

MORTONS RESTAURANT GROUP INC
Form SC 13E3/A
July 12, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13E-3

RULE 13e-3 TRANSACTION STATEMENT UNDER SECTION 13(e) OF THE SECURITIES EXCHANGE
ACT OF 1934

(AMENDMENT NO. 5)

MORTON'S RESTAURANT GROUP, INC.

(Name of the Issuer)

MORTON'S RESTAURANT GROUP, INC.
MORTON'S HOLDINGS, LLC
MORTON'S ACQUISITION COMPANY
CASTLE HARLAN PARTNERS III, L.P.
JOHN K. CASTLE
DAVID B. PITTAWAY

(Name of the person(s) filing statement)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

619429103

CUSIP Number of Class of Securities

THOMAS J. BALDWIN
Executive Vice President and
Chief Financial Officer
Morton's Restaurant Group, Inc.
3333 New Hyde Park Road
New Hyde Park, New York 11042
(516) 627-1515

HOWARD WEISS
Senior Vice President and Chief
Financial Officer
Castle Harlan, Inc., as Investment
Manager
Castle Harlan Partners III, L.P.
150 East 58th Street
New York, New York 10155
(212) 644-8600

JUSTIN B. WENDER
President and Chief Executive
Officer
Morton's Holdings, LLC

MARC WEINGARTEN, ESQ.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2000

GREGORY PRYOR, ESQ.
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
(212) 819-8200

GREGORY PRYOR, ESQ.
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036

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Morton's Acquisition Company
c/o Castle Harlan Partners III,
L.P.
150 East 58th Street
New York, New York 10155
(212) 644-8600
JOHN K. CASTLE
DAVID B. PITTAWAY
c/o Castle Harlan Partners III,
L.P.
150 East 58th Street
New York, New York 10155
(212) 644-8600

(212) 819-8200

GREGORY PRYOR, ESQ.
White & Case LLP
1155 Avenue of the Americas
New York, New York 10036
(212) 819-8200

(Name, Address and Telephone Number of Person Authorized to Receive Notices and
Communications on Behalf of Person(s) Filing Statement)

This statement is filed in connection with (check the appropriate box):

- a. /X/ The filing of solicitation materials or an information statement subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the Securities Exchange Act of 1934.
- b. / / The filing of a registration statement under the Securities Act of 1933.
- c. / / A tender offer.
- d. / / None of the above.

Check the following box if the soliciting materials or information statement referred to in checking box (a) are preliminary copies. / /

Check the following box if the filing is a final amendment reporting the results of the transaction. / /

CALCULATION OF FILING FEE

TRANSACTION VALUATION*	AMOUNT OF FILING**
\$69,321,320.88	\$6,378

* For purposes of calculating the filing fee only. Determined by (1) multiplying 4,229,711 shares of common stock, par value \$0.01 per share, of Morton's Restaurant Group, Inc. by \$16.00 per share and (2) adding thereto \$1,645,944.88, which is the aggregate difference between \$16.00 and the exercise prices for options to acquire 536,687 shares of common stock.

** The amount of the filing fee calculated in accordance with Exchange Act Rule 0-11 equals .000092 of the transaction valuation.

/X/ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement

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number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$5,260
Form or Registration No.: Schedule 14A
Filing Party: Morton's Restaurant Group, Inc.
Date Filed: April 16, 2002; June 17, 2002

INTRODUCTION

This Amendment No. 5 to the Rule 13e-3 Transaction Statement on Schedule 13E-3 first filed on April 16, 2002, as amended by Amendment No. 1 filed on May 24, 2002, Amendment No. 2 filed on June 7, 2002, Amendment No. 3 filed on June 17, 2002 and Amendment No. 4 filed on June 18, 2002 (this "Schedule 13E-3"), is being jointly filed by: (1) Morton's Restaurant Group, Inc., a Delaware corporation ("Morton's"), and the issuer of the equity securities that are the subject of the Rule 13e-3 transaction; (2) Castle Harlan Partners III, L.P., a Delaware limited partnership ("CHP"); (3) Morton's Holdings, LLC, a Delaware limited liability company wholly owned by CHP (formerly known as Morton's Holdings, Inc., "Morton's Holdings"); (4) Morton's Acquisition Company, a Delaware corporation and a direct wholly owned subsidiary of Morton's Holdings ("Morton's Acquisition"); (5) John K. Castle ("Castle"); and (6) David B. Pittaway ("Pittaway", and together with CHP, Morton's Holdings, Morton's Acquisition and Castle, collectively, the "Non-Issuer Filing Persons", and together with Morton's, collectively, the "Filing Persons").

