

GHL Acquisition Corp.
Form 10-K
March 28, 2008

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

ANNUAL REPORT PURSUANT TO
SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2007.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 001-33963

GHL ACQUISITION CORP.

(Exact Name of Registrant as Specified in its Charter)

Delaware 22-1344998 (State

or Other Jurisdiction

of Incorporation or Organization) (I.R.S. Employer Identification No.) 300 Park Avenue, 23rd Floor

New York, New York 10022 (Address of Principal Executive Offices) (ZIP Code)

Registrant's telephone number, including area code: (212) 389-1500

Securities registered pursuant to Section 12(b) of the Act:

	Title of each class	Name of each exchange on which
registered Units, each consisting of one share of Common		
Stock, \$0.001 par value, and one Warrant	American Stock Exchange	Common Stock included in the Units
American Stock Exchange Warrants included in the Units	American Stock Exchange	
Securities registered pursuant to Section 12(g) of the Act:	None	

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant’s voting or non-voting equity held by non affiliates of the registrant as of June 30, 2007 is not relevant as the registrant was not in existence at such date. Moreover, trading of the registrant’s Units on the American Stock Exchange did not commence until February 22, 2008.

As of March 28, 2008, 48,500,000 shares of the Registrant’s common stock were outstanding.

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PART I

When we use the terms “we,” “us” or “our company” we refer to GHL Acquisition Corp., a Delaware corporation. References to “Greenhill” refer Greenhill & Co., Inc., our founding stockholder. References to “initial stockholders” refer to Greenhill and its permitted transferees. References to “public stockholders” refers to purchasers of shares of our common stock in our initial public offering or in the secondary market, including our founding stockholder, officers or directors and their affiliates to the extent they purchased or acquired shares in the initial public offering or in the secondary market.

Item 1. Business

Overview

We are a blank check company organized under the laws of the State of Delaware on November 2, 2007. We were formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or other similar business combination with one or more businesses or assets, which we refer to as our “initial business combination.”

On February 21, 2008, we completed our initial public offering of 40,000,000 units at a price of \$10 per unit, with each unit consisting of one share of common stock and one warrant exercisable for one share of common stock at an initial exercise price of \$7.00. On February 21, 2008, we also consummated a private placement of warrants, to Greenhill & Co., Inc., our founding stockholder, for an aggregate purchase price of \$8 million. Our common stock and warrants began trading separately on the American Stock Exchange on March 20, 2008.

We generated gross proceeds of \$408.0 million from our initial public offering and the concurrent private placement of warrants. Of the gross proceeds, (i) we deposited \$400.0 million into a trust account being maintained by American Stock Transfer & Trust Company, as trustee (which included approximately \$16.4 million of deferred underwriting discounts and commissions), (ii) the underwriters received \$6.9 million as underwriting fees (excluding the deferred underwriting fees), (iii) we retained \$875,000 to pay offering expenses and (iv) we also retained \$225,000 to fund expenses relating to our initial public offering and to fund a portion of our working capital. Up to \$5 million of the interest earned on the trust account may be released to us to fund our working capital requirements.

Our initial business combination must be with a target business or businesses with a fair market value of at least 80% of the balance in the trust account at the time of such business combination (less deferred underwriting discounts and commissions payable upon consummation of a business combination to the underwriters of our initial public offering). We will not limit our efforts in identifying a prospective target business to a particular industry. Instead, we will focus on industries and target businesses in the United States and Europe that may provide significant opportunity for growth.

Competitive Advantages

Experienced Management Team

We will seek to capitalize on the significant investing experience and contacts of our Chairman and Chief Executive Officer, Scott L. Bok and our Senior Vice President, Robert H. Niehaus. Mr. Bok has over 20 years of experience advising on mergers, acquisitions and restructurings and investing in private equity. Mr. Niehaus has over 20 years of experience investing in private equity and sourcing, evaluating, structuring and negotiating control or significant

minority investments in businesses. Each of Messrs. Bok and Niehaus has significant networks of contacts throughout the investment community and with a variety of sources of potential targets, including Greenhill's managing directors and senior advisors.

Management Expertise and Access to Greenhill Resources

In addition to the experience and contacts of our management team and board of directors, we will have access to the resources of our founding stockholder, Greenhill. Greenhill is a leading

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independent investment bank that provides financial advice on significant mergers, acquisitions and restructurings and manages merchant banking funds and similar vehicles. Greenhill's financial advisory business serves a diverse set of clients around the world. We believe that our sourcing of acquisition candidates and the recruiting of future managerial talent will benefit from the network of relationships which Greenhill has developed over the course of undertaking advisory mandates for over 225 different clients and the previous experience of its managing directors and senior advisors. While Greenhill has advised clients in a very wide range of industries, it has particular expertise in several sectors: communications and media, consumer goods and retail, energy and utilities, financial services, industrial (including automotive, chemicals, forest products, healthcare and transportation), real estate and technology. Greenhill's merchant banking business manages private equity funds in the U.S. and Europe, as well as a U.S. venture capital fund.

Greenhill's global team of senior investment bankers and private equity investors will be additional resources to us as we pursue acquisition candidates. We believe that Greenhill's managing directors will be motivated to locate a target for us in part because they own a majority of the stock in Greenhill, our founding stockholder, and also because we understand that their annual discretionary bonus compensation is generally determined in large part on the basis of their contribution to the revenues of Greenhill, and any increase in the fair market value of our stock owned by Greenhill as a result of a successful business combination would constitute a gain (and therefore revenue) to Greenhill. We believe that Greenhill's managing directors' compensation opportunities and equity interests in Greenhill, and thus indirectly in us, will motivate those individuals to facilitate our efforts in sourcing a target for our initial business combination. Managing directors and senior advisors of Greenhill will not be granted any other awards or incentives, such as a finder's fee, by us for their efforts to facilitate our efforts in sourcing a target for our initial business combination. As of December 31, 2007, Greenhill employed 43 managing directors and senior advisors with an average of more than 26 years of investment, M&A and restructuring experience. Greenhill operates from five cities in key business centers across four countries in North America and Europe.

Since its founding in 1996, Greenhill has grown steadily, recruiting a number of managing directors from major investment banks (as well as senior professionals from other institutions), each with a different geographic, industry or transaction focus and each with a different set of corporate management and other relationships. As part of this expansion, Greenhill opened a London office in 1998, raised its first Greenhill Capital Partners fund in 2000, opened a Frankfurt office later in 2000, began offering financial restructuring advice in 2001, raised its first venture capital fund in 2006 and raised its first European private equity fund in 2007. In 2004, Greenhill's common stock was listed on the New York Stock Exchange under the ticker symbol "GHL."

Greenhill manages approximately \$1.8 billion in capital through several merchant banking funds. The nine managing directors of Greenhill's merchant banking funds have extensive investment, M&A and restructuring experience and significant networks throughout the investing community. Greenhill's merchant banking activities are focused primarily on making controlling or influential minority investments in small and middle-market companies, generally committing between \$10 million and \$75 million of equity to any single transaction.

Access to Greenhill's Infrastructure

We believe that our affiliation with Greenhill will provide us with a competitive advantage. As one of the leading independent mergers, acquisitions and restructuring advisors, Greenhill offers enhanced access to potential target businesses, as well as the resources to evaluate such companies. We believe that our sourcing of acquisition candidates and the recruiting of future managerial talent will benefit from the network of relationships which Greenhill has developed over the course of undertaking advisory mandates for over 225 different companies and the previous experience of its managing directors and senior advisors. In addition, we believe our affiliation with

Greenhill provides us with considerable sector expertise and greater insight into sector participants, strategies and trends. Furthermore, where appropriate, Greenhill's managing directors and senior advisors will be available to offer us valuable advice on transaction structuring and other matters.

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Status as a Public Company

We believe our structure will make us an attractive business combination partner to target businesses. As an existing public company, we offer a target business or businesses an alternative to the traditional initial public offering through a merger or other business combination. The owners of a target business could exchange their shares of stock in the target business for shares of our stock. We believe target businesses will find this method a less expensive, quicker and more certain process to becoming a public company than the typical initial public offering. Once public, we believe the target business would then have greater access to capital and additional means to motivate management consistent with stockholders' interests. Becoming a public company can offer further benefits by augmenting a company's profile among potential new customers and vendors and aid in attracting talented employees.

While we believe that our status as a public company makes us an attractive business partner, some potential target businesses may view the inherent limitations in our status as a blank check company as a deterrent and may prefer to effect a business combination with a well established entity.

Financial Position

We offer a target business or businesses a variety of options such as providing the owners of a target business or businesses with shares in a public company and a public means to sell such shares, providing for the potential growth and expansion of its operations or strengthening its balance sheet by reducing its debt ratio. Because we are able to consummate a business combination using our cash (with a trust account initially in the amount of approximately \$400,000,000), debt or equity securities, or a combination of the foregoing, we have the flexibility to use the most efficient combination that will allow us to tailor the consideration to be paid to the target business to fit its needs and desires. However, we have not taken any steps to secure third party financing and there can be no assurance it will be available to us.

Availability of Significant Equity Incentives for Management

We anticipate that in connection with the consummation of our initial business combination, we will establish an equity incentive plan which would permit us to issue equity based incentive compensation, in the form of restricted stock units, options and other forms of awards, to existing and/or new management and other employees of the acquired business. We expect that 3% of our shares outstanding immediately before the business combination would be reserved for issuance to those persons who will act as senior members of management of our company following the business combination. No awards under this equity incentive plan would be made to Messrs. Bok or Niehaus. While the terms of the individual awards would be determined in connection with the consummation of our initial business combination, we expect that any such awards would be subject to vesting requirements (based either on time or performance or both) and transfer restrictions. We believe the availability of significant equity incentives to members of senior management will enable us to attract talented management teams for the combined business.

Investment Criteria

We have identified the following general criteria and guidelines that we believe are important in evaluating prospective target businesses. We will use the following criteria and guidelines in evaluating acquisition opportunities. However, we may decide to enter into a business combination with a target business that does not meet these criteria and guidelines.

Established, Proven Track Records. We will generally pursue companies with a history of strong operating and financial results. However, we may acquire a company undergoing a turnaround that demonstrates strong prospects for future growth.

Flow Characteristics. We will pursue companies that have a history of, or potential for, strong, stable free cash flow generation. We will focus on companies that have or are expected to build predictable, recurring revenue streams and have low working capital and capital expenditure requirements.

- Strong Free Cash

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Industry Position. We will pursue businesses that operate within industries that have strong fundamentals. The factors we will consider include growth prospects, competitive dynamics, level of consolidation, need for capital investment and barriers to entry. Within these industries, we will focus on companies that have a leading or niche market position. We will analyze the strengths and weaknesses of target businesses relative to their competitors, focusing on product quality, customer loyalty, cost impediments associated with customers switching to competitors, patent or other types of unique asset protection and brand positioning. We will pursue businesses that demonstrate advantages when compared to their competitors, which may help to protect their market position and develop or sustain profitability and deliver strong free cash flow.

