

Aldabra 2 Acquisition Corp.

Form 424A

June 01, 2007

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**The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

Filed pursuant to Rule 424A

SEC File No.: 333-141398

SUBJECT TO COMPLETION, JUNE 1, 2007

**PRELIMINARY PROSPECTUS**

**\$200,000,000**

**20,000,000 Units**

Aldabra 2 Acquisition Corp. is a newly formed blank check company organized for the purpose of effecting a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business. Our efforts in identifying a prospective target business will not be limited to a particular industry. We do not have any specific business combination under consideration and we have not (nor has anyone on our behalf) contacted any prospective target business or had any discussions, formal or otherwise, with respect to such a transaction.

This is an initial public offering of our securities. Each unit that we are offering has a price of \$10.00 and consists of one share of our common stock and one warrant. Each warrant entitles the holder to purchase one share of our common stock at a price of \$7.50. Each warrant will become exercisable on the later of our completion of a business combination and \_\_\_\_\_, 2008 [**one year from the date of this prospectus**], and will expire on \_\_\_\_\_, 2011 [**four years from the date of this prospectus**], or earlier upon redemption.

We have granted Lazard Capital Markets LLC, the representative of the underwriters, a 45-day option to purchase up to 3,000,000 units (over and above the 20,000,000 units referred to above) solely to cover over-allotments, if any. The over-allotment will be used only to cover the net syndicate short position resulting from the initial distribution.

Nathan Leight, our chairman of the board, and Jason Weiss, our chief executive officer, secretary and director, have committed to purchase from us an aggregate of 3,000,000 warrants at \$1.00 per warrant (for a total purchase price of \$3,000,000). These purchases will take place on a private placement basis simultaneously with the consummation of this offering. All of the proceeds we receive from the purchases will be placed in the trust account described below. The insider warrants to be purchased by these individuals will be identical to warrants underlying the units being offered by this prospectus except that the insider warrants will be exercisable on a cashless basis and will not be redeemable by us so long as they are still held by the purchasers or their affiliates. The insider warrants to be sold to these purchasers have been registered for resale under the registration statement of which this prospectus forms a part, but the purchasers have agreed that the insider warrants will not be sold or transferred by them (except in certain cases) until the later of \_\_\_\_\_, 2008 [**one year from the date of this prospectus**] and 60 days after the consummation of our business combination.

There is presently no public market for our units, common stock or warrants. We have applied to have the units listed on the American Stock Exchange. Assuming that the units are listed on the American Stock Exchange, the units will be listed under the symbol AII.U on or promptly after the date of this prospectus. Assuming that the units are listed on the American Stock Exchange, once the securities comprising the units begin separate trading, the common stock and warrants will be listed on the American Stock Exchange under the symbols AII and AII.WS, respectively. We cannot assure you that our securities will be listed or will continue to be listed on the American Stock Exchange.

**Investing in our securities involves a high degree of risk. See Risk Factors beginning on page 13 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

|          | <b>Public<br/>offering price</b> | <b>Underwriting<br/>discount<br/>and commissions(1)</b> | <b>Proceeds, before<br/>expenses, to us</b> |
|----------|----------------------------------|---------------------------------------------------------|---------------------------------------------|
| Per unit | \$ 10.00                         | \$ 0.70                                                 | \$ 9.30                                     |
| Total    | \$ 200,000,000                   | \$ 14,000,000                                           | \$ 186,000,000                              |

- (1) Of the underwriting discount and commissions, \$6,000,000 (\$0.30 per unit) is being deferred by the underwriters and will not be payable by us to the underwriters unless and until we consummate a business combination.

\$191,060,000 of the net proceeds of this offering (including the \$6,000,000, or \$0.30 per unit, of underwriting discounts and commissions payable to the underwriters in this offering which are being deferred by them until we consummate a business combination), plus the additional aggregate \$3,000,000 we will receive from the purchase of the insider warrants simultaneously with the consummation of this offering, for an aggregate of \$194,060,000 (or approximately \$9.70 per unit sold to the public in this offering), will be deposited into a trust account at Wells Fargo, maintained by Continental Stock Transfer & Trust Company acting as trustee. These funds will not be released to us until the earlier of the completion of a business combination and our liquidation (which may not occur until , 2009 [twenty four months from the date of this prospectus]).