Pursuant to an Agreement and Plan of Merger, dated as of March 26, 2002, as amended (the "merger agreement"), by and among Morton's Holdings, Morton's Acquisition and Morton's, Morton's Acquisition will merge with and into Morton's, and Morton's will be the surviving corporation.

Upon completion of the merger contemplated by the merger agreement, each issued and outstanding share of Morton's common stock will be converted into the right to receive \$16.00 in cash, without interest, except that: (1) shares of Morton's common stock held by Morton's or any of Morton's subsidiaries, shares held in Morton's treasury, or shares held by Morton's Holdings or Morton's Acquisition immediately prior to the effective time of the merger will be canceled without any payment therefor; and (2) shares of Morton's common stock held by stockholders who perfect their appraisal rights will be subject to appraisal in accordance with Delaware law. Upon completion of the merger, Morton's Holdings is expected to own 100% of Morton's post-merger common stock.

On June 18, 2002, Morton's filed a definitive proxy statement pursuant to which the stockholders of Morton's were given notice of the merger (the "proxy statement"). Concurrently with the filing of this Schedule 13E-3, Morton's is filing definitive supplemental proxy materials (the "supplemental materials") that include an update to the "Special Factors--Background of the Merger", "Reasons for the Recommendations of the Special Committee and the Board of Directors--Fairness of the Merger to Stockholders" and "--Position of Morton's Holdings, Morton's Acquisition, CHP, John K. Castle and David B. Pittaway as to the Fairness of the Merger" sections of the proxy statement.

Morton's has supplied all information contained in the proxy statement, the supplemental materials and this Schedule 13E-3 relating to Morton's, its subsidiaries and their respective directors, officers and affiliates, and Morton's Holdings has supplied all information contained in the proxy statement, the supplemental materials and this Schedule 13E-3 relating to the Non-Issuer

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Filing Persons and their respective directors, officers and affiliates (other than John K. Castle and David B. Pittaway solely in their respective capacities as directors of Morton's).

ITEM 1. SUMMARY TERM SHEET.

The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER" and "SUMMARY" in the proxy statement is incorporated herein by reference.

ITEM 2. SUBJECT COMPANY INFORMATION.

(a) Name and Address. The information contained in the section entitled "THE PARTICIPANTS" in the proxy statement is incorporated herein by reference.

(b) Securities. The information contained in the section entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the proxy statement is incorporated herein by reference.

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(c) Trading Market and Price. The information contained in the section entitled "TRADING MARKETS AND MARKET PRICE" in the proxy statement is incorporated herein by reference.

(d) Dividends. The information contained in the section entitled "TRADING MARKETS AND MARKET PRICE" in the proxy statement is incorporated herein by reference.

(e) Prior Public Offerings. Not applicable.

(f) Prior Stock Purchases. The information contained in the section entitled "COMMON STOCK PURCHASE INFORMATION" in the proxy statement is incorporated herein by reference.

ITEM 3. IDENTITY AND BACKGROUND OF THE FILING PERSONS.

(a) Name and Address; Business and Background of Natural Persons. The information contained in the section entitled "THE PARTICIPANTS" in the proxy statement is incorporated herein by reference. Morton's, a filing entity, is also the subject company. The information contained in the sections entitled "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the proxy statement and in APPENDIX D, INFORMATION RELATING TO THE DIRECTORS AND EXECUTIVE OFFICERS OF MORTON'S RESTAURANT GROUP, INC., and APPENDIX E, INFORMATION RELATING TO MORTON'S HOLDINGS, LLC, MORTON'S ACQUISITION COMPANY, CASTLE HARLAN PARTNERS III, L.P., JOHN K. CASTLE AND DAVID B. PITTAWAY AND INFORMATION RELATING TO THE DIRECTORS AND EXECUTIVE OFFICERS OF CASTLE HARLAN PARTNERS III, G.P., INC., MORTON'S HOLDINGS, LLC AND MORTON'S ACQUISITION COMPANY, to the proxy statement is incorporated herein by reference.