- Strong Competitive

Experienced Management Team. We will pursue businesses that either have strong, experienced management teams or those that provide a platform for us to assemble an effective and experienced management team. We believe the significant contacts of our management team and Greenhill may also help us to find executives and managers who can strengthen the businesses we may acquire. We will focus on management teams with a proven track record of delivering revenue growth, enhancing profitability and generating strong free cash flow.

- Strong and

Customer and Supplier Base. We will pursue businesses that have a diversified customer and supplier base. Companies with a diversified customer and supplier base are generally better able to endure economic downturns, industry consolidation, changing business preferences and other factors that may negatively impact their customers, suppliers and competitors.

- Diversified

While we may seek to acquire or acquire control of more than one business or asset, which we refer to as our “target business” or “target businesses,” our initial business combination must involve one or more target businesses having a fair market value, individually or collectively, equal to at least 80% of the balance in the trust account at the time of such initial business combination (less deferred underwriting discounts and commissions of approximately \$16.4 million). We will only consummate a business combination in which we become the controlling stockholder of the target. The key factor that we will rely on in determining controlling stockholder status would be our acquisition of at least 50.1% of the voting equity interests or membership interests of the target company, as applicable, or in the case of a partnership, the acquisition of the general partner. However, in connection with the consummation of our initial business combination we may issue additional common stock or securities convertible into or exercisable for common stock such as convertible preferred stock, convertible debt, or warrants in which case our stockholders before our initial business combination may not own a majority of our common stock following the consummation of the business combination. In addition, we will not enter into our initial business combination with any entity in which our founding stockholder, or any of our officers or directors or their affiliates has a material ownership interest, nor will we acquire any company in which a Greenhill merchant banking fund has a material ownership interest.

If we are unable to consummate a business combination by February 14, 2010, our corporate existence will cease and we will implement our liquidation plan, which will include the distribution of the proceeds held in the trust account to our public stockholders in an amount we expect to be approximately \$10.00 per share of common stock held by them.

Recent Developments

On March 14, 2008, John D. Liu resigned as Chief Financial Officer. On the same date, we appointed Harold J. Rodriguez, Jr. to serve as Chief Financial Officer. Mr. Rodriguez has served as our Treasurer since our formation in November 2007 and serves as the Chief Administrative Officer and Chief Compliance Officer of Greenhill.

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Effecting a Business Combination

General

We are not presently engaged in, and we will not engage in, any operations for an indefinite period of time. While substantially all of the net proceeds of our initial public offering are allocated to completing an initial business combination, the proceeds are not otherwise designated for more specific purposes. If we engage in an initial business combination with a target business using our capital stock or debt financing to fund the combination, proceeds from our initial public offering and the sale of the private placement warrants will then be used to undertake additional acquisitions or to fund the operations of the target business on a post-combination basis. We may engage in an initial business combination with a company that does not require significant additional capital but is seeking a public trading market for its shares, and which wants to merge with an already public company to avoid the uncertainties associated with undertaking its own public offering. These uncertainties include time delays, compliance and governance issues, significant expense, a possible loss of voting control, and the risk that market conditions will not be favorable for an initial public offering at the time the offering is ready to be commenced. We may seek to effect a business combination with more than one target business, although our limited resources may serve as a practical limitation on our ability to do so.

Sources of target businesses

We expect that our principal means of identifying potential target businesses will be through the extensive contacts and relationships of our executive officers and directors and Greenhill. While our executive officers are not required to commit to our business on a full-time basis and our directors have no commitment to spend any time in identifying or performing due diligence on potential target businesses, our executive officers and directors believe that the relationships they have developed over their careers and their access to Greenhill professionals will generate a number of potential business combination opportunities that will warrant further investigation. Various unaffiliated parties, such as investment banking firms, venture capital funds, private equity funds, leveraged buyout funds and similar sources, may also bring potential target businesses to our attention.

We may pay fees or compensation to third parties for their efforts in introducing us to potential target businesses that we have not previously identified. Such fees or compensation may be calculated as a percentage of the dollar value of the transaction and/or may involve monthly retainer payments. We will seek to negotiate the lowest reasonable percentage fee consistent with the attractiveness of the opportunity and the alternatives, if any, that are then available to us. Payment of finder's fees is customarily tied to completion of a transaction. Although it is possible that we may pay finder's fees in the case of an uncompleted transaction, we consider this possibility to be extremely remote. In no event will we pay our founding stockholder, our officers or directors or any entity with which they or we are affiliated, including Greenhill, any finder's fee or other compensation for services rendered to us before or in connection with the consummation of an initial business combination, other than (i) repayment of an advance of \$250,000 (and accrued interest thereon) made to us by Greenhill to cover offering-related and organizational expenses; (ii) payment of an aggregate of \$10,000 per month to Greenhill for office space, secretarial and administrative services; and (iii) reimbursement for any out-of-pocket expenses related to our initial public offering and identifying, investigating and consummating an initial business combination. In addition, neither our founding stockholder, nor our officers or directors or any entity with which they are affiliated, including Greenhill, will receive any finder's fee, consulting fees or any similar fees from any person or entity in connection with any initial business combination involving us other than any compensation or fees that may be received for any services provided following such initial business combination. Our audit committee will review and approve all payments made to our founding stockholder, our officers and directors and our or their affiliates, other than the \$10,000 per month payment described above, and any

payments made to members of our audit committee will be reviewed and approved by our board of directors, with the interested director or directors abstaining from such review and approval.

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Selection of a target business and structuring of a business combination

Subject to the requirement that our initial business combination must be with a target business with a fair market value that is at least 80% of the balance in the trust account (less deferred underwriting discounts and commissions of approximately \$16.4 million) at the time of such initial business combination, our management will have virtually unrestricted flexibility in identifying and selecting a prospective target business. However, we will only consummate a business combination in which we become the controlling stockholder of the target. The key factor that we will rely on in determining controlling stockholder status would be our acquisition of at least 50.1% of the voting equity interests or membership interests of the target company, as applicable, or, in the case of a partnership, our acquisition of the general partner. We may choose to issue additional debt or equity securities to consummate a business combination, however, and our stockholders before the business combination may not own a majority of our common stock following the consummation of a business combination. We will not consider any transaction that does not meet such criteria. In addition, we will not enter into our initial business combination with any entity in which our founding stockholder, any of our officers, directors or our or their affiliates has a material ownership interest, nor will we acquire any company in which a Greenhill merchant banking fund has a material ownership interest.

In evaluating a prospective target business, our management will consider a variety of criteria and guidelines, including the following:

established, proven track records;

flow characteristics;

industry position;

experienced management team; and

and supplier base.

-
- strong free cash
- strong competitive
- strong and
- diversified customer

These criteria are not intended to be exhaustive. Any evaluation relating to the merits of a particular initial business combination will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant by our management to our business objective. In evaluating a prospective target business, we expect to conduct an extensive due diligence review which will encompass, among other things, meetings with incumbent management and employees, document reviews, interviews of customers and suppliers, inspection of facilities, as well as review of financial and other information which will be made available to us.

The time required to select and evaluate a target business and to structure and complete the initial business combination, and the costs associated with this process, are not currently ascertainable with any degree of certainty. We expect that due diligence of prospective target businesses will be performed by some or all of our officers and directors and Greenhill employees. We may engage accounting firms or other third-party consultants to assist us with performing due diligence and valuations of the target company. Any costs incurred with respect to the identification and evaluation of a prospective target business with which a potential or initial business combination is not ultimately completed will result in our incurring losses and will reduce the funds we can use to complete an initial business combination.

Fair market value of target business or businesses and determination of offering amount

The initial target business or businesses with which we combine must have a collective fair market value equal to at least 80% of the balance in the trust account (less deferred underwriting discounts and commissions of approximately \$16.4 million) at the time of such initial business combination. If we acquire less than 100% of one or more target businesses in our initial business combination, the aggregate fair market value of the portion or portions we acquire must equal at least 80% of the balance in the trust account (less deferred underwriting discounts and commissions as described above) at the time of such initial business combination. The fair market value of a portion of a target business will be calculated by multiplying the fair market value of the entire business by the percentage of the target business we acquire. We may seek to consummate our initial business

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combination with a target business or businesses with a collective fair market value in excess of the balance in the trust account. However, we would need to obtain additional financing to consummate such an initial business combination, and there is no assurance we would be able to obtain such financing. If we seek to acquire more than one target business or to acquire the assets of several operating businesses at the same time, all of the acquisitions will be contingent on the closings of the other acquisitions and shareholders will vote on the proposed business combination as a whole.

In determining the size of our initial public offering, our management concluded, based on their collective experience, that an offering of \$400 million, together with the \$8 million in proceeds of the private placement of the private placement warrants, would provide us with sufficient equity capital to execute our business plan. We believe that this amount of equity capital (net of underwriting fees), plus our ability to finance an acquisition using stock or debt in addition to the cash held in the trust account, will give us substantial flexibility in selecting an acquisition target and structuring our initial business combination. This belief is not based on any research, analysis, evaluations, discussions, or compilations of information with respect to any particular investment or any such action undertaken in connection with our organization. We cannot assure you that our belief is correct, that we will be able to successfully identify acquisition candidates, that we will be able to obtain any necessary financing or that we will be able to consummate a transaction with one or more target businesses whose fair market value, collectively, is equal to at least 80% of the balance in the trust account (less deferred underwriting discounts and commissions of approximately \$16.4 million) at the time of the initial business combination.

In contrast to many other blank check companies that must combine with one or more target businesses that have a fair market value equal to 80% or more of the acquiring company's net assets, we will not combine with a target business or businesses unless the fair market value of such entity or entities meets a minimum valuation threshold of 80% of the amount in the trust account (less deferred underwriting discounts and commissions of approximately \$16.4 million). We have used this criterion to provide investors and our executive officers and directors with greater certainty as to the fair market value that a target business or businesses must have to qualify for our initial business combination. The determination of net assets requires an acquiring company to have deducted all liabilities from total assets to arrive at the balance of net assets. Given the ongoing nature of legal, accounting, stockholder meeting and other expenses that will be incurred immediately before and at the time of an initial business combination, the balance of an acquiring company's total liabilities may be difficult to ascertain at a particular point in time with a high degree of certainty. Accordingly, we have determined to use the valuation threshold of 80% of the amount in the trust account (less deferred underwriting discounts and commissions of approximately \$16.4 million) for the fair market value of the target business or businesses with which we combine so that our executive officers and directors will have greater certainty when selecting, and our investors will have greater certainty when voting to approve or disapprove, a proposed initial business combination with a target business or businesses that such target business or businesses will meet the minimum valuation criterion for our initial business combination.

