

The Deal Pipeline[®]

National Geographic partner Lindblad Expeditions goes public via SPAC deal

By Lou Whiteman | March 10, 2015

A special-purpose acquisition company backed by private equity executive Mark Ein has acquired Lindblad Expeditions Inc., bringing the adventure travel company public in a deal that values the combined entity at about \$439 million.

Lindblad Expeditions of New York has provided cruises to exotic locations including the Galapagos, Antarctica, the Arctic, the Amazon and Alaska for nearly 40 years, partnered in recent years with National Geographic Society.

Terms of the deal call for Capitol Acquisition Corp. II, a public investment vehicle that listed in July 2013, to acquire 100% equity ownership of Lindblad and rename itself Lindblad Expeditions Holdings Inc. Current Lindblad owners will receive \$330 million for their shares, comprised of about \$90 million in cash and about 24 million shares that would give them a 49% stake in the surviving entity.

Company founder and president Sven-Olof Lindblad, who will own about 29% of shares post-deal, and current management are expected to remain with Lindblad post-deal.

"We are excited to partner with Capitol Acquisition Corp. II in a transaction that will position Lindblad to move into a new phase in our history and pursue future growth opportunities as a public company," Sven-Olof Lindblad said in a statement. "The additional resources and strong balance sheet will allow us to meet increasing guest demand by expanding our fleet with new vessels and opportunistically seeking accretive strategic acquisitions."

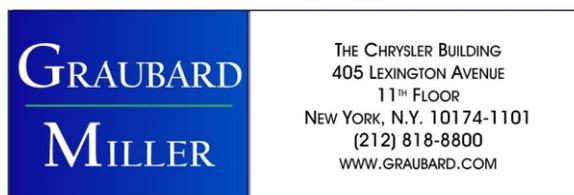
Ein, chairman of Capitol Acquisition, is also the founder of Venturehouse Group LLC. The former Carlyle Group principal was an early investor in companies including XM Satellite Radio, American Tower and Nextel, and is currently principal shareholder of office building security provider Kastle Systems LLC.

The investor, who is also the owner of the Washington Kastles World TeamTennis franchise, said Lindblad "is exactly the kind of investment opportunity that we were looking for" when Capitol Acquisition was created.

"The company has significant excess demand for its voyages and we believe our merger will provide substantial new resources to position the company for accelerated future growth," Ein said.

Citigroup Global Markets Inc.'s John Chirico and Clayton Hale are working with Deutsche Bank Securities Inc. as capital markets advisors. Latham & Watkins LLP partners Paul Sheridan, David Raab, Adam Kestenbaum joined with **David Miller of Graubard Miller to advise Capitol.**

Foley & Lardner LLP's Steve Chemeides and a Skadden, Arps, Slate, Meagher & Flom LLP of Ann Beth Stebbins, Victor Hollender, Regina Olshan and Bruce Goldner are advising Lindblad.





Lindblad Expeditions Inks \$439M Merger With Blank Check Co.

By Zachary Zagger

Law360, New York (March 10, 2015, 2:22 PM ET) -- Adventure travel company Lindblad Expeditions Inc. said Tuesday it is merging with public investment vehicle Capitol Acquisition Corp. II in a \$439 million deal that will create a publicly traded adventure travel holding company.

As a result of the merger, the combined company will be renamed Lindblad Expeditions Holdings Inc. and intends to be listed on the Nasdaq Stock Market. The combined company will continue to be led by Lindblad president and founder Sven-Olof Lindblad, who will hold approximately 29 percent of the combined company's shares, and the current Lindblad management team.

Lindblad specializes in providing expedition cruising and adventure travel experiences and benefits from a partnership with the National Geographic Society that it has had since 2004, collaborating on exploration, research, technology and conservation projects, the companies said.

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Under the terms of the merger, Capitol will become the owner of all of the equity of Lindblad with Capitol owned 50 percent by its shareholders and 49 percent by Lindblad shareholders with the Lindblad Expeditions–National Geographic Joint Fund for Exploration and Conservation holding the remaining 1 percent of the combined company. The current owners of Lindblad will also receive \$90 million in cash at closing, the companies said.

"We created Capitol with the express purpose of investing in a company that will generate superior long-term returns for shareholders," Capitol chairman and CEO Mark Ein said in a statement. "Expedition travel is among the fastest-growing segments in the travel industry ... The company has significant excess demand for its voyages and we believe our merger will provide substantial new resources to position the company for accelerated future growth."

Lindblad provides expedition travel cruises that feature up-close encounters with wildlife and nature through the world including places like the Galapagos, Antarctica, the Arctic, the Amazon and Alaska. Through its National Geographic partnership, the society's photographers and explorers join many of the trips, the companies said.

Following the closing of the merger, National Geographic plans to extend its partnership until Dec. 31, 2025, the companies said.

"We are thrilled to extend our important partnership with Lindblad Expeditions and support this transaction that will enable Lindblad and our joint offerings to significantly grow in the future," National Geographic president and CEO Gary E. Knell said in a statement.

The merger has already been approved by the boards of directors of both Lindblad and Capitol and the merger is expected to close in May 2015, subject to approval from Capitol shareholders.

Lindblad is being advised by Foley & Lardner LLP and a team from Skadden, Arps, Slate, Meagher & Flom LLP that included partners Ann Beth Stebbins (M&A), Victor Hollender (Tax), Regina Olshan (Executive Compensation and Benefits) and Bruce Goldner (Intellectual Property and Technology).

Capitol is being advised by Latham & Watkins LLP and **Graubard Miller**.