We are offering the units for sale on a firm-commitment basis. Lazard Capital Markets LLC, acting as representative of the underwriters, expects to deliver our securities to investors in the offering on or about , 2007.

**Lazard Capital Markets**

**Pali Capital, Inc.**

**Ladenburg Thalmann & Co. Inc.**

**EarlyBirdCapital, Inc.**

, 2007

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**PROSPECTUS SUMMARY**

*This summary highlights certain information appearing elsewhere in this prospectus. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors and the financial statements. Unless otherwise stated in this prospectus:*

*references to we, us or our company refer to Aldabra 2 Acquisition Corp.;*

*initial stockholders or existing stockholders refers to all of our stockholders prior to this offering, including all of our officers and directors;*

*initial shares refers to the 5,750,000 shares of common stock that our initial stockholders originally purchased from us for \$25,000 in February 2007;*

*insider warrants refers to the 3,000,000 warrants we are selling privately to Nathan Leight and Jason Weiss upon consummation of this offering;*

*the term public stockholders means the holders of the shares of common stock which are being sold as part of the units in this public offering (whether they are purchased in the public offering or in the aftermarket), including any of our existing stockholders to the extent that they purchase such shares; and*

*the information in this prospectus assumes that the representative of the underwriters will not exercise its over-allotment option.*

*You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We have applied to have our securities listed on the American Stock Exchange, thereby providing a state blue sky exemption in every state. However, notwithstanding the foregoing, we are not making an offer of these securities in any jurisdiction where the offer is not permitted.*

We are a blank check company organized under the laws of the State of Delaware on February 1, 2007. We were formed with the purpose of effecting a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business. To date, our efforts have been limited to organizational activities.

Our efforts in identifying a prospective target business will not be limited to a particular industry, although we intend to focus our efforts on seeking a business combination with a portfolio company currently held by a private equity firm specializing in either leveraged buyouts or venture capital.

We do not have any specific business combination under consideration. Our officers and directors have neither individually identified or considered a target business nor have they had any discussions regarding possible target businesses amongst themselves or with our underwriters or other advisors. We have not (nor has anyone on our behalf) contacted any prospective target business or had any discussions, formal or otherwise, with respect to a business combination transaction. We have not (nor have any of our agents or affiliates) been approached by any candidates (or representative of any candidates) with respect to a possible acquisition transaction with our company. Additionally, we have not, nor has anyone on our behalf, taken any measure, directly or indirectly, to identify or locate any suitable acquisition candidate, nor have we engaged or retained any agent or other representative to identify or locate any such acquisition candidate.

We will have until \_\_\_\_\_, 2009 [**twenty four months from the date of this prospectus**] to consummate a business combination. If we are unable to consummate a business combination by such date, our corporate existence will cease by operation of corporate law (except for the purposes of winding up our affairs and liquidating). Our initial business combination must be with a target business or businesses whose collective fair market value is at least equal to 80% of our net assets (all of our assets, including the funds held in the trust account, less our liabilities) at the time of such acquisition, although this may entail simultaneous acquisitions of several operating businesses. The fair market value of the target will be determined by our board of directors based upon one or more standards generally accepted by the financial community (which may include actual and potential sales, earnings, cash flow and/or book value). If our board is not able to independently determine that the target business has a sufficient fair market value, we will obtain

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an opinion from an unaffiliated, independent investment banking firm with respect to the satisfaction of such criteria.

We anticipate structuring a business combination to acquire 100% of the equity interests or assets of the target business. We may, however, structure a business combination to acquire less than 100% of such interests or assets of the target business but will not acquire less than a controlling interest (which would be at least 50% of the voting securities of the target business). If we acquire only a controlling interest in a target business or businesses, the portion of such business that we acquire must have a fair market value equal to at least 80% of our net assets. If we determine to simultaneously acquire several businesses and such businesses are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other acquisitions, which may make it more difficult for us, and delay our ability, to complete the business combination. With multiple acquisitions, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business.