Our board of directors will perform its own valuations and analyses in seeking to determine that the target has a fair market value of at least 80% of the balance in the trust account (less deferred underwriting discounts and commissions of approximately \$16.4 million) at the time of the proposed business combination. Whether or not the fair market value of a target business is in excess of 80% of the proceeds in the trust account or businesses will be determined by our board of directors based upon standards generally accepted by the financial community, such as actual and potential gross margins, the values of comparable businesses, earnings and cash flow, and book value. The board of directors will make its valuation assessment based on all relevant information available at the time, which may differ on a case-by-case basis depending on the specific nature of the target and the structure of the transaction, including the projected performance of the target based on its potential under our business plan (as determined based upon standards generally accepted by the financial community, as well as the criteria discussed under "Selection of a target business

and structuring of a business combination'' above). Accordingly, we cannot predict at this time the precise information that the board of directors intends to provide to stockholders regarding the valuation of a particular target,

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other than whether it meets the 80% threshold criterion. If our board of directors is unable to determine independently that the target business has a sufficient fair market value to meet the threshold criterion, we will obtain an opinion in that regard from an unaffiliated, independent investment banking firm which is a member of the Financial Industry Regulatory Authority, or FINRA, or other nationally recognized appraiser with expertise in the specific industry in question. We expect that any such opinion would be included in our proxy soliciting materials furnished to our stockholders in connection with the stockholder vote on our initial business combination, and that such independent investment banking firm or appraiser will be a consenting expert. We will not be required to obtain an opinion from an investment banking firm or appraiser as to the fair market value of the business if our board of directors independently determines that the target business or businesses has sufficient fair market value to meet the threshold criterion. In addition, if our board of directors has informed stockholders that it believes that a target business meets the 80% threshold criterion, our board of directors will not be otherwise required to provide stockholders with valuations and analyses or quantify the value of any target. Further, if we issue shares to acquire a target and such issuance causes the investors in our initial public offering to collectively become minority stockholders, we will not be required to obtain an opinion or independently opine on whether the transaction is fair to our stockholders. However, any such issuance shall not affect the requirement that a majority of the shares of common stock voted by our public stockholders must approve any initial business combination.

Opportunity for stockholder approval of business combination

Prior to the completion of our initial business combination, we will submit the transaction to our stockholders for approval, even if the nature of the transaction is such as would not ordinarily require stockholder approval under applicable state law. At the same time, we will submit to our stockholders for approval a proposal to amend our amended and restated certificate of incorporation to provide for our perpetual existence if the initial business combination is approved and consummated. The quorum required to constitute this meeting, as for all meetings of our stockholders in accordance with our bylaws, is a majority of our issued and outstanding common stock (whether or not held by public stockholders). We will consummate our initial business combination only if (i) the initial business combination is approved by a majority of votes cast by our public stockholders in person or by proxy at a duly held stockholders meeting, (ii) an amendment to our amended and restated certificate of incorporation to provide for our perpetual existence is approved by holders of a majority of our outstanding shares of common stock and (iii) public stockholders owning no more than 30% (minus one share) of our outstanding shares of common stock sold in our initial public offering both vote against the business combination and exercise their conversion rights. This may have the effect of making it easier for us to have an initial business combination approved over stockholder dissent than other blank check companies with a business purpose similar to ours. Similar blank check companies generally will not consummate an initial business combination if public stockholders holding more than 20% of their outstanding shares of common stock exercise their conversion rights.

Under the terms of our amended and restated certificate of incorporation, this provision may not be amended without the unanimous consent of our stockholders before consummation of an initial business consummation. Even though the validity of unanimous consent provisions under Delaware General Corporation Law has not been settled, neither we nor our board of directors will propose any amendment to this 30% threshold, or support, endorse or recommend any proposal that stockholders amend this threshold (subject to any fiduciary obligations our management or board of directors may have). In addition, we believe we have an obligation in every case to structure our initial business combination so that not less than 30% of the shares sold in our initial public offering (minus one share) have the ability to be converted to cash by public stockholders exercising their conversion rights and the initial business combination will still go forward. Provided that a quorum is in attendance at the meeting, in person or by proxy, a failure to vote on the initial business combination at the stockholders' meeting will have no outcome on the transaction. Voting against our initial business combination alone will not result in conversion of a stockholder's shares into a pro

rata share of the trust account. In order to convert its shares, a stockholder must have also exercised the conversion rights described below.

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If a majority of the shares of common stock voted by the public stockholders are not voted in favor of a proposed initial business combination, we may continue to seek other target businesses with which to effect our initial business combination until February 14, 2010. In connection with seeking stockholder approval of our initial business combination, we will furnish our stockholders with proxy solicitation materials prepared in accordance with the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which, among other matters, will include a description of the operations of the target business and audited historical financial statements of the target business based on U.S. generally accepted accounting principles or prepared in accordance with International Financial Reporting Standards as approved by the International Accounting Standards Board.

Our initial stockholders have agreed, in connection with the stockholder vote required to approve our initial business combination, to vote the founder's shares in accordance with the majority of the shares of common stock voted by the public stockholders. Our founding stockholder and each of our executive officers and directors have also agreed that if it, he or she acquires shares of common stock in or following our initial public offering, it, he or she will vote all such acquired shares in favor of our initial business combination. As a result, neither our initial stockholders, nor our executive officers or directors will be able to exercise conversion rights with respect to any of our shares that it, he or she may acquire before, in or after our initial public offering.

Conversion rights

At the time we seek stockholder approval of our initial business combination, we will offer our public stockholders the right to have their shares of common stock converted to cash if they vote against the business combination and the business combination is approved and consummated. Notwithstanding the foregoing, a public stockholder, together with any affiliate of his, her or it or any other person with whom he, she or it is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of our securities, will be restricted from seeking conversion rights with respect to more than 10% of the shares sold in our initial public offering, which includes the stockholder vote required to approve our initial business combination. Such a public stockholder would still be entitled to vote against a proposed business combination with respect to all shares owned by him, her or it or his, her or its affiliates. We believe this restriction will prevent stockholders from accumulating large blocks of stock before the vote held to approve a proposed initial business combination and attempt to use the conversion right as a means to force us or our management to purchase their stock at a significant premium to the then current market price. Absent this provision, for example, a public stockholder who owns 15% of the shares sold in our initial public offering could threaten to vote against a proposed business combination and seek conversion, regardless of the merits of the transaction, if his, her or its shares are not purchased by us or our management at a premium to the then current market price. By limiting each stockholder's ability to convert only up to 10% of the shares sold in our initial public offering, we believe we have limited the ability of a small group of stockholders to unreasonably attempt to block a transaction which is favored by our other public stockholders. However, we are not restricting the stockholders' ability to vote all of their shares against the business combination.

The actual per-share conversion price will be equal to the aggregate amount then on deposit in the trust account (before payment of deferred underwriting discounts and commissions and including accrued interest, net of any income taxes payable on such interest and net of franchise taxes, which shall be paid from the trust account, and net of interest income previously released to us to fund our working capital requirements), calculated as of two business days before the consummation of the proposed initial business combination, divided by the number of shares sold in our initial public offering. The initial per-share conversion price is expected to be approximately \$10.00, which equals the per-unit initial public offering price of \$10.00. The underwriters have agreed that upon the consummation of our initial business combination, the deferred underwriting discounts and commissions released to it from the trust account will be net of the pro rata amount of deferred underwriting discounts and commissions paid to stockholders

who properly exercise their conversion rights.

An eligible public stockholder who wishes to exercise its conversion rights may request conversion of its shares at any time after the mailing to our stockholders of the proxy statement and

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before the vote taken with respect to a proposed business combination at a meeting held for that purpose, but the request will not be granted unless the public stockholder votes against a initial business combination, our initial business combination is approved and completed, and the public stockholder holds its shares through the closing of our initial business combination and the public stockholder follows the specific procedures for conversion that will be set forth in the proxy statement relating to the stockholder vote on a proposed initial business combination. Following the approval of our initial business combination by our stockholders and until the completion of such initial business combination (or termination of the definitive agreement relating to the proposed initial business combination), any transfer of shares owned by a public stockholder who has requested to exercise its conversion rights will be blocked. If a public stockholder votes against our initial business combination but fails to properly exercise its conversion rights, such public stockholder will not have its shares of common stock converted. Any request for conversion, once made, may be withdrawn at any time up to the date of the meeting of stockholders being held for the purpose of approving the initial business combination. It is anticipated that the funds to be distributed to public stockholders who elect conversion will be distributed promptly after completion of our initial business combination. Public stockholders who exercise their conversion rights will still have the right to exercise any warrants they still hold.

We may require public stockholders to tender their certificates to our transfer agent before the meeting or to deliver their shares to the transfer agent electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System. We will notify investors on a current report on Form 8-K and in our proxy statement related to the initial business combination if we impose this requirement. Traditionally, in order to perfect conversion rights in connection with a blank check company's business combination, a stockholder could simply vote against a proposed business combination and check a box on the proxy card indicating such stockholder was seeking to exercise its conversion rights. After the business combination was approved, the company would contact such stockholder to arrange for him, her or it to deliver his, her or its certificate to verify ownership. As a result, the stockholder then had an "option window" after the consummation of the business combination during which he, she or it could monitor the price of the stock in the market. If the price rose above the conversion price, the stockholder could sell his, her or its shares in the open market before actually delivering his, her or its shares to the company for cancellation in consideration for the conversion price. Thus, the conversion right, to which stockholders were aware they needed to commit before the stockholder meeting, would become an option to convert surviving past the consummation of the business combination until the converting stockholder delivered his, her or its certificate. The requirement for physical or electronic delivery before the meeting ensures that a converting stockholder's election to convert is irrevocable once the business combination is approved.

If we elect to require physical delivery of the share certificates, we would expect that stockholders would have to comply with the following steps. If the shares are held in street name, stockholders must instruct their account executive at the stockholders' bank or broker to withdraw the shares from the stockholders' account and request that a physical certificate be issued in the stockholders' name. Our transfer agent will be available to assist with the process. No later than the day before the stockholder meeting, the written instructions stating that the stockholder wishes to convert his or her shares into a pro rata share of the trust account and confirming that the stockholder has held the shares since the record date and will continue to hold them through the stockholder meeting and the closing of our business combination must be presented to our transfer agent. Certificates that have not been tendered in accordance with these procedures by the day before the stockholder meeting will not be converted into cash. In the event that a stockholder tenders his or her shares and decides before the stockholder meeting that he or she does not want to convert his or her shares, the stockholder may withdraw the tender. In the event that a stockholder tenders shares and our business combination is not completed, these shares will not be converted into cash and the physical certificates representing these shares will be returned to the stockholder.