(b) Business and Background of Entities. The information contained in the section entitled "THE PARTICIPANTS" in the proxy statement is incorporated herein by reference.

(c) Business and Background of Natural Persons. The information contained in the section entitled "THE PARTICIPANTS" in the proxy statement and in APPENDIX D, INFORMATION RELATING TO THE DIRECTORS AND EXECUTIVE OFFICERS OF MORTON'S RESTAURANT GROUP, INC., and APPENDIX E, INFORMATION RELATING TO MORTON'S HOLDINGS, LLC, MORTON'S ACQUISITION COMPANY, CASTLE HARLAN PARTNERS III, L.P., JOHN K. CASTLE AND DAVID B. PITTAWAY AND INFORMATION RELATING TO THE DIRECTORS AND EXECUTIVE OFFICERS OF CASTLE HARLAN PARTNERS III, G.P., INC., MORTON'S HOLDINGS, LLC AND MORTON'S ACQUISITION COMPANY, to the proxy statement

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is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a) (1) Tender Offers. Not applicable.

(a) (2) (i) Transaction Description. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "THE MERGER AGREEMENT" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(a) (2) (ii) Consideration. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "THE MERGER AGREEMENT--PAYMENT FOR SHARES" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(a) (2) (iii) Reasons for Transaction. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS," "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER" and "--PURPOSE AND STRUCTURE OF THE MERGER" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(a) (2) (iv) Vote Required for Approval. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "THE SPECIAL

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MEETING--RECORD DATE AND VOTING INFORMATION" in the proxy statement is incorporated herein by reference.

(a) (2) (v) Differences in the Rights of Security Holders. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--EFFECTS OF THE MERGER; PLANS OR PROPOSALS AFTER THE MERGER" and "--INTERESTS OF MORTON'S DIRECTORS AND OFFICERS IN THE MERGER" in the proxy statement is incorporated herein by reference.

(a) (2) (vi) Accounting Treatment. The information contained in the sections entitled "SUMMARY" and "SPECIAL FACTORS--MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES" in the proxy statement is incorporated herein by reference.

(a) (2) (vii) Income Tax Consequences. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "SPECIAL FACTORS--MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES" in the proxy statement is incorporated herein by reference.

(c) Different Terms. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--EFFECTS OF THE MERGER; PLANS OR PROPOSALS AFTER THE MERGER" and "--INTERESTS OF MORTON'S DIRECTORS AND OFFICERS IN THE MERGER" in the proxy statement is incorporated herein by reference.

(d) Appraisal Rights. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY" and "SPECIAL FACTORS--APPRAISAL RIGHTS" in the proxy statement is incorporated herein by reference.

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(e) Provisions For Unaffiliated Security Holders. The information contained in the sections entitled "THE SPECIAL MEETING--RECORD DATE AND VOTING INFORMATION", "WHERE STOCKHOLDERS CAN FIND MORE INFORMATION" and "SPECIAL FACTORS--APPRAISAL RIGHTS" in the proxy statement is incorporated herein by reference.

(f) Eligibility for Listing or Trading. Not applicable.

ITEM 5. PAST CONTACTS, TRANSACTIONS, NEGOTIATIONS AND AGREEMENTS.

(a) Transactions. None.

(b), (c) Significant Corporate Events; Negotiations or Contacts. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--EFFECTS OF THE MERGER; PLANS OR PROPOSALS AFTER THE MERGER," "--INTERESTS OF MORTON'S DIRECTORS AND OFFICERS IN THE MERGER" and "COMMON STOCK PURCHASE INFORMATION" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(e) Agreements Involving the Subject Company's Securities. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--EFFECTS OF THE MERGER; PLANS OR PROPOSALS AFTER THE MERGER," "--INTERESTS OF MORTON'S DIRECTORS AND OFFICERS IN THE MERGER" and "THE MERGER AGREEMENT" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

ITEM 6. PURPOSES OF THE TRANSACTION AND PLANS OR PROPOSALS.

