

# MERGERS & ACQUISITIONS

## MERGERS *unleashed*

### RLJ Plots SPAC

**Increasingly, more blank check companies have prepared offerings after 2009 showed it remains possible for SPACs to get deals completed.**

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**Robert L. Johnson**, chairman of **RLJ Companies** and the founder (and seller) of **Black Entertainment Television**, will prepare a \$125 million special purpose acquisition company (SPAC).

The blank check company will sell 12.5 million units at \$10 each that consist of one part stock and one part warrant. The offering is being underwritten by Lazard Capital Markets.

After a lengthy lull in the SPAC market in which few blank checks went public and many deals were rejected by shareholders instead intent on getting cash back in a turbulent market, there have been increasing signs that blank check companies will get a second look from investors looking to take on smaller shareholders in what could be rising equities markets.

Thomas O. Hicks announced recently he will launch a \$150 million SPAC with units pricing at \$10 each that consist of shares and warrants. In late 2009, Hicks' first SPAC successfully brought public Resolute Natural Resources after its initial deal with Graham Packaging fell apart.

Also, prior to Hicks' SPAC pricing shares, 57th Street General Acquisition Corp. floated a total of 5.45 million shares in the offering at \$10 a share.

Special purpose acquisition companies, after suffering embarrassment in late 2008 and 2009 after many blank checks were rejected and liquidated by shareholders, have been re-tailored to make deals more difficult for shareholders to reject, and, in turn, share refunds more broadly available for investors who wish to stay out of a deal.

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