In connection with a vote to approve our initial business combination, public stockholders may elect to vote a portion of their shares for and a portion of their shares against such proposal. If the initial business combination is approved and consummated, public stockholders who elected to convert

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the portion of their shares voted against the initial business combination will receive the conversion price with respect to those shares (subject to the 10% limitation discussed above) and may retain any other shares they own.

We expect the initial conversion price to be approximately \$10.00 per share. If this amount is lower than the \$10.00 per unit initial public offering price or less than the market price of a share of our common stock on the date of conversion, there may be a disincentive to public stockholders to exercise their conversion rights.

If a vote on an initial business combination is held and the business combination is not approved, we may continue to try to consummate an initial business combination with a different target until February 14, 2010. If the initial business combination is not approved or completed for any reason, then public stockholders voting against our initial business combination who exercised their conversion rights would not be entitled to convert their shares of common stock into a pro rata share of the aggregate amount then on deposit in the trust account. Those public stockholders would be entitled to receive their pro rata share of the aggregate amount on deposit in the trust account only if the initial business combination they voted against was duly approved and subsequently completed, or in connection with our liquidation.

Liquidation if no business combination

Our amended and restated certificate of incorporation provides that we will continue in existence only until February 14, 2010. If we consummate our initial business combination before the applicable date, we will seek to amend this provision to provide for our perpetual existence. If we have not completed our initial business combination by the applicable date, our corporate existence will cease except for the purposes of winding up our affairs and liquidating pursuant to Section 278 of the Delaware General Corporation Law. Because of this provision in our amended and restated certificate of incorporation, no resolution by our board of directors and no vote by our stockholders to approve our dissolution would be required for us to dissolve and liquidate. Instead, we will notify the Delaware Secretary of State in writing on the termination date that our corporate existence is ceasing, and include with such notice payment of any franchise taxes then due to or assessable by the state.

If we are unable to complete a business combination by February 14, 2010, our existence will automatically terminate and as promptly as practicable thereafter we will adopt a plan of distribution that makes reasonable provision for claims against us in accordance with Section 281(b) of the Delaware General Corporation Law. Upon our plan of distribution, the trustee will commence liquidating the investments constituting the trust account and distribute the proceeds to our public stockholders.

Section 278 provides that even after we cease our business activities and distribute the balance of the trust account to our public stockholders, our existence will continue for at least three years after our termination for the purpose of prosecuting and defending suits, whether civil, criminal or administrative, by or against us, and of enabling us gradually to settle and close our business, to dispose of and convey our property, to discharge our liabilities and to distribute to our stockholders any remaining assets, but not for the purpose of continuing the business for which we were organized. Our existence will continue automatically even beyond the three-year period for the purpose of completing the prosecution or defense of suits begun before the expiration of the three-year period, until such time as any judgments, orders or decrees resulting from such suits are fully executed. Section 281(b) will require us to pay or make reasonable provision for all then-existing claims and obligations, including all contingent, conditional, or unmatured contractual claims known to us, and to make such provision as will be reasonably likely to be sufficient to provide compensation for any then-pending claims and for claims that have not been made known to us or that have not arisen but that, based on facts known to us at the time, are likely to arise or to become known to us within 10 years after the date of dissolution. Under Section 281(b), the plan of distribution must provide for all of such claims to be

paid in full or make provision for payments to be made in full, as applicable, if there are sufficient assets. If there are insufficient assets, the plan must provide that such claims and

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obligations be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of legally available assets. Any remaining assets will be available for distribution to our stockholders.

We expect that all costs and expenses associated with implementing our plan of distribution, as well as payments to any creditors, will be funded from amounts remaining out of the \$225,000 of proceeds held outside the trust account and from the \$5.0 million, subject to adjustment, in interest income on the balance of the trust account that may be released to us to fund our working capital requirements. However, if those funds are not sufficient to cover the costs and expenses associated with implementing our plan of distribution, to the extent that there is any interest accrued in the trust account not required to pay income taxes on interest income earned on the trust account balance, we may request that the trustee release to us an additional amount of up to \$100,000 of such accrued interest to pay those costs and expenses.

Our initial stockholders have waived their right to participate in any liquidation distribution with respect to the founder's shares, but not with respect to any shares of our common stock they may have purchased in our initial public offering or may purchase in the secondary market. Additionally, if we do not complete an initial business combination and the trustee must distribute the balance of the trust account, the underwriters have agreed to forfeit any rights or claims to their deferred underwriting discounts and commissions then in the trust account, and those funds will be included in the pro rata liquidation distribution to the public stockholders. There will be no distribution from the trust account with respect to any of our warrants, which will expire worthless if we are liquidated, and as a result purchasers of our units will have paid the full unit purchase price solely for the share of common stock included in each unit.

If we are unable to conclude an initial business combination and expend all of the net proceeds of our initial public offering and the founding stockholder's investment other than the proceeds deposited in the trust account, and without taking into account any interest earned on the trust account, the initial per-share liquidation price will be \$10.00, which equals the per-unit initial public offering price of \$10.00.

The proceeds deposited in the trust account could, however, become subject to claims of our creditors that are in preference to the claims of our stockholders, and we therefore cannot assure you that the actual per-share liquidation price will not be less than \$10.00. Although before completion of our initial business combination, we will seek to have all third parties (including any vendors or any other entities with which we enter into a contractual relationship following consummation of our initial public offering but excluding our accountants) and any prospective target businesses enter into valid and enforceable agreements with us waiving any right, title, interest or claim of any kind in or to any assets held in the trust account, there is no guarantee that they will execute such agreements. It is also possible that such waiver agreements would be held unenforceable, and there is no guarantee that the third parties would not otherwise challenge the agreements and later bring claims against the trust account for amounts owed them. If a target business or other third party were to refuse to enter into such a waiver, we would enter into discussions with such target business or engage such other third party only if our management determined that we could not obtain, on a reasonable basis, substantially similar services or opportunities from another entity willing to enter into such a waiver. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Further, we could be subject to claims from parties not in contract with us who have not executed a waiver, such as a third party claiming wrongful interference with a business relationship as a result of our initial business combination.

Our founding stockholder has agreed that it will be liable to us if and to the extent claims by third parties reduce the amounts in the trust account available for payment to our stockholders in the event of a liquidation and the claims are

made by a vendor for services rendered or products sold to us, by a third party with which we entered into a contractual relationship following consummation of our initial public offering or by a prospective target business. A “vendor” refers to a third party that enters into an agreement with us to provide goods or services to us. However, the agreement entered

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into by our founding stockholder specifically provides for two exceptions to the indemnity given: there will be no liability (1) as to any claimed amounts owed to a third party who executed a valid and enforceable waiver or (2) as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the “Securities Act”). Furthermore, there could be claims from parties other than vendors or target businesses that would not be covered by the indemnity from our founding stockholder, such as stockholders and other claimants who are not parties in contract with us who file a claim for damages against us. Based on a review of publicly available financial statements, we believe that our founding stockholder is capable of funding its indemnity obligations, even though we have not asked them to reserve for such an eventuality. We cannot assure you, however, that our founding stockholder would be able to satisfy those obligations.

Under Delaware General Corporation Law, creditors of a corporation have a superior right to stockholders in the distribution of assets upon liquidation. Consequently, if the trust account is liquidated and paid out to our public stockholders before satisfaction of the claims of all of our creditors, it is possible that our stockholders may be held liable for third parties’ claims against us to the extent of the distributions received by them.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us that is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, we cannot assure you that we will be able to return at least \$10.00 per share to our public stockholders.

A public stockholder will be entitled to receive funds from the trust account only if we do not consummate an initial business combination by February 14, 2010 or if the stockholder converts its shares into cash after voting against an initial business combination that is actually completed by us and exercising its conversion rights. In no other circumstances will a stockholder have any right or interest of any kind to or in the trust account. Before our completing an initial business combination or liquidating, we are permitted to have released from the trust account only (i) interest income to pay income taxes on interest income earned on the trust account balance and (ii) interest income earned of up to \$5.0 million, subject to adjustment, to fund our working capital requirements.

Conflicts of Interest

Greenhill undertakes a broad range of financial advisory services and merchant banking activities for a wide variety of clients on a global basis, and for its own account. Accordingly, there may be situations in which Greenhill has an obligation or an interest that actually or potentially conflicts with our interests. You should assume that these conflicts will not be resolved in our favor and, as a result, we may be denied certain investment opportunities or may be otherwise disadvantaged in some situations by our relationship to Greenhill.

Greenhill currently operates merchant banking businesses in the United States and Europe. Funds advised by Greenhill Capital Partners make equity and equity-related investments in middle-market companies located primarily in North America and the United Kingdom. Such funds generally make controlling or influential minority investments that do not exceed \$220 million in companies with enterprise values of \$50 to \$500 million. Greenhill Capital Partners II, L.P. and its affiliated investment funds had, as of December 31, 2007, remaining available capital commitments of \$307 million; the investment period for these funds expires in June 2010 (but may be terminated earlier or extended under certain circumstances). Greenhill Capital Partners Europe LP and its affiliated investment funds had, as of December 31, 2007, remaining available capital commitments of £160 million; the investment period for these funds expires in December 2012 (but may be terminated earlier or extended under certain circumstances). Funds advised by

Greenhill Venture Partners make early growth stage private equity and equity-related investments primarily in companies that offer technology-enabled services or business information services in the Greater Tri-State Area, which encompasses the region from Eastern Pennsylvania to Northern Connecticut. Greenhill SAVP and its affiliated investment funds had, as of December 31, 2007, remaining available capital commitments of

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\$75 million; the investment period for these funds expires in September 2011 (but may be terminated earlier or extended under certain circumstances). None of the Greenhill funds, therefore, has as much capital available for investment as we do. The fair market value of the businesses in which the funds advised by Greenhill Venture Partners invest is generally so low as to make it highly improbable that a conflict of interest would arise. Similarly, we believe that Greenhill's other merchant banking funds generally target transactions of a smaller size that would not be suitable for our initial business combination, and we understand that the largest equity investment made by the Greenhill merchant banking funds in a single portfolio company, to date, was approximately \$78 million. However, if we were to pursue multiple simultaneous targets for our initial business combination, we might compete with Greenhill's merchant banking funds for one or more of such targets. In addition, if Greenhill's merchant banking funds were to participate in a transaction with other investors in the acquisition of a larger target, such group of investors, including Greenhill's fund or funds, may directly compete with us for a possible target for our initial business combination. Finally, Greenhill may raise new merchant banking funds or otherwise expand its asset management businesses in the future and such new funds or businesses may compete with us for possible targets for our initial business combination.