(b) Use of Securities Acquired. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--EFFECTS OF THE MERGER; PLANS OR PROPOSALS AFTER THE MERGER" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

(c) Plans. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--EFFECTS OF THE MERGER; PLANS OR PROPOSALS AFTER THE MERGER," "--INTERESTS OF MORTON'S DIRECTORS AND OFFICERS IN THE MERGER," "--MERGER FINANCING" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

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ITEM 7. PURPOSES, ALTERNATIVES, REASONS AND EFFECTS.

(a), (c) Purposes; Reasons. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS," "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER" and "--PURPOSE AND STRUCTURE OF THE MERGER" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(b) Alternatives. The information contained in the sections entitled "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--REASONS FOR THE RECOMMENDATION

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OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS" and "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(d) Effects. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--EFFECTS OF THE MERGER; PLANS OR PROPOSALS AFTER THE MERGER," "--INTERESTS OF MORTON'S DIRECTORS AND OFFICERS IN THE MERGER," "--ESTIMATED FEES AND EXPENSES OF THE MERGER," "--MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES" and "THE MERGER AGREEMENT" in the proxy statement is incorporated herein by reference.

ITEM 8. FAIRNESS OF THE TRANSACTION.

(a), (b) Fairness; Factors Considered in Determining Fairness. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS," "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER" "--PURPOSE AND STRUCTURE OF THE MERGER," "--OPINION OF FINANCIAL ADVISOR TO THE SPECIAL COMMITTEE," "OTHER MATTERS--PRESENTATION BY GREENHILL AT THE MAY 10, 2001 BOARD OF DIRECTORS MEETING," "--PRESENTATION BY GREENHILL AT THE JUNE 6, 2001 SPECIAL COMMITTEE MEETING," "--PRESENTATION BY GREENHILL AT THE JUNE 29, 2001 SPECIAL COMMITTEE MEETING," "--PRESENTATION BY GREENHILL AT THE JULY 31, 2001 SPECIAL COMMITTEE MEETING," "--PRESENTATION BY GREENHILL AT THE OCTOBER 29, 2001 SPECIAL COMMITTEE MEETING" and "--PRESENTATION BY GREENHILL AT THE FEBRUARY 19, 2002 SPECIAL COMMITTEE MEETING" in the proxy Statement, APPENDIX B to the proxy statement, "FAIRNESS OPINION OF GREENHILL & CO., LLC," and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(c) Approval of Security Holders. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "THE SPECIAL MEETING--RECORD DATE AND VOTING INFORMATION," "SPECIAL FACTORS--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS," "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER," "THE MERGER AGREEMENT--CONDITIONS TO COMPLETING THE MERGER" and "--TERMINATION" in the proxy statement is incorporated herein by reference.

(d) Unaffiliated Representative. The information contained in the section entitled "SPECIAL FACTORS--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS" and "OPINION OF FINANCIAL ADVISOR TO THE SPECIAL COMMITTEE" in the proxy statement is incorporated herein by reference.

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(e) Approval of Directors. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS" and "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(f) Other Offers. The information contained in the sections entitled "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS," and "--POSITION OF

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MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND NEGOTIATIONS.

(a)-(c) Report, Opinion, or Appraisal; Preparer and Summary of the Report; Availability of Documents. The information contained in the sections entitled "SUMMARY," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS," "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER," "--OPINION OF FINANCIAL ADVISOR TO THE SPECIAL COMMITTEE," "WHERE STOCKHOLDERS CAN FIND MORE INFORMATION," "OTHER MATTERS--PRESENTATION BY GREENHILL AT THE MAY 10, 2001 BOARD OF DIRECTORS MEETING," "--PRESENTATION BY GREENHILL AT THE JUNE 6, 2001 SPECIAL COMMITTEE MEETING," "--PRESENTATION BY GREENHILL AT THE JUNE 29, 2001 SPECIAL COMMITTEE MEETING," "--PRESENTATION BY GREENHILL AT THE JULY 31, 2001 SPECIAL COMMITTEE MEETING," "--PRESENTATION BY GREENHILL AT THE OCTOBER 29, 2001 SPECIAL COMMITTEE MEETING," "--PRESENTATION BY GREENHILL AT THE FEBRUARY 19, 2002 SPECIAL COMMITTEE MEETING" in the proxy statement, APPENDIX B to the proxy statement, "FAIRNESS OPINION OF GREENHILL & CO., LLC," and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

