Net Serviços de Comunicação S.A.* (October 15, 2010); *Telemar Participações S.A. - Tender Offer* (October 9, 2007); and *Offer by Telefónos de México, S.A. de C.V. and Telmex Solutions Telecomunicacoes Ltda. for Embratel Participacoes S.A.* (December 6, 2006).

2. Request for Relief From 14e-1(d) of the Exchange Act

Rule 14e-1(d) requires notice via press release or other public announcement by 9 a.m. eastern time on the next business day after the scheduled expiration date of a tender offer in the event that the offeror chooses to extend such offer. Such notice must also include the number of securities deposited to date. However, Instruction 361/02 requires that the CVM approve any extension of the offer period, which extension is only permitted under limited circumstances, and it may take up to ten calendar days for the CVM to inform the Bidders of its decision. Therefore, it may not be possible for the Bidders to comply with the timing requirement of Rule 14e-1(d). We note that, under Article 5 of Instruction 361/02, extensions of a tender offer may only be approved at the CVM's discretion if the CVM makes a determination that there has been a material and unforeseeable change following the commencement of the tender offer that has caused a material increase in risks of the tender offer to the offeror or if such modifications to the terms of the tender offer will clearly benefit shareholders.

⁶ Rule 14d-1(d)(2)(vi).

In addition, the CVM Regulations that are applicable to the granting of extensions changed at the end of 2010 and there is no record of any precedents for requests of extensions of tender offers that have been submitted to the CVM since this change that could provide clear guidance for how the CVM would respond to, and what it would require in respect of, an extension request (*e.g.*, more details on the criteria for making the determination of applicable risks that would allow it to grant an extension, or how quickly it would make this determination). If an extension were sought, the Bidders would submit an extension request to the CVM, stating the reasons therefor, and on the same day publicly announce that such request has been submitted through the issuance in Brazil by the Target of a Material Fact notice (*fato relevante*) (which will also be posted to the Target's website) and in the United States by the issuance by the Bidders of a press release.

Also, as required by CVM Regulations, all shareholders will be permitted to withdraw their Shares from the Tender Offer at all times after the extension is requested, and the Bidders will not conduct the Auction or otherwise purchase any shares tendered in the tender offer unless and until the CVM issues its decision on the requested extension. Upon issuance by the CVM of its decision, the Bidders will, on the same day, publicly announce that such decision has been issued, and when the Auction will occur, through the issuance in Brazil by the Target of a Material Fact notice (*fato relevante*) (which will also be posted to the Target's website) and in the United States by the issuance by the Bidders of a press release. If the CVM does not grant the requested extension, the Bidders will proceed with the Auction and purchase all Shares tendered and not previously withdrawn, subject to the conditions of the Tender Offer being satisfied.

Notices of extensions of the Tender Offer made in accordance with the rules of Brazil would satisfy the requirements of Rule 14e-1(d) if the Tier II Exemption were available.

The Staff has provided relief from Rule 14e-1(d) in the past in similar situations where offerors have made notices of extensions in accordance with the rules of the local jurisdiction. *See Cash tender offer by United Health Group Inc. for all outstanding shares of Amil Participações S.A.* (November 20, 2012); *VimpelCom Ltd., Altimo Holdings & Investments Ltd. and Telenor ASA Offer* (February 5, 2010); *EGS Acquisition Co. LLC* (November 5, 2008); *Offer by Alcan, Inc. for Common Shares, ADSs, Bonus Allocation Rights and OCEANES of Pechiney* (October 7, 2003).

We respectfully request that, based on the facts and circumstances described herein, the Staff provide an exemption from Rule 14e-1(d) allowing the Bidders to announce any extensions to the Tender Offer in the manner described above.

3. Request for Relief From Rule 14e-5 of the Exchange Act

Subject to certain exceptions, Rule 14e-5(a) prohibits a "covered person" from, directly or indirectly, purchasing or arranging to purchase any equity securities in the target company or any securities immediately convertible into, exchangeable for or exercisable for

Page 9

equity securities in the target company, except as part of the tender offer. This prohibition applies from the time of public announcement of the tender offer until the tender offer expires. Rule 14e-5 defines "covered person" as (i) the offeror and its affiliates, (ii) the offeror's dealer-manager and its affiliates, (iii) any advisor to any of the foregoing, whose compensation is dependent on the completion of the offer and (iv) any person acting, directly or indirectly, in concert with any of the persons specified above.

We note that although Rule 14e-5(a) specifically states that the prohibition of Rule 14e-5(a) does not apply to any purchases made during any subsequent offering period if the consideration is the same as that in the original offering period, under Brazilian rules, the Bidders will be required to pay an upward adjustment in respect of the Shares purchased pursuant to the exercise of Put Rights. Although such upward adjustment will result in a purchase price for Shares purchased during the Put Right Period that is different than the purchase price paid for Shares acquired in the Auction, nevertheless, because this upward adjustment is being paid solely to satisfy the specific requirements of applicable Brazilian law, we do not believe that this difference in purchase price should give rise to the market manipulation concerns that Rule 14e-5(a) is intended to address. Therefore, we respectfully request that the exemption from compliance with Rule 14e-5 that we are seeking hereunder apply to permit the Bidders to comply with the Brazilian rules requiring them to pay such upward adjustment during the Put Right Period.

The SEC has previously provided relief from Rule 14e-5 for tender offers subject to Brazilian securities laws, based in part on the adequacy of the Brazilian regulatory regime. *See Cash tender offer by UnitedHealth Group Inc. for all outstanding shares of Amil Participações S.A.* (November 20, 2012).

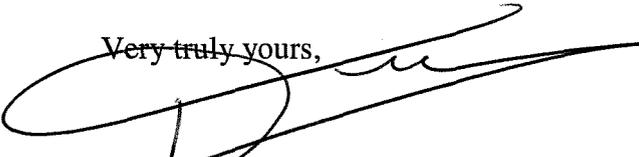
IV. Conclusion

On the basis of the foregoing, we respectfully request on behalf of the Bidders confirmation from the Staff that it will not recommend any enforcement action to the SEC under Rule 14e-1(b) with respect to the matters described herein. We further request, on behalf of the Bidders, exemptive relief from the provisions of Rule 14e-1(d) and Rule 14e-5.

We appreciate the Staff's consideration of these matters. If you have any questions or require any further information, please contact me at +(44) 20 7655 5576 or Mathias von Bernuth at +(55) 11 3708 1840.

* * * *

Very truly yours,



George Karafotias

Michele M. Anderson
Christina Chalk
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March 26, 2015

Page 10

cc: Mathias von Bernuth
Thomas Hughes
Skadden, Arps, Slate, Meagher & Flom LLP

Lisa Brill
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