Clients of Greenhill's financial advisory business may also compete with us for investment opportunities meeting our initial business combination objectives. If Greenhill is engaged to act for any such clients, you should assume that we will be precluded from pursuing opportunities suitable for such client. In addition, investment ideas generated within Greenhill, including by Mr. Bok and Mr. Niehaus, may be suitable for both us and for an investment banking client of Greenhill or a current or future fund advised by a Greenhill entity and may be directed to such client or fund rather than to us. Greenhill's financial advisory business may also be engaged to advise the seller of a company, business or assets that would qualify as an investment opportunity for us. In such cases, you should assume that we will be precluded from participating in the sale process or from purchasing the company, business or assets. If, however, we are permitted to pursue the opportunity, Greenhill's interests or its obligations to the seller will diverge from our interests.

Pursuant to the terms of our amended and restated certificate of incorporation neither Greenhill nor members of our management or directors who are also employed by Greenhill have any obligation to present us with any opportunity for a potential business combination of which they become aware. Greenhill and/or our management or directors, in their capacities as officers or managing directors of Greenhill or in their other endeavors, may choose to present potential business combinations to the related entities described above, current or future funds or third parties, including clients of Greenhill, before they present such opportunities to us. As a result, you should assume that to the extent any member of our management or any of our directors employed by Greenhill locates a business opportunity suitable for us and another entity to which such person has a fiduciary obligation or pre-existing contractual obligation to present such opportunity, he will first give the opportunity to such other entity or entities, and he will only give such opportunity to us to the extent such other entity or entities reject or are unable to pursue such opportunity. In addition, our other directors may have fiduciary duties or pre-existing contractual obligations that prevent them from presenting otherwise suitable target businesses to us. Our other directors are under no obligation to present opportunities of which they become aware to us, unless such opportunity was expressly offered to the director solely in his capacity as a director of our company.

Certificate of Incorporation

Our amended and restated certificate of incorporation sets forth certain provisions designed to provide certain rights and protections to our stockholders before the consummation of a business combination, including that:

consummation of our initial public offering, \$400.0 million (comprising (i) \$392.0 million of the net proceeds of our initial public offering, including approximately \$16.4 million of deferred underwriting discounts and (ii) \$8.0 million of the proceeds from the sale of the private placement warrants) shall be placed into the trust account;

- upon the

consummation of our initial business combination, we shall submit the initial business combination to our stockholders for approval;

- before the

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consummate an initial business combination only if it has a fair market value equal to at least 80% of the amount held in trust at the time of such initial business combination (less deferred underwriting discounts and commissions of approximately \$16.4 million);

- we will

consummate our initial business combination only if (i) the initial business combination is approved by a majority of the shares of common stock voted by our public stockholders at a duly held stockholders meeting, (ii) an amendment to our amended and restated certificate of incorporation to provide for our perpetual existence is approved by holders of a majority of our outstanding shares of common stock, and (iii) public stockholders owning no more than 30% of the shares (minus one share) sold in our initial public offering have voted against the business combination and exercise their conversion rights;

- we may

business combination is approved and consummated, public stockholders who exercised their conversion rights and voted against the initial business combination may convert their shares into cash at the conversion price on the closing date of such initial business combination; provided that a public stockholder, together with any affiliate of his, her or it or any other person with whom he, she or it is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of our securities, will be restricted from seeking conversion rights with respect to more than 10% of the shares sold in our initial public offering;

- if a proposed initial

business combination is not consummated by February 14, 2010, then our existence will terminate and we will distribute all amounts in the trust account (except for such amounts as are paid to creditors or reserved for payment to creditors in accordance with Delaware General Corporation Law) and any net assets remaining outside the trust account on a pro rata basis to all of our public stockholders;

- if our initial

consummate any other business combination, merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar transaction before our initial business combination;

- we may not

business combination, we may not issue additional stock that participates in any manner in the proceeds of the trust account, or that votes as a class with the common stock sold in our initial public offering on a business combination;

- before our initial

initial business combination we are prohibited from incurring debt for borrowed money unless such debt does not require the payment of interest prior to an initial business combination and the lender waives any rights to amounts held in trust;

- before our

shall monitor compliance on a quarterly basis with the terms of our amended and restated certificate of incorporation and the agreements relating to our initial public offering and, if any noncompliance is identified, the audit committee is charged with the immediate responsibility to take all action necessary to rectify such noncompliance or otherwise cause compliance with such terms;

- our audit committee

shall review and approve all payments made to our officers, directors and our and their affiliates, other than the payment of an aggregate of \$10,000 per month to Greenhill for office space, secretarial and administrative services, and any payments made to members of our audit committee will be reviewed and approved by our board of directors, with any interested director abstaining from such review and approval; and

- the audit committee

into our initial business combination with any entity in which our founding stockholder, any of our officers or directors or their affiliates has a material ownership interest, nor will we acquire any company in which a Greenhill merchant banking fund has a material ownership interest.

- we will not enter

Our amended and restated certificate of incorporation requires that before the consummation of our initial business combination we obtain unanimous consent of our stockholders to amend these provisions. However, the validity of unanimous consent provisions under Delaware General Corporation Law has not been settled. A court could conclude that the unanimous consent

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requirement constitutes a practical prohibition on amendment in violation of the stockholders' statutory rights to amend the corporate charter. In that case, these provisions could be amended without unanimous consent, and any such amendment could reduce or eliminate the protection these provisions afford to our stockholders. However, we view all of the foregoing provisions as obligations to our stockholders. Neither we nor our board of directors will propose any amendment to these provisions, or support, endorse or recommend any proposal that stockholders amend any of these provisions at any time before the consummation of our initial business combination (subject to any fiduciary obligations our management or board of directors may have). In addition, we believe we have an obligation in every case to structure our initial business combination so that not less than 30% of the shares sold in our initial public offering (minus one share) have the ability to be converted to cash by public stockholders exercising their conversion rights and the business combination will still go forward.

Competition

In identifying, evaluating and selecting a target business for our initial business combination, we may encounter intense competition from other entities having a business objective similar to ours, including other blank check companies, private equity groups and leveraged buyout funds, as well as operating businesses seeking acquisitions. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Moreover, many of these competitors possess greater financial, technical, human and other resources than us. While we believe there should be numerous potential target businesses with which we could combine, our ability to acquire larger target businesses will be limited by our available financial resources. This inherent limitation gives others an advantage in pursuing the acquisition of a target business. Furthermore:

- our obligation to seek stockholder approval of our initial business combination or obtain necessary financial information may delay the completion of a transaction;
- our obligation to convert into cash shares of common stock held by our public stockholders who vote against the initial business combination and exercise their conversion rights may reduce the resources available to us for an initial business combination;
- our outstanding warrants and the future dilution they potentially represent may not be viewed favorably by certain target businesses; and
- the requirement to acquire an operating business that has a fair market value equal to at least 80% of the balance of the trust account at the time of the acquisition (less deferred underwriting discounts and commissions of approximately \$16.4 million) could require us to acquire the assets of several operating businesses at the same time, all of which sales would be contingent on the closings of the other sales, which could make it more difficult to consummate the business combination.

Any of these factors may place us at a competitive disadvantage in successfully negotiating a business combination.

Facilities

Our executive offices are currently located at 300 Park Avenue, 23rd Floor, New York, New York 10022. The cost for this space is included in the \$10,000 per-month fee described above that our founding stockholder charges us for general and administrative services. We believe, based on rents and fees for similar services in the New York City area that the fee charged by our founding stockholder is at least as favorable as we could have obtained from an unaffiliated person. We consider our current office space adequate for our current operations.

Employees

We currently have four officers. These individuals are not obligated to devote any specific number of hours to our business and intend to devote only as much time as they deem necessary to our business. We do not expect to have any full-time employees before the consummation of a business combination.

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Item 1A. Risk Factors

We are a development stage company with no operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective.

We are a recently incorporated development stage company with no operating results, and we only recently commenced operations with the closing of our initial public offering. Because we lack an operating history, you have no basis on which to evaluate our ability to achieve our business objective of completing an initial business combination with one or more target businesses. We will not generate any revenues from operating activities until, at the earliest, after completing an initial business combination. We cannot assure you as to when, or if, an initial business combination will occur. If we expend all of the \$225,000 in proceeds from our initial public offering not held in the trust account and interest income earned of up to \$5.0 million on the balance of the trust account that may be released to us to fund our working capital requirements in seeking an initial business combination, but fail to complete such an initial business combination, we may never generate any operating revenues.

We may not be able to consummate our initial business combination within the required time frame, in which case our corporate existence would cease and we would liquidate our assets.

We must complete our initial business combination with one or more target businesses that have a fair market value of at least 80% of the amount held in our trust account at the time of the initial business combination (less deferred underwriting discounts and commissions of approximately \$16.4 million) by February 14, 2010. If we fail to consummate a business combination within the required time frame, our corporate existence will cease and we will liquidate our assets. The foregoing requirements are set forth in our amended and restated certificate of incorporation and, until the consummation of our initial business combination, may not be eliminated without the vote of our board of directors and the vote of 100% of the shares of our outstanding voting stock cast at a meeting of the stockholders at which a quorum is present. We may not be able to find suitable target businesses within the required time frame. In addition, our negotiating position and our ability to conduct adequate due diligence on any potential target may be reduced as we approach the deadline for the consummation of an initial business combination. Prior to the completion of our initial public offering, we did not have any specific initial business combination under consideration nor had we, or had anyone on our behalf, contacted any prospective target business or had any substantive discussions, formal or otherwise, with respect to such a transaction.

If we liquidate before concluding an initial business combination our warrants will expire worthless.

Our outstanding warrants are not entitled to participate in a liquidation distribution and the warrants will therefore expire worthless if we liquidate before completing an initial business combination. For a more complete discussion of the effects on our stockholders if we are unable to complete an initial business combination, please see “Business — Effecting a Business Combination — Liquidation if no business combination.”

If we are unable to consummate our initial business combination, our public stockholders will be forced to wait, at a minimum, until February 14, 2010 before receiving liquidation distributions.

We have until February 14, 2010 to consummate our initial business combination. If we do not consummate our initial business combination during such time period, we will liquidate in accordance with our amended and restated certificate of incorporation. We have no obligation to return funds to public stockholders before such date unless we consummate our initial business combination prior thereto and only then in cases where public stockholders have sought conversion of their shares. Only after the expiration of this full time period will public stockholders be entitled to liquidation distributions if we are unable to complete our initial business combination. Further, we may not be able

to disburse the funds in our trust account immediately after February 14, 2010 until we have commenced the liquidation process in accordance with our amended and restated certificate of incorporation and the Delaware General Corporation Law. If we have not consummated our initial business combination by February 14, 2010, we will automatically dissolve without need of a stockholder vote.