ITEM 10. SOURCE AND AMOUNTS OF FUNDS OR OTHER CONSIDERATION.

(a), (b), (d) Source of Funds; Conditions; Borrowed Funds. The information contained in the sections entitled "SUMMARY" and "SPECIAL FACTORS--MERGER FINANCING" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

(c) Expenses. The information contained in the sections entitled "SUMMARY," "THE SPECIAL MEETING--EXPENSES OF PROXY SOLICITATION" and "SPECIAL FACTORS--ESTIMATED FEES AND EXPENSES OF THE MERGER" in the proxy statement is incorporated herein by reference.

ITEM 11. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a) Securities Ownership. The information contained in the section "SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT" in the proxy statement is incorporated herein by reference.

(b) Securities Transactions. None.

ITEM 12. THE SOLICITATION OR RECOMMENDATION.

(d) Intent to Tender or Vote in a Going-Private Transaction. The information contained in the sections entitled "SUMMARY TERM SHEET," "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "THE SPECIAL MEETING--RECORD DATE AND VOTING INFORMATION" and "SPECIAL FACTORS--INTERESTS OF

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MORTON'S DIRECTORS AND OFFICERS IN THE MERGER" in the proxy statement is incorporated herein by reference.

(e) Recommendations to Others. The information contained in the sections entitled "QUESTIONS AND ANSWERS ABOUT THE MERGER," "SUMMARY," "--REASONS FOR THE RECOMMENDATION OF THE SPECIAL COMMITTEE AND THE BOARD OF DIRECTORS" and "--POSITION OF MORTON'S HOLDINGS, MORTON'S ACQUISITION, CHP, JOHN K. CASTLE AND

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DAVID B. PITTAWAY AS TO THE FAIRNESS OF THE MERGER" in the proxy statement and in the section entitled "BACKGROUND OF THE MERGER; FAIRNESS--UPDATE" in the supplemental materials is incorporated herein by reference.

ITEM 13. FINANCIAL STATEMENTS.

(a) Financial Information. The information contained in the sections entitled "MORTON'S SELECTED HISTORICAL FINANCIAL DATA" and "WHERE STOCKHOLDERS CAN FIND MORE INFORMATION" in the proxy statement is incorporated herein by reference, including Item 8, "FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA," of Morton's most recent Annual Report on Form 10-K attached as Exhibit F to the proxy statement.

(b) Pro Forma Information. Not applicable.

ITEM 14. PERSONS/ASSETS, RETAINED, EMPLOYED, COMPENSATED OR USED.

(a), (b) Solicitations or Recommendations; Employees and Corporate Assets. The information contained in the sections entitled "SUMMARY," "THE SPECIAL MEETING--EXPENSES OF PROXY SOLICITATION," "SPECIAL FACTORS--BACKGROUND OF THE MERGER," "--ESTIMATED FEES AND EXPENSES OF THE MERGER" and "--OPINION OF FINANCIAL ADVISOR TO THE SPECIAL COMMITTEE" in the proxy statement, and APPENDIX B to the proxy statement, "FAIRNESS OPINION OF GREENHILL & CO., LLC," is incorporated herein by reference.

ITEM 15. ADDITIONAL INFORMATION.

(b) Other Material Information. The information contained in the sections entitled "SUMMARY" and "SPECIAL FACTORS--LITIGATION CHALLENGING THE MERGER" in the proxy statement is incorporated herein by reference.

ITEM 16. EXHIBITS.

(a) (1) Definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on June 18, 2002 (incorporated herein by reference to the proxy statement).