The target business or businesses that we acquire may have a collective fair market value substantially in excess of 80% of our net assets. In order to consummate such a business combination, we may issue a significant amount of our debt or equity securities to the sellers of such business and/or seek to raise additional funds through a private offering of debt or equity securities. There are no limitations on our ability to incur debt or issue securities in order to consummate a business combination. If we issue securities in order to consummate a business combination, our stockholders could end up owning a minority of the combined company as there is no requirement that our stockholders own a certain percentage of our company after our business combination. Since we have no specific business combination under consideration, we have not entered into any such arrangement to issue our debt or equity securities and have no current intention of doing so.

Our executive offices are located at c/o Terrapin Partners LLC, 540 Madison Avenue, 17th Floor, New York, New York 10022 and our telephone number is (212) 710-4100.

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**THE OFFERING**

**Securities offered**

20,000,000 units, at \$10.00 per unit, each unit consisting of:

one share of common stock; and

one warrant.

The units will begin trading on or promptly after the date of this prospectus. Each of the common stock and warrants may trade separately on the 90<sup>th</sup> day after the date of this prospectus unless Lazard Capital Markets determines that an earlier date is acceptable. In no event will Lazard Capital Markets allow separate trading of the common stock and warrants until we file an audited balance sheet reflecting our receipt of the gross proceeds of this offering. We will file a Current Report on Form 8-K with the Securities and Exchange Commission, including an audited balance sheet, promptly upon the consummation of this offering, which is anticipated to take place three business days from the date the units commence trading. The audited balance sheet will reflect our receipt of the proceeds from the exercise of the over-allotment option if the over-allotment option is exercised prior to the filing of the Form 8-K. If the over-allotment option is exercised after our initial filing of a Form 8-K, we will file an amendment to the Form 8-K to provide updated financial information to reflect the exercise and consummation of the over-allotment option. We will also include in this Form 8-K, or amendment thereto, or in a subsequent Form 8-K, information indicating if Lazard Capital Markets has allowed separate trading of the common stock and warrants prior to the 90<sup>th</sup> day after the date of this prospectus.

The units will continue to trade along with the common stock and warrants after the units are separated. Holders will need to have their brokers contact our transfer agent in order to separate the units into common stock and warrants.

**Securities to be sold to insiders**

3,000,000 insider warrants at \$1.00 per warrant (for a total purchase price of \$3,000,000) will be sold to Nathan Leight and Jason Weiss pursuant to letter agreements among us, Lazard Capital Markets and such purchasers. These purchases will take place on a private placement basis simultaneously with the consummation of this offering. The insider warrants will be identical to the warrants underlying the units being offered by this prospectus except that the insider warrants will be exercisable on a cashless basis and will not be redeemable by us so long as they are still held by the purchasers or their affiliates. The purchasers have agreed, pursuant to the agreements, that the insider warrants will not be sold or transferred by them (except to employees of Terrapin Partners LLC, an affiliate of theirs, or to our directors at the same cost per warrant originally paid by them) until the later of \_\_\_\_\_, 2008 [**one year from the date of this prospectus**] and 60 days after the consummation of our business combination. Lazard Capital Markets has no intention of waiving

these restrictions. In the event of a liquidation prior to our initial business combination, the insider warrants will expire worthless.

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**Common stock:**

**Number outstanding before this offering** 5,750,000 shares<sup>1</sup>

**Number to be outstanding after this offering** 25,000,000 shares<sup>2</sup>

**Warrants:**

**Number outstanding before this offering** 0 warrants

**Number to be sold to insiders** 3,000,000 warrants

**Number to be outstanding after this offering and sale to insiders** 23,000,000 warrants

**Exercisability** Each warrant is exercisable for one share of common stock.

**Exercise price** \$7.50

**Exercise period** The warrants will become exercisable on the later of:

the completion of a business combination with a target business, and

, 2008 [one year from the date of this prospectus].