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Public stockholders, together with any affiliates of theirs or any other person with whom they are acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of our securities, will be restricted from seeking conversion rights with respect to more than 10% of the shares sold in our initial public offering.

When we seek stockholder approval of any business combination, we will offer each public stockholder (but not our existing stockholders) the right to have his, her, or its shares of common stock converted to cash if the stockholder votes against the business combination but the business combination is approved and completed. Notwithstanding the foregoing, a public stockholder, together with any affiliate of his, her or it or any other person with whom he, she or it is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of our securities, will be restricted from seeking conversion rights with respect to more than 10% of the shares sold in our initial public offering. Accordingly, if a stockholder holding more than 10% of our shares votes all of his, her or its shares against a proposed business combination and such proposed business combination is approved, such stockholder will not be able to seek conversion rights with respect to the full amount of his, her or its shares and may be forced to hold such additional shares or sell them in the open market. We cannot assure you that the value of such additional shares will appreciate over time following a business combination or that the market price of the common stock will exceed the per-share conversion price.

We may require stockholders who wish to convert their shares to comply with specific requirements for conversion that may make it more difficult for them to exercise their conversion rights before the deadline for exercising conversion rights.

We may require public stockholders who wish to convert their shares to tender their certificates to our transfer agent before the stockholder meeting or to deliver their shares to the transfer agent electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System. To obtain a physical stock certificate, a stockholder's broker and/or clearing broker, DTC and our transfer agent will need to act to facilitate this request. It is our understanding that stockholders should generally allot at least two weeks to obtain physical certificates from the transfer agent. However, because we do not have any control over this process or over the brokers or DTC, it may take significantly longer than two weeks to obtain a physical stock certificate. If it takes longer than we anticipate to obtain a physical certificate, stockholders who wish to convert may be unable to obtain physical certificates by the deadline for exercising their conversion rights and thus will be unable to convert their shares.

We may proceed with an initial business combination even if public stockholders owning 11,999,999 of the shares sold in our initial public offering exercise their conversion rights. This requirement may make it easier for us to have an initial business combination approved over stockholder dissent, and may reduce the amount of cash available to us to consummate our initial business combination.

When we propose our initial business combination, we will offer each public stockholder (other than our initial stockholders) the right to convert his, her or its common stock to cash if the stockholder votes against the business combination and such business combination is approved and consummated. We will consummate our initial business combination only if (i) a majority of the common stock voted by the public stockholders is voted in favor of the business combination, (ii) a majority of our outstanding common stock is voted in favor of an amendment to our amended and restated certificate of incorporation to allow for our perpetual existence, and (iii) public stockholders owning 30% or more of the shares sold in our initial public offering do not vote against the business combination and exercise their conversion rights, provided that a public stockholder, together with any affiliate of his, her or it or any other person with whom he, she or it is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of our securities, will be restricted from seeking conversion rights with respect to

more than 10% of the shares sold in our initial public offering. Accordingly, public stockholders holding up to 11,999,999 shares of our common stock may both vote against the initial business combination and exercise their conversion rights and we could still consummate a proposed initial business combination. We have set the conversion percentage at 30% and limited the percentage of shares that

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a public stockholder, together with any of his, her or its affiliates or other persons with whom he, she or it is acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of our securities, can convert to reduce the likelihood that a small group of investors holding a block of our stock will be able to stop us from completing an initial business combination that is otherwise approved by a large majority of our public stockholders. However, this may have the effect of making it easier for us to have an initial business combination approved over a stockholder dissent. While there are several other blank check companies similar to ours that include conversion provisions greater than 20%, the 20% threshold has generally been common for blank check companies similar to ours. Because we permit a larger number of public stockholders to exercise their conversion rights and have limited the percentage of shares that they, together with any of their affiliates or other persons with whom they are acting in concert or as a partnership, syndicate or other group for the purpose of acquiring, holding or disposing of our securities, can convert, it will make it easier for us to have an initial business combination approved over stockholder dissent.

Our initial business combination may require us to use substantially all of our cash to pay the purchase price. In such a case, because we will not know how many stockholders may exercise such conversion rights, we may need to arrange third party financing to help fund our initial business combination in case a larger percentage of stockholders exercise their conversion rights than we expect. Additionally, even if our initial business combination does not require us to use substantially all of our cash to pay the purchase price, if a significant number of stockholders exercise their conversion rights, we will have less cash available to use in furthering our business plans following an initial business combination and may need to arrange third party financing. We have not taken any steps to secure third party financing for either situation. We cannot assure you that we will be able to obtain such third party financing on terms favorable to us or at all.

An effective registration statement must be in place in order for a warrant holder to be able to exercise the warrants, otherwise the warrants will expire worthless.

No warrants will be exercisable and we will not be obligated to issue shares of common stock upon exercise of warrants by a holder unless, at the time of such exercise, we have an effective registration statement under the Securities Act covering the shares of common stock issuable upon exercise of the warrants and a current prospectus relating to them is available. Although we have undertaken in the warrant agreement, and therefore have a contractual obligation, to use our best efforts to have an effective registration statement covering shares of common stock issuable upon exercise of the warrants from the date the warrants become exercisable and to maintain a current prospectus relating to that common stock until the warrants expire or are redeemed, and we intend to comply with our undertaking, we cannot assure you that we will be able to do so or that we will be able to prevent the warrants from expiring worthless. Holders of warrants may not be able to exercise their warrants, the market for the warrants may be limited and the warrants may be deprived of any value if there is no effective registration statement covering the shares of common stock issuable upon exercise of the warrants or the prospectus relating to the common stock issuable upon the exercise of the warrants is not current. In such event, the holder of a unit will have paid the entire unit purchase price for the common stock contained in the unit as the warrant will be worthless. Holders of warrants will not be entitled to a cash settlement for their warrants if we fail to have an effective registration statement or a current prospectus available relating to the common stock issuable upon exercise of the warrants, and holders' only remedies in such event will be those available if we are found by a court of law to have breached our contractual obligation to them by failing to do so.

You will not be entitled to protections normally afforded to investors in blank check companies.

Since the net proceeds of our initial public offering are intended to be used to complete an initial business combination with a target business that had not been identified at the time of the initial public offering, we may have been deemed a “blank check” company under the U.S. securities laws. However, since our securities are listed on the American Stock Exchange, a national securities exchange, and we have net tangible assets in excess of \$5 million and have filed a current report on Form 8-K, including an audited balance sheet demonstrating this fact, we are exempt from rules

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promulgated by the SEC to protect investors in blank check companies, such as Rule 419. Accordingly, our stockholders will not receive the benefits or protections of Rule 419. Among other things, this means we will have a longer period of time to complete a business combination in some circumstances than do companies subject to Rule 419. Moreover, offerings subject to Rule 419 would prohibit the release of any interest earned on funds held in the trust account to us unless and until the funds in the trust account were released to us in connection with our consummation of an initial business combination.

Under Delaware General Corporation Law, a court could invalidate the requirement that certain provisions of our amended and restated certificate of incorporation be amended only by unanimous consent of our stockholders; amendment of those provisions could reduce or eliminate the protections they afford to our stockholders.

Our amended and restated certificate of incorporation contains certain requirements and restrictions relating to our initial public offering that will apply to us until the consummation of our initial business combination. Our amended and restated certificate of incorporation provides, among other things, that:

- upon the consummation of our initial public offering, \$400.0 million (comprising (i) \$392.0 million of the net proceeds of our initial public offering, including approximately \$16.4 million of deferred underwriting discounts and commissions and (ii) \$8.0 million of the proceeds from the sale of the private placement warrants) were to be placed into the trust account, which occurred at such time;

- before the consummation of our initial business combination, we shall submit the initial business combination to our stockholders for approval;

- we will consummate an initial business combination only if it has a fair market value equal to at least 80% of the amount held in trust (less deferred underwriting discounts and commissions) at the time of such business combination;

- we may consummate our initial business combination only if (i) the initial business combination is approved by a majority of the shares of common stock voted by our public stockholders at a duly held stockholders meeting, (ii) an amendment to our amended and restated certificate of incorporation to provide for our perpetual existence is approved by holders of a majority of our outstanding shares of common stock, and (iii) public stockholders owning no more than 30% of the shares (minus one share) sold in our initial public offering have voted against the business combination and exercise their conversion rights;

- if our initial business combination is not consummated by February 14, 2010, then our existence will terminate and we will distribute all amounts in the trust account (except for such amounts as are paid to creditors or reserved for payment to creditors in accordance with Delaware General Corporation Law) and any net assets remaining outside the trust account on a pro rata basis to all of our public stockholders; and

- we will not enter into our initial business combination with any entity in which our founding stockholder, or any of our officers or directors or their affiliates has a material ownership interest, nor will we acquire any company in which a Greenhill merchant banking fund has a material ownership interest.

Our amended and restated certificate of incorporation requires that before the consummation of our initial business combination we obtain unanimous consent of our stockholders to amend these provisions. However, the validity of unanimous consent provisions under Delaware General Corporation Law has not been settled. A court could conclude that the unanimous consent requirement constitutes a practical prohibition on amendment in violation of the

stockholders' statutory rights to amend the corporate charter. In that case, these provisions could be amended without unanimous consent, and any such amendment could reduce or eliminate the protection these provisions afford to our stockholders. However, we view the requirements and restrictions of our amended and restated certificate of incorporation that apply to us until the consummation of our

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initial business combination as obligations to our stockholders. Neither we nor our board of directors will propose any amendment to those provisions, or support, endorse or recommend any proposal that stockholders amend any of those provisions at any time before the consummation of our initial business combination (subject to any fiduciary obligations our management or board of directors may have). In addition, we believe we have an obligation in every case to structure our initial business combination so that not less than 30% of the shares sold in our initial public offering (minus one share) have the ability to be converted to cash by public stockholders exercising their conversion rights and the business combination will still go forward.

If third parties bring claims against us, or if we go bankrupt, the proceeds held in trust could be reduced and the per-share liquidation price received by you will be less than \$10.00 per share.