(a) (2) Definitive supplemental proxy materials on Schedule 14A filed with the Securities and Exchange Commission on July 12, 2002 (incorporated herein by reference to the supplemental materials).

(b) (1) Amendment No. 15 to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated March 26, 2002 (incorporated herein by reference to the Current Report on Form 8-K, dated March 26, 2002).

(b) (2) Letter Regarding Reimbursement of Certain Costs Relating to Amendment No. 15 to the Credit Agreement (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on April 16, 2002).

(c) (1) Opinion of Greenhill & Co., LLC, dated March 26, 2002 (incorporated herein by reference to Appendix B to the proxy statement).

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(c) (2) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated March 26, 2002 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on April 16, 2002).

(c) (3) Greenhill & Co., LLC Presentation to the Board of Directors, dated March 26, 2002 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on April 16, 2002).

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(c) (4) Greenhill & Co., LLC Supplement to the Presentation to the Special Committee and the Board of Directors, dated March 26, 2002 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on April 16, 2002).

(c) (5) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated February 19, 2002 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on June 17, 2002).

(c) (6) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated October 29, 2001 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on June 17, 2002).

(c) (7) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated July 31, 2001 (incorporated herein by reference to the Schedule 13E-3/A filed by the Filing Persons on May 24, 2002).

(c) (8) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated June 29, 2001 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on June 17, 2002).

(c) (9) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated June 6, 2001 (incorporated herein by reference to the Schedule 13E-3/A filed by the Filing Persons on May 24, 2002).

(c) (10) Greenhill & Co., LLC Presentation to the Board of Directors, dated May 10, 2001 (incorporated herein by reference to the Schedule 13E-3/A filed by the Filing Persons on May 24, 2002).

(d) (1) Agreement and Plan of Merger, dated as of March 26, 2002, by and among Morton's Holdings, LLC (formerly known as Morton's Holdings, Inc.), Morton's Acquisition Company and Morton's Restaurant Group, Inc. (incorporated herein by reference to Appendix A to the proxy statement).

(d) (2) Amendment No. 1 to Merger Agreement, dated June 15, 2002 (incorporated herein by reference to Appendix A to the proxy statement).

(d) (3) Amendment No. 2 to Merger Agreement, dated June 28, 2002 (filed herewith).

(d) (4) Amendment No. 3 to Merger Agreement, dated July 9, 2002 (filed herewith).

(e) Not applicable.

(f) Section 262 of the Delaware General Corporation Law (incorporated herein by reference to Appendix C to the proxy statement).

(g) Not applicable.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This Schedule 13E-3 includes and incorporates by reference statements that are not historical facts. These forward-looking statements are based on Morton's and/or, where applicable, the Non-Issuer Filing Persons' current estimates and assumptions and, as such, involve uncertainty and risk. Forward-looking

statements include the information concerning possible or assumed future results of operations and also include those preceded or followed by words such as "anticipates," "believes," "thinks," "could," "estimates," "expects," "intends,"

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"may," "should," "plans," "targets" and/or similar expressions.

The forward-looking statements are not guarantees of future performance, events or circumstances, and actual results may differ materially from those contemplated by such forward-looking statements. In addition to the factors discussed in the proxy statement, including risks that stockholder approval and regulatory and third party clearances may not be obtained in a timely manner or at all, that an order or injunction may be imposed prohibiting or delaying the merger and that any other conditions to the merger may not be satisfied or waived, other factors that could cause actual results to differ materially include risks of the restaurant industry, including a highly competitive industry with many well-established competitors with greater financial and other resources than Morton's, and the impact of changes in consumer tastes, local, regional and national economic and market conditions, restaurant profitability levels, expansion plans, demographic trends, traffic patterns, employee availability and benefits, cost increases and regulatory developments. In addition, Morton's ability to expand is dependent upon various factors, such as contractual restrictions imposed by Morton's credit agreement, the availability of attractive sites for new restaurant locations, the ability to negotiate suitable lease terms, the ability to generate or borrow funds to develop new restaurants and obtain various government permits and licenses and the recruitment and training of skilled management and restaurant employees. These and other factors are discussed in the proxy statement and in the documents included as appendices in the proxy statement.