However, the warrants held by public stockholders will only be exercisable if a registration statement relating to the common stock issuable upon exercise of the warrants is effective and current. The warrants will expire at 5:00 p.m., New York City time, on , 2011 [four years from the date of this prospectus] or earlier upon redemption.

**Redemption**

We may redeem the outstanding warrants (excluding any insider warrants held by the initial purchasers or their affiliates) without the prior consent of the underwriters:

in whole and not in part,

at a price of \$.01 per warrant at any time while the warrants are exercisable,

upon a minimum of 30 days prior written notice of redemption, and

if, and only if, the last sales price of our common stock equals or exceeds \$14.25 per share for any 20 trading days within a 30 trading day period

ending three business days before we send the notice of redemption.

If the foregoing conditions are satisfied and we issue a notice of redemption, each warrant holder can exercise his, her or its warrant prior to the scheduled redemption date. However, the price of the common stock may fall below the \$14.25 trigger price as well as

<sup>1</sup> This number includes an aggregate of 750,000 shares of common stock that are subject to forfeiture by our initial stockholders if the over-allotment option is not exercised by the underwriters.

<sup>2</sup> Assumes the over-allotment option has not been exercised and an aggregate of 750,000 shares of common stock have been forfeited by our initial stockholders.

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the \$7.50 warrant exercise price after the redemption notice is issued.

The redemption criteria for our warrants have been established at a price which is intended to provide warrant holders a reasonable premium to the initial exercise price and provide a sufficient differential between the then-prevailing common stock price and the warrant exercise price so that if the stock price declines as a result of our redemption call, the redemption will not cause the stock price to drop below the exercise price of the warrants.

**Proposed American Stock Exchange  
symbols for our:**

**Units** [      ]

**Common stock** [      ]

**Warrants** [      ]

**Offering proceeds to be held in trust**

\$191,060,000 of the net proceeds of this offering plus the \$3,000,000 we will receive from the sale of the insider warrants (for an aggregate of \$194,060,000 or approximately \$9.70 per unit sold to the public in this offering) will be placed in a trust account at Wells Fargo, maintained by Continental Stock Transfer & Trust Company, acting as trustee pursuant to an agreement to be signed on the date of this prospectus. This amount includes \$6,000,000 of underwriting discounts and commissions payable to the underwriters in the offering that is being deferred. The underwriters have agreed that such amount will not be paid unless and until we consummate a business combination. Upon the consummation of our initial business combination, the deferred underwriting discounts and commissions shall be released to the underwriters out of the gross proceeds of this offering held in the trust account. Except as set forth below, these proceeds will not be released until the earlier of the completion of a business combination and our liquidation. Therefore, unless and until a business combination is consummated, the proceeds held in the trust account will not be available for our use for any expenses related to this offering or expenses which we may incur related to the investigation and selection of a target business and the negotiation of an agreement to acquire a target business.

Notwithstanding the foregoing, there can be released to us from the trust account interest earned on the funds in the trust account (i) up to an aggregate of \$3,100,000 to fund expenses related to investigating and selecting a target business and our other working capital requirements and (ii) any amounts we may need to pay our income or other tax obligations. With these exceptions, expenses incurred by us may be paid prior to a business combination only from the net proceeds of this offering not held in the trust account (initially \$200,000).

None of the warrants may be exercised until after the consummation of a business combination and, thus, after the proceeds of the trust account have been disbursed. Accordingly, the warrant

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exercise price will be paid directly to us and not placed in the trust account.

Anticipated expenses and funding sources We believe that, upon consummation of this offering, the \$200,000 of net proceeds not held in the trust account, plus the up to \$3,100,000 of interest earned on the trust account balance that may be released to us as well as amounts necessary to pay our tax obligations, will be sufficient to allow us to operate for the next 24 months, assuming that a business combination is not consummated during that time.