Our placing of funds in the trust account may not protect those funds from third-party claims against us. Although before completion of our initial business combination, we will seek to have all third parties (including any vendors and any other entities with which we enter into a contractual relationship following consummation of our initial public offering but excluding our accountants) or any prospective target businesses enter into valid and enforceable agreements with us waiving any right, title, interest or claim of any kind in or to any assets held in the trust account, there is no guarantee that they will execute such agreements. It is also possible that such waiver agreements would be held unenforceable and there is no guarantee that the third parties would not otherwise challenge the agreements and later bring claims against the trust account for amounts owed them. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Further, we could be subject to claims from parties not in contract with us who have not executed a waiver, such as a third party claiming wrongful interference with a business relationship as a result of our initial business combination. Accordingly, the proceeds held in trust could be subject to claims that would take priority over the claims of our public stockholders and, as a result, the per-share liquidation price could be less than \$10.00. Our founding stockholder has agreed that it will be liable to us if and to the extent claims by third parties reduce the amounts in the trust account available for payment to our stockholders in the event of a liquidation and the claims are made by a vendor for services rendered or products sold to us, by a third party with which we entered into a contractual relationship following consummation of our initial public offering or by a prospective target business. However, the agreement entered into by our founding stockholder specifically provides for two exceptions to the indemnity given: there will be no liability (1) as to any claimed amounts owed to a third party who executed a waiver (even if such waiver is subsequently found to be invalid and unenforceable), or (2) as to any claims under our indemnity of the underwriters of our initial public offering against certain liabilities, including liabilities under the Securities Act. Furthermore, there could be claims from parties other than vendors, third parties with which we entered into a contractual relationship or target businesses that would not be covered by the indemnity from our founding stockholder, such as stockholders and other claimants who are not parties in contract with us who file a claim for damages against us. Based on a review of publicly available financial statements, we believe that our founding stockholder is capable of funding its indemnity obligations, even though we have not asked them to reserve for such an eventuality. We cannot assure you, however, that our founding stockholder would be able to satisfy those obligations.

In addition, if we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us that is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, we cannot assure you that we will be able to return at least \$10.00 per share to our public stockholders.

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Since we have not yet selected a particular industry, you will be unable to currently ascertain the merits or risks of the industry in which we may ultimately operate.

We may consummate an initial business combination with a company in any industry we choose and we are not limited to any particular industry or type of business. Accordingly, there is no current basis for you to evaluate the possible merits or risks of the particular industry in which we may ultimately operate or the target business or businesses with which we may ultimately enter an initial business combination. Although the members of our management team will evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all of the significant risks present in that target business. Even if we properly assess those risks, some of them may be outside of our control or ability to affect. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors in our initial public offering than a direct investment, if an opportunity were available, in a target business. For a more complete discussion of our selection of a target business, please see “Business — Effecting a Business Combination.”

Limited ability to evaluate the target business’s management

We will independently evaluate the quality and experience of the existing management of a target business and will assess whether or not they should be replaced on a case-by-case basis. As an example, a company in weak financial condition may be experiencing difficulties because of its capitalization and not because of its operations, in which case operating management may not need to be replaced.

Although we intend to closely scrutinize the management of a prospective target business when evaluating the desirability of effecting an initial business combination with that business, we cannot assure you that our assessment of the target business’s management will prove to be correct. In addition, we cannot assure you that management of the target business will have the necessary skills, qualifications or abilities to manage a public company. Furthermore, the future role of our executive officers and directors, if any, in the target business cannot presently be stated with any certainty. While it is possible that one or more of our executive officers and directors will remain associated in some capacity with us following our initial business combination, a final determination of their continued involvement with the business upon completion of an initial business combination will be made jointly with our board of directors and based on the facts and circumstances at the time. The goal of our board of directors will be to ensure that they select the best management team to pursue our business strategy. If they determine that the incumbent management of an acquired business should be replaced and that one or more of our executive officers and directors is the best available replacement, it is possible that some of our executive officers or directors will devote some or all of their efforts to our affairs after our initial business combination.

Following our initial business combination, we may seek to recruit additional managers to supplement the incumbent management of the target business. We cannot assure you that we will have the ability to recruit additional managers, or that additional managers will have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

Our stockholders may be held liable for third parties’ claims against us to the extent of distributions received by them following the termination of our existence.

Our amended and restated certificate of incorporation provides that we will continue in existence only until February 14, 2010. If we consummate our initial business combination before that date, we will seek to amend this provision to permit our continued existence. If we have not completed our initial business combination by that date, our corporate existence will cease except for the purposes of winding up our affairs and liquidating pursuant to

Section 278 of the Delaware General Corporation Law. Under the Delaware General Corporation Law, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by those stockholders upon liquidation. However, if the corporation complies with certain procedures intended to ensure that it makes reasonable provision for all claims against it, the liability of stockholders with respect to any

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claim against the corporation is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder. In addition, if the corporation undertakes additional specified procedures, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidation distributions are made to stockholders, any liability of stockholders would be barred with respect to any claim on which an action, suit or proceeding is not brought by the third anniversary of the dissolution (or such longer period directed by the Delaware Court of Chancery). While we intend to adopt a plan of distribution making reasonable provision for claims against the company in compliance with the Delaware General Corporation Law, we do not intend to comply with these additional procedures, as we instead intend to distribute the balance in the trust account to our public stockholders as promptly as practicable following termination of our corporate existence. Accordingly, any liability our stockholders may have could extend beyond the third anniversary of our termination. We cannot assure you that any reserves for claims and liabilities that we believe to be reasonably adequate when we adopt our plan of distribution will suffice. If such reserves are insufficient, stockholders who receive liquidation distributions may subsequently be held liable for claims by creditors of the company to the extent of such distributions.

Our officers and directors may have conflicts of interest in connection with presenting business combination opportunities to us. You should assume that any such conflicts will not be resolved in our favor.

All of our current executive officers are also employees of Greenhill, our founding stockholder: Mr. Bok is Co-Chief Executive Officer of Greenhill and a member of the Investment Committee of Greenhill Capital Partners, Mr. Niehaus is the Chairman of Greenhill Capital Partners, and Mr. Rodriguez is Chief Administrative Officer. Each of Messrs. Bok, Niehaus and Rodriguez are also managing directors of Greenhill and may have obligations to clients of Greenhill that may be in conflict or competition with our consummation of an initial business combination. Each of Messrs. Bok, Niehaus and Rodriguez have a duty to present all business combination opportunities within the lines of business in which Greenhill is engaged (financial advisory services and merchant banking) to Greenhill, and Messrs. Bok and Niehaus are directors of, and have fiduciary duties to, companies in which Greenhill funds have invested, which may result in conflicts with our interests. The terms of our amended and restated certificate of incorporation will provide that Greenhill and our officers and directors who are affiliated with Greenhill do not have a fiduciary duty to present corporate opportunities to us. As a result, we will not have any interest in business combination opportunities that come to the attention of Greenhill and such officers and directors and you should assume that if there are conflicting interests regarding any such opportunity, they will not be resolved in our favor.

Greenhill may represent either a client or advise a merchant banking fund in competition with us to acquire potential target businesses or potential target businesses, thereby causing conflicts of interest that limit our ability to pursue potential targets. These conflicts of interest could have a negative impact on our ability to consummate a business combination.

Greenhill undertakes a broad range of financial advisory services and merchant banking activities for a wide variety of clients on a global basis, and for its own account. Accordingly, there may be situations in which Greenhill has an obligation or an interest that actually or potentially conflicts with our interests. You should assume that these conflicts will not be resolved in our favor and, as a result, we may be denied certain investment opportunities or may be otherwise disadvantaged in some situations by our relationship to Greenhill.

Greenhill currently operates merchant banking businesses in the United States and Europe. Funds advised by Greenhill Capital Partners make equity and equity-related investments in middle-market companies located primarily in North America and the United Kingdom. Such funds generally make controlling or influential minority investments

that do not exceed \$220 million in companies with enterprise values of \$50 to \$500 million. Funds advised by Greenhill Venture Partners make early growth stage private equity and equity-related investments primarily in companies that offer technology-enabled services or business information services in the Greater Tri-State Area,

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which encompasses the region from Eastern Pennsylvania to Northern Connecticut. The fair market value of the businesses in which the funds advised by Greenhill Venture Partners invest is generally so low as to make it highly improbable that a conflict of interest would arise. Similarly, we believe that Greenhill's other merchant banking funds generally target transactions of a smaller size that would not be suitable for our initial business combination and we understand that the largest equity investment made by the Greenhill merchant banking funds in a single portfolio company, to date, was approximately \$78 million. Pursuant to the terms of our amended and restated certificate of incorporation neither Greenhill nor members of our management or directors who are also employed by Greenhill have any obligation to present us with any opportunity for a potential business combination of which they become aware. Greenhill and/or our management or directors, in their capacities as officers or managing directors of Greenhill or in their other endeavors, may choose to present potential business combinations to the related entities described above, current or future funds or third parties, including clients of Greenhill, before they present such opportunities to us. As a result, you should assume that to the extent any member of our management or any of our directors employed by Greenhill locates a business opportunity suitable for us and another entity to which such person has a fiduciary obligation or pre-existing contractual obligation to present such opportunity, he will first give the opportunity to such other entity or entities, and he will only give such opportunity to us to the extent such other entity or entities reject or are unable to pursue such opportunity. In addition, our other directors may have fiduciary duties or pre-existing contractual obligations that prevent them from presenting otherwise suitable target businesses to us. Our other directors are under no obligation to present opportunities of which they become aware to us, unless such opportunity was expressly offered to the director solely in his capacity as a director of our company.

A decline in interest rates could limit the amount available to fund our search for a target business or businesses since we will depend on interest earned on the trust account to fund our search, to pay our taxes and to fund our working capital requirements.

Of the net proceeds of our initial public offering, only \$225,000 will be available to us initially outside the trust account to pay any additional offering expenses and to fund our working capital requirements. We will depend on sufficient interest being earned on the proceeds held in the trust account to provide us with up to \$5.0 million of additional working capital we may need to identify one or more target businesses, to negotiate and obtain approval of our initial business combination, as well as to pay any taxes that we may owe. A decline in interest rates may result in our having insufficient funds available with which to structure, negotiate or obtain approval of our initial business combination. Interest rates on short-term obligations have declined significantly in recent months. In such event, we may be required to seek loans or additional investments from our founding stockholder, executive officers or directors or from third parties or be forced to liquidate. However, none of our founding stockholder, officers or directors or any third parties is under any obligation to advance funds to us or invest in us in such circumstances.

Because of our limited resources and the significant competition for business combination opportunities we may not be able to consummate an attractive initial business combination.

We expect to encounter intense competition from other entities having a business objective similar to ours, including venture capital funds, leveraged buyout funds, private equity funds and public and private companies (including blank check companies like ours). Many of these entities are well established and have extensive experience in identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe that there should be numerous potential target businesses that we could acquire, our ability to compete in acquiring certain sizable target businesses will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. In addition, the fact that only a limited number of blank check companies have

completed a business combination may be an indication that there are only a limited number of attractive target businesses available to such entities or that many potential target businesses may not be inclined to enter into business combinations with publicly held blank check companies like ours. Further:

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seek stockholder approval of a business combination may cause us to be viewed as a less attractive buyer compared to buyers who do not need such approval given the time required to seek such approval and the concomitant potential delay in the consummation of a transaction;

- our obligation to convert into cash up to 30% of the shares of common stock held by public stockholders (minus one share) in certain instances may materially reduce the resources available for a business combination; and
- our outstanding warrants, and the future dilution they potentially represent, may not be viewed favorably by certain target businesses.