Except to the extent required under the federal securities laws, the Filing Persons do not intend to update or revise the forward-looking statements to reflect circumstances arising after the date of the preparation of the forward-looking statements.

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SIGNATURE

After due inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Dated: July 12, 2002

MORTON'S RESTAURANT GROUP, INC.

By: /s/ Thomas J. Baldwin

Thomas J. Baldwin
Executive Vice President and
Chief Financial Officer

SIGNATURE

After due inquiry and to the best of our knowledge and belief, we certify that the information set forth in this statement is true, complete and correct.

Dated: July 12, 2002

CASTLE HARLAN PARTNERS III, L.P.

By: Castle Harlan, Inc., as Investment Man

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By: /s/ Marcel Fournier

Marcel Fournier
Managing Director

MORTON'S HOLDINGS, LLC
MORTON'S ACQUISITION COMPANY

By: /s/ Justin B. Wender

Justin B. Wender
President and Chief Executive Officer

JOHN K. CASTLE

By: /s/ John K. Castle

DAVID B. PITTAWAY

By: /s/ David B. Pittaway

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
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(a) (1)	Definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on June 18, 2002 (incorporated herein by reference to the proxy statement).
(a) (2)	Definitive supplemental proxy materials on Schedule 14A filed with the Securities and Exchange Commission on July 12, 2002 (incorporated herein by reference to the supplemental materials).
(b) (1)	Amendment No. 15 to Second Amended and Restated Revolving Credit and Term Loan Agreement, dated March 26, 2002 (incorporated herein by reference to the Current Report on Form 8-K, dated March 26, 2002).
(b) (2)	Letter Regarding Reimbursement of Certain Costs Relating to Amendment No. 15 to the Credit Agreement (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on April 16, 2002).
(c) (1)	Opinion of Greenhill & Co., LLC, dated March 26, 2002 (incorporated herein by reference to Appendix B to the proxy statement).
(c) (2)	Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated March 26, 2002 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on April 16, 2002).
(c) (3)	Greenhill & Co., LLC Presentation to the Board of Directors, dated March 26, 2002 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on April 16, 2002).
(c) (4)	Greenhill & Co., LLC Supplement to the Presentation to the Special Committee and the Board of Directors, dated March 26, 2002 (incorporated herein by reference to the

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Schedule 13E-3 filed by the Filing Persons on April 16, 2002).

- (c) (5) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated February 19, 2002 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on June 17, 2002).
- (c) (6) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated October 29, 2001 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on June 17, 2002).
- (c) (7) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated July 31, 2001 (incorporated herein by reference to the Schedule 13E-3/A filed by the Filing Persons on May 24, 2002).
- (c) (8) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated June 29, 2001 (incorporated herein by reference to the Schedule 13E-3 filed by the Filing Persons on June 17, 2002).
- (c) (9) Greenhill & Co., LLC Presentation to the Special Committee of the Board of Directors, dated June 6, 2001 (incorporated herein by reference to the Schedule 13E-3/A filed by the Filing Persons on May 24, 2002).
- (c) (10) Greenhill & Co., LLC Presentation to the Board of Directors, dated May 10, 2001 (incorporated herein by reference to the Schedule 13E-3/A filed by the Filing Persons on May 24, 2002).
- (d) (1) Agreement and Plan of Merger, dated as of March 26, 2002, by and among Morton's Holdings, LLC (formerly known as Morton's Holdings, Inc.), Morton's Acquisition Company and Morton's Restaurant Group, Inc. (incorporated herein by reference to Appendix A to the proxy statement).
- (d) (2) Amendment No. 1 to Merger Agreement, dated June 15, 2002 (incorporated herein by reference to Appendix A to the proxy statement).
- (d) (3) Amendment No. 2 to Merger Agreement, dated June 28, 2002 (filed herewith).
- (d) (4) Amendment No. 3 to Merger Agreement, dated July 9, 2002 (filed herewith).
- (e) Not applicable.
- (f) Section 262 of the Delaware General Corporation Law (incorporated herein by reference to Appendix C to the proxy statement).
- (h) Not applicable.