Over this time period, we will be using these funds for identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, reviewing corporate documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the business combination. We could use a portion of the funds not being placed in trust to pay commitment fees for financing, fees to consultants to assist us with our search for a target business or as a down payment or to fund a no-shop provision (a provision in letters of intent designed to keep target businesses from shopping around for transactions with other companies on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent where we paid for the right to receive exclusivity from a target business, the amount that would be used as a down payment or to fund a no-shop provision would be determined based on the terms of the specific business combination and the amount of our available funds at the time. Our forfeiture of such funds (whether as a result of our breach or otherwise) could result in our not having sufficient funds to continue searching for, or conducting due diligence with respect to, potential target businesses.

We anticipate that we will incur approximately:

\$1,000,000 of expenses for the search for target businesses and for the legal, accounting and other third-party expenses attendant to the due diligence investigations, structuring and negotiating of a business combination;

\$250,000 of expenses for the due diligence and investigation of a target business by our officers, directors and existing stockholders;

\$200,000 of expenses in legal and accounting fees relating to our SEC reporting obligations;

\$180,000 for the administrative fee payable to Terrapin Partners LLC (\$7,500 per month for twenty four months); and



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\$1,670,000 for general working capital that will be used for miscellaneous expenses and reserves, including approximately \$120,000 for director and officer liability insurance premiums.

If we are unable to complete a business combination within 24 months from the date of this prospectus and are forced to liquidate, we will pay the costs of liquidation from our remaining assets outside of the trust account. If such funds are insufficient, Nathan Leight and Jason Weiss have agreed to advance us the funds necessary to complete such liquidation (currently anticipated to be no more than approximately \$15,000) and have agreed not to seek repayment for such expenses.

**Limited payments to insiders**

There will be no fees or other cash payments paid to our existing stockholders, officers, directors or their affiliates prior to, or for any services they render in order to effectuate, the consummation of a business combination (regardless of the type of transaction that it is) other than:

repayment of an aggregate of \$100,000 non-interest bearing loans made by Nathan Leight, our chairman of the board, and Jason Weiss, our chief executive officer;

payment of \$7,500 per month to Terrapin Partners LLC, an affiliate of Nathan Leight and Jason Weiss, for certain administrative, technology and secretarial services, as well as the use of certain limited office space, including a conference room, in New York City; and

reimbursement of out-of-pocket expenses incurred by them in connection with certain activities on our behalf, such as identifying and investigating possible business targets and business combinations.

**Certificate of Incorporation**

As discussed below, there are specific provisions in our amended and restated certificate of incorporation that may not be amended prior to our consummation of a business combination, including our requirements to seek stockholder approval of such a business combination and to allow our stockholders to seek conversion of their shares if they do not approve of such a business combination. While we have been advised that such provisions limiting our ability to amend our certificate of incorporation may not be enforceable under Delaware law, we view these provisions, which are contained in Article Seventh of our amended and restated certificate of incorporation, as obligations to our stockholders and will not take any action to amend or waive these provisions.

Our amended and restated certificate of incorporation also provides that we will continue in existence only until \_\_\_\_\_, 2009 [**twenty four months from the date of this prospectus**]. If we have not completed a business combination by such 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. This has the same

effect as if our board of directors and stockholders had formally voted to approve our dissolution pursuant to Section 275 of the Delaware General

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Corporation Law. Accordingly, limiting our corporate existence to a specified date as permitted by Section 102(b)(5) of the Delaware General Corporation Law removes the necessity to comply with the formal procedures set forth in Section 275 (which would have required our board of directors and stockholders to formally vote to approve our dissolution and liquidation and to have filed a certificate of dissolution with the Delaware Secretary of State). In connection with any proposed business combination we submit to our stockholders for approval, we will also submit to stockholders a proposal to amend our amended and restated certificate of incorporation to provide for our perpetual existence, thereby removing this limitation on our corporate life. We will only consummate a business combination if stockholders vote both in favor of such business combination and our amendment to provide for our perpetual existence. Accordingly, if stockholders approved a proposed business combination as set forth below but did not approve the proposal to provide for our perpetual existence, we would not be able to consummate such business combination. The approval of the proposal to amend our amended and restated certificate of incorporation to provide for our perpetual existence would require the affirmative vote of a majority of our outstanding shares of common stock. We view this provision terminating our corporate life by , 2009 **[twenty four months from the date of this prospectus]** as an obligation to our stockholders and will not take any action to amend or waive this provision to allow us to survive for a longer period of time except in connection with the consummation of a business combination.

