

Bulldog SPAC Updates

5/21/2018

Busy week in SPAC land.

On May 16th, Houston Rockets owner Tilman J. Fertita, sponsor of SPAC **Lancadia Holdings**, announced a deal to acquire Waitr Incorporated, a restaurant platform for online ordering and on-demand food delivery. Under the terms of the definitive agreement, Lancadia would acquire Waitr for \$308 million in total consideration. Tilman J. Fertita, who is also the owner of Landry's Restaurants, is playing in a space he knows well. Currently only \$13 billion of total US restaurant industry sales of \$520 billion are delivered online. Common shares of the SPAC are currently trading around \$10.20 (above trust) and the warrants around 68c (up from 55c pre- deal).

Trinity Merger Corp. priced its initial public offering on May 15th, issuing 30,000,000 units at \$10 each. Each unit consists of 1 share of common stock and 1 whole warrant. Initial Trust is \$10.20. Focus is on the real estate sector. Lee S. Neibart will serve as Chairman of Trinity. Mr. Neibart was former President of NRDC Acquisition, a SPAC that went public in 2007 and converted to a REIT. Management will have 18 months to complete a deal. With proceeds from the IPO being invested in a US Government money market fund, an investor in Trinity can expect to make around 4% worst case in 18 months (that is with no deal announced and the SPAC liquidates). Shares of NRDC Acquisition (now Retail Opportunity Investments Corp) have more than doubled since shareholders approved the conversion to a REIT.

VectoIQ Acquisition Corp. issued 20,000,000 units at \$10 each on May 16th. Each unit is comprised of 1 share and 1 whole warrant. Initial Trust is \$10.10. Focus will be on industrial tech, transportation and smart mobility. The management team believes that while over the past few years there has been an increase in private equity and venture backed capital in the auto/ transport technology sector there have been relatively few IPOs. These trends provide VectoIQ an opportunity to identify private companies in the sector that would benefit from a public listing and access to capital markets as well as the management team's deep experience in these industries.

Over the weekend the Wall Street Journal reports **that GS Acquisition Holdings**, a blank check company backed by Goldman Sachs Group, is seeking to raise \$600 million. David M. Cote, who led the turnaround of Honeywell, will serve as chief executive. GS Acquisition will focus on seeking deals in the industrial sector.

Bulldog carefully vets each SPAC deal, oftentimes meeting with management and the underwriters. We continue to successfully execute our proprietary SPAC strategy that offers investors capital preservation coupled with the potential for equity type returns.