

Jason Osborn Discusses Why SPACs are the Vehicle of Choice for 2020 and Beyond

OCTOBER 1, 2020

As of September 30, 185 special purpose acquisition companies are sitting on more than \$58 billion of dry powder, according to SPAC Research. This vehicle is propelled by strong equity markets, COVID-19 shrinking the window for conventional IPOs, increasing familiarity, and finally, success begetting success – the allure caused by fear of missing out.

Chicago Partner Jason Osborn recently spoke with PE Hub and said that a number of successful transactions and brand awareness of household name companies involved in SPACs have helped to drive popularity in the blank check companies. He pointed to a recent SPAC that he advised on, Diamond Eagle Acquisition Corp, which is sponsored by former entertainment execs Harry Sloan, Jeff Sagansky, and Eli Baker, which merged with DraftKings.

“Brand awareness has gotten people really excited,” Jason says. “The SPAC asset class [now] has much greater gravitas than it had previously.”

He added that repeat or “serial” SPAC sponsors that have now had multiple successful blank-check vehicles have added fuel to the product’s adoption. Another factor is that quality SPAC sponsors can bring immense value to a company looking to go public.

“People tend to overlook what great sponsors bring to the table,” Jason told PE Hub. Today’s SPAC sponsors typically already have built great banking relationships, and their ability to bring in a network of potential PIPE investors speaks to that, he says.

You can read the full article [here](#) (subscription required).

1 Min Read

Related Locations

Chicago

Related Capabilities

Transactions

Related Regions

North America

Related Professionals



Jason Osborn