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## Report: Houston real estate investor to buy local esports team in \$40M deal

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The Houston Outlaws esports team might soon be owned by local real estate investor Lee Zieben.

Sources familiar with the deal told ESPN that there's a binding letter of intent between Zieben and Outlaws owner Immortals Gaming Club. The deal is expected to close in late August, with Zieben paying \$30 million in cash and securities and assuming the \$10 million debt owed to the Overwatch League for the Houston Outlaws franchise slot.

Lee Zieben is the son of Herbert Zieben — one of Houston's leading homebuilders during the 1970s — and started developing gated patio and custom luxury homes in 2005. But after nearly a decade of building high-end homes, the younger Zieben forged his own path and founded Zieben Group, a multifamily developer specializing in affordable and mixed-income apartments. [Click here to read a 2017 interview with Lee Zieben.](#)

Zieben's office and the Overwatch League did not respond to ESPN's request for comment, and Los Angeles-based Immortals declined to comment.

A sale of the Houston team had been planned since June, when Immortals bought Frisco, Texas-based Infinite Esports & Entertainment, the parent company of OpTic Gaming and the Outlaws. Immortals was required to sell the Outlaws because it also owns the Los Angeles Valiant, another team in the Overwatch League, per ESPN.

"On an interim basis, IGC will manage the Overwatch League's Houston Outlaws franchise as a distinct entity with its own dedicated staff, pending the sale of the franchise to a third party," a June press release states. "The Overwatch League will provide oversight and monitor the team operations to ensure competitive integrity during the transition period."

Blizzard Entertainment Inc., a division of California-based Activision Blizzard Inc. (Nasdaq: ATVI), announced in 2017 that its new Overwatch League would include a Houston team. Currently in its second season, the league



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The logo of the Houston Outlaws.

has mostly held its matches at the Blizzard Arena Los Angeles in Burbank, California. However, some matches are expected to be held in Houston and several other U.S. cities starting in 2020.

The league is close to announcing exactly when and where the matches will be played in the Houston area, John Spiher, director of partnerships for the Houston Outlaws, told the Houston Business Journal in July. The Overwatch League should release local venue information and schedule dates in the coming weeks, Spiher said.

The Houston Outlaws boast sponsorships with major companies such as T-Mobile U.S. Inc. (Nasdaq: TMUS) and San Antonio-based grocer H-E-B, but Spiher said that the Houston franchise is looking to expand its partnerships with notable Texas brands. He said that companies like Whataburger and Buc-ee's jump to mind, but the Outlaws are generally interested in partnering with brands marketing to people between the ages of 18 and 25.

There is a lot of money to be made in the esports business. PwC, formerly Pricewaterhouse Coopers, estimated that esports revenues hit \$620 million in 2017 and expects that figure to jump to \$1.6 billion in 2020, The New York Times reported in August 2018. Houston Business Journal subscribers can [click here](#) to read The New York Times story.

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