Any of these obligations may place us at a competitive disadvantage in successfully negotiating a business combination. We cannot assure you that we will be able to successfully compete for an attractive business combination. Additionally, because of these factors, we cannot assure you that we will be able to effectuate a business combination within the required time period. If we are unable to find a suitable target business within the applicable required time period, we will be forced to liquidate.

We may be unable to obtain additional financing if necessary to complete our initial business combination or to fund the operations and growth of a target business, which could compel us to restructure or abandon a particular business combination.

We believe that the net proceeds of our initial public offering and the private placement warrants will be sufficient to allow us to consummate our initial business combination. However, because we have no oral or written agreements or letters of intent to engage in a business combination with any entity, we cannot assure you that we will be able to complete our initial business combination or that we will have sufficient capital with which to complete a combination with a particular target business. If the net proceeds of our initial public offering and the private placement warrants are not sufficient to facilitate a particular business combination because:

- of the size of the target business;
- the offering proceeds not in trust and funds available to us from interest earned on the trust account balance are insufficient to fund our search for and negotiations with a target business; or
- we must convert into cash a significant number of shares of common stock owned by public stockholders who elect to exercise their conversion rights,

we will be required to seek additional financing. We cannot assure you that such financing will be available on acceptable terms, if at all. If additional financing is unavailable to consummate a particular business combination, we would be compelled to restructure or abandon the combination and seek an alternative target business.

In addition, it is possible that we could use a portion of the funds not in the trust account (including amounts we borrowed, if any) to make a deposit, down payment or fund a “no-shop” provision with respect to a particular proposed business combination, although we do not have any current intention to do so. If we were ultimately required to forfeit such funds, and we had already used up the funds allocated to due diligence and related expenses in connection with the aborted transaction, we could be left with insufficient funds to continue searching for, or conduct due diligence with respect to, other potential target businesses.

Even if we do not need additional financing to consummate a business combination, we may require additional capital – in the form of debt, equity, or a combination of both – to operate or grow any potential business we may acquire. There can be no assurance that we will be able to obtain such additional capital if it is required. If we fail to secure such financing, this failure could have a material adverse effect on the operations or growth of the target business. None of our officers or directors or any other party is required to provide any financing to us in connection with, or following, our initial business combination.

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If we issue capital stock or convertible debt securities to complete our initial business combination, your equity interest in us could be reduced or there may be a change in control of our company.

Our amended and restated certificate of incorporation authorizes the issuance of up to 200,000,000 shares of common stock, par value \$0.001 per share, and 1,000,000 shares of preferred stock, par value \$0.0001 per share. Immediately after our initial public offering, there were 95,000,000 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of our outstanding warrants, including the founder's warrants and private placement warrants), and all of the shares of preferred stock available for issuance. We have no commitments as of the date of this Annual Report on Form 10-K to issue any additional securities. We may issue a substantial number of additional shares of our common stock or may issue preferred stock, or a combination of both, including through convertible debt securities, to complete a business combination. Our issuance of additional shares of common stock or any preferred stock:

- may significantly reduce your equity interest in us;
- will likely cause a change in control if a substantial number of our shares of common stock are issued, which may among other things limit our ability to use any net operating loss carry forwards we have, and may result in the resignation or removal of our officers and directors; and
- may adversely affect the then-prevailing market price for our common stock.

The value of your investment in us may decline if any of these events occur.

If we issue debt securities to acquire or finance a target business, our liquidity may be adversely affected and the combined business may face significant interest expense.

We may elect to enter into a business combination that requires us to issue debt securities as part of the purchase price for a target business. If we issue debt securities, such issuances may result in an increase in interest expense for the post-combination business and may adversely affect our liquidity in the event of:

- a default and foreclosure on our assets if our operating cash flow after a business combination were insufficient to pay principal and interest obligations on our debt;
- an acceleration, which could occur even if we are then current in our debt service obligations if the debt securities have covenants that require us to meet certain financial ratios or maintain designated reserves, and such covenants are breached without waiver or renegotiation;
- a required immediate payment of all principal and accrued interest, if any, if the debt securities are payable on demand; or
- our inability to obtain any additional financing, if necessary, if the debt securities contain covenants restricting our ability to incur indebtedness.

For a more complete discussion of alternative structures for a business combination and the possibility that we may incur debt to finance our initial business combination, please see "Business — Effecting a Business Combination — Selection of a target business and structuring of our initial business combination."

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We may not obtain an opinion from an unaffiliated third party as to the fair market value of acquisition candidates or the fairness of the transaction to our stockholders.

We are not required to obtain an opinion from an unaffiliated third party that the price we are paying is fair to our public stockholders. In addition, we are not required to obtain an opinion from an unaffiliated third party that any initial business combination we select has a fair market value of at least 80% of the amount held in the trust account at the time of such business combination (less deferred underwriting discounts and commissions), the threshold value to constitute our initial business combination.

If our board of directors is unable to independently determine the fair market value of our initial business combination, we will obtain an opinion from an unaffiliated, independent investment banking firm which is subject to oversight by the Financial Industry Regulatory Authority, or FINRA, or other nationally recognized appraiser with expertise in the specific industry in question, as to the fair market value. If no opinion is obtained, our public stockholders will be relying solely on the judgment of our board of directors.

Our initial stockholders control a substantial interest in us and thus may influence certain actions requiring a stockholder vote, including the vote on our initial business combination.

Our initial stockholders have agreed, in connection with the stockholder vote required to approve our initial business combination and the related amendment to our amended and restated certificate of incorporation to provide for our perpetual existence, to vote the founder's shares in accordance with the majority of the shares of common stock voted by the public stockholders. Our founding stockholder and each of our executive officers and directors have also agreed that if it, he or she acquires shares of common stock in or following our initial public offering, it, he or she will vote all such acquired shares in favor of our initial business combination and related amendment to our amended and restated certificate of incorporation to provide for our perpetual existence. Assuming that no shares of our common stock are purchased by our founding stockholder or directors following our initial public offering, our initial stockholders will hold approximately 17.5% of our issued and outstanding shares of common stock before the stockholder vote relating to an initial business combination. Consequently our initial stockholders may exert substantial influence in connection with the vote on our initial business combination. In addition, as part of our initial public offering, managing directors and senior advisors of our founding stockholder, including certain of our executive officers, purchased an aggregate of 1,247,500 units at the initial public offering price through a directed unit program. While our initial stockholders did not purchase units in our initial public offering, they are not prohibited from purchasing units or our common stock in the secondary market. As a result of any such purchases, our initial stockholders would have an even greater influence on the vote taken in connection with our initial business combination.

Our board of directors is divided into three classes, each of which will generally serve for a term of three years, with only one class of directors being elected in each year. We may consummate an initial business combination before there is an annual meeting of stockholders to elect new directors, in which case all of the current directors will continue in office at least until the consummation of our initial business combination. If there is an annual meeting of stockholders, as a consequence of our "staggered" board of directors, only a minority of the board of directors will be considered for election and our initial stockholder will have considerable influence on the outcome of that election. Accordingly, our initial stockholders will continue to exert control at least until the consummation of the initial business combination.

If our current directors remain after our initial business combination they may have conflicts of interest.

Our ability to effect our initial business combination successfully will be largely dependent upon the efforts of our executive officers and directors. While we do not expect them to do so, some or all of our directors may remain as directors of the combined entity. Since it is possible that a director may remain after a business combination, a director may have a conflict of interest if such director is more likely to remain as a director or receive an attractive compensation arrangement in connection

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with a combination with one potential target business versus another. Such interests, if any, may influence the selection of the ultimate target for our initial business combination.

The management of the target business may not have experience managing a publicly traded company.

Management of a prospective target business may be unfamiliar with the requirements of operating a public company and the securities laws, which could increase the time and resources we must expend to assist them in becoming familiar with the complex disclosure and financial reporting requirements imposed on U.S. public companies. This could be expensive and time-consuming and could lead to various regulatory issues that may adversely affect the price of our stock.

We may seek to effect our initial business combination with one or more privately held companies, which may present certain challenges to us, including the lack of available information about these companies.

In pursuing our acquisition strategy, we may seek to effect our initial business combination with one or more privately held companies. By definition, very little public information exists about these companies, and we could be required to make our decision on whether to pursue a potential initial business combination on the basis of limited information.

Upon completion of our initial business combination we may compete with one or more businesses in which Greenhill, its affiliates and/or our management have an interest, which could result in a conflict of interest that may adversely affect us.

Greenhill merchant banking funds acquire, hold and sell investments in businesses across a broad range of industries. Upon completion of our initial business combination, if consummated, we may compete with one or more of these businesses in which Greenhill and/or its affiliates have an investment or other pecuniary interest, resulting in potential conflicts of interest. Conflicts of interest may also arise where our directors or other members of our management have affiliations with our competitors. In the case of any such conflicts, your interests may differ from those of the Greenhill entity or individual with the conflict, as such entity or individual may have a greater economic interest in our competitor than in us, or may believe that our competitor has better prospects than us. In such event, that entity or individual may devote more resources, including time and attention, to our competitor than to us, which may adversely affect our operations and financial condition and, ultimately, the value of your investment in us.

We expect to rely upon our access to Greenhill's managing directors and senior advisors in completing an initial business combination.

We expect that we will depend, to a significant extent, on our access to the managing directors and senior advisors of Greenhill and the information and deal flow generated by Greenhill's managing directors and senior advisors in the course of their merchant banking and advisory activities to identify and complete our initial business combination. Consequently, the departure of a significant number of the managing directors and senior advisors of Greenhill could have a material adverse effect on our ability to consummate an initial business combination.

The loss of Mr. Bok or Mr. Niehaus could adversely affect our ability to complete our initial business combination.

Our ability to consummate a business combination is dependent to a large degree upon Messrs. Bok and Niehaus. We believe that our success depends upon their continued service to us, at least until we have consummated a business combination. Messrs. Bok and Niehaus are, respectively, Co-Chief Executive Officer of Greenhill and Chairman of Greenhill Capital Partners, and each is a managing director of Greenhill. We do not have an employment agreement

with any of them, or key-man insurance on their lives. Any of them may choose to devote their time to other affairs, or may become unavailable to us for reasons beyond their control, such as death or disability. The unexpected loss of any of their services for any reason could have a detrimental effect on us.

We may use resources in researching acquisitions that are not consummated, which could materially and adversely affect subsequent attempts to effect our initial business combination.

We expect that the investigation of each specific target business and the negotiation, drafting, and execution of relevant agreements, disclosure documents, and other instruments will require substantial

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management time and attention and substantial costs for accountants, attorneys, and others. If a decision is made not to complete a specific business combination, the costs incur