

By [Matthew Guarnaccia](#)

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Law360 (February 28, 2019, 5:18 PM EST) -- A pair of special purpose acquisition companies made their market debuts on Thursday after pricing shares at a combined \$475 million, as DiamondPeak Holdings Corp. and Tortoise Acquisition Corp. look ahead to deals in the real estate and energy sectors, respectively.

Special purpose acquisition companies, or SPACs, also known as blank check companies, are designed to raise money that will be used to acquire an entity and take it public.

[Ellenoff Grossman & Schole LLP](#)-led DiamondPeak raised \$250 million, making its initial public offering the larger of the two. The blank check company offered 25 million units at \$10 apiece, with each unit consisting of one share of common stock and one-third of a warrant.

According to DiamondPeak, each whole warrant is redeemable for a single share of common stock at \$11.50. DiamondPeak's underwriters have the option to buy as many as 3.75 million additional units, a move that would increase the amount raised by DiamondPeak to \$287.5 million, the SPAC said.

In addition, DiamondPeak's sponsor, DiamondPeak Sponsor LLC, and funds and accounts affiliated with [BlackRock Inc.](#), agreed to a private placement deal, under which they would purchase approximately 4.67 million warrants — or 5.17 million if the underwriters take the over-allotment option — at \$1.50 apiece. DiamondPeak Sponsor is a joint venture between an entity controlled by David Hamamoto, the blank check company's chairman and CEO, and real estate investment firm Silverpeak.

DiamondPeak said it intends to use the funds raised from the IPO to acquire a business that is in some way related to real estate. SPACs traditionally strike deals for businesses in their executives' area of expertise, and Hamamoto's particular experience is in the real estate sector.

As part of the offering, DiamondPeak said BlackRock plans to acquire \$32.5 million worth of units, while David Hamamoto said he is looking to buy \$10 million worth of units as well. Together, BlackRock and Hamamoto would control 17 percent of DiamondPeak's total units.

With respect to Tortoise, the [Vinson & Elkins LLP](#)-led company took in \$225 million from its initial public offering, pricing 22.5 million units consisting of a single share of common stock and half of a warrant at \$10 apiece. A full warrant can be redeemed for a share of common stock valued at \$11.50, Tortoise said.

Underwriters for the offering have the ability to buy up to 3.375 million additional units, which would bring the total amount raised during Tortoise's IPO to around \$259 million. Tortoise said an entity affiliated with its sponsor, Tortoise Sponsor LLC, has also committed to acquiring 6.5 million warrants — or 7.175 million in the event the underwriters take the overallotment option — at \$1 apiece.

Tortoise said it is aiming to acquire an energy-focused business in North America, but has not yet identified a target company for an initial business combination.

The blank check company noted that a fund managed by CIBC National Trust Co. said it would pay up to \$150 million, either to buy units at their regular price or shares at \$9.67 apiece, in a so-called forward purchase agreement.

DiamondPeak's units are listed on the [Nasdaq Capital](#) market under the symbol DPHCU, while Tortoise is trading its units on the New York Stock Exchange under the symbol SHLL.U. The units for both companies ended their first day of trading where they began, at \$10 apiece.

DiamondPeak is represented by Douglas S. Ellenoff and Stuart Neuhauser of Ellenoff Grossman & Schole LLP.

The underwriters for the DiamondPeak offering are represented by Paul D. Tropp and Christopher J. Capuzzi of [Ropes & Gray LLP](#).

Tortoise is represented by Brenda Lenahan and E. Ramey Layne of Vinson & Elkins LLP.

The underwriters for the Tortoise offering are represented by Gregg A. Noel and Jonathan B. Ko of [Skadden Arps Slate Meagher & Flom LLP](#).

--Editing by Alanna Weissman.

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