**Stockholders must approve business combination**

Pursuant to our amended and restated certificate of incorporation, we will seek stockholder approval before we effect any business combination, even if the nature of the acquisition would not ordinarily require stockholder approval under applicable state law. We view this requirement as an obligation to our stockholders and will not take any action to amend or waive this provision in our amended and restated certificate of incorporation. In connection with the vote required for any business combination, all of our existing stockholders, including all of our officers and directors, have agreed to vote the shares of common stock owned by them immediately before this offering in accordance with the majority of the shares of common stock voted by the public stockholders. We will proceed with a business combination only if (i) a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and (ii) public stockholders owning less than 40% of the shares sold in this offering exercise their conversion rights described below. Accordingly, it is our understanding and intention in every case to structure and consummate a business combination in which approximately 39.99% of the public stockholders may exercise their conversion rights and the business combination will still go forward.

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**Conversion rights for stockholders voting to reject a business combination**

Pursuant to our amended and restated certificate of incorporation, public stockholders voting against a business combination will be entitled to convert their stock into a pro rata share of the trust account (initially approximately \$9.70 per share, or approximately \$9.69 per share if the over-allotment option is exercised), plus any interest earned on their portion of the trust account but less any interest that has been released to us as described above to fund our working capital requirements and pay any of our tax obligations, if the business combination is approved and completed. We view this requirement as an obligation to our stockholders and will not take any action to amend or waive this provision in our amended and restated certificate of incorporation. Our existing stockholders will not have such conversion rights with respect to any shares of common stock owned by them, directly or indirectly, whether included in or underlying their initial shares or purchased by them in this offering or in the aftermarket. Public stockholders who convert their stock into their share of the trust account will continue to have the right to exercise any warrants they may hold.

Investors in this offering who do not sell, or who receive less than an aggregate of approximately \$0.30 of net sales proceeds for, the warrants included in the units, and persons who purchase common stock in the aftermarket at a price in excess of \$9.70 per share, may have a disincentive to exercise their conversion rights because the amount they would receive upon conversion could be less than their original or adjusted purchase price. Because converting stockholders will receive their proportionate share of the deferred underwriting discounts and commissions and the underwriters will be paid the full amount of their deferred underwriting compensation at the time of the consummation of our initial business combination, the Company (and, therefore, the non-converting stockholders) will bear the financial effect of such payments to both the converting stockholders and the underwriters.

**Liquidation if no business combination**

As described above, if we have not consummated a business combination by , 2009 [twenty four months from the date of this prospectus], our corporate existence will cease by operation of law and we will promptly distribute only to our public stockholders (including our initial stockholders to the extent they have purchased shares in this offering or in the aftermarket) the amount in our trust account (including any accrued interest then remaining in the trust account) plus any remaining net assets.

We cannot assure you that the per-share distribution from the trust account, if we liquidate, will not be less than \$9.70, plus interest then held in the trust account, for the following reasons:

Prior to liquidation, pursuant to Section 281 of the Delaware General Corporation Law, we will adopt a plan that will provide for our payment, based on facts known to us at such time, of (i) all existing claims, (ii) all pending claims and (iii) all claims that may be potentially brought against

us within the subsequent

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10 years. Accordingly, we would be required to provide for any creditors known to us at that time as well as provide for any claims that we believe could potentially be brought against us within the subsequent 10 years prior to distributing the funds held in the trust to our public stockholders. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims of creditors to the extent of distributions received by them (but no more).

While we will seek to have all vendors and service providers (which would include any third parties we engaged to assist us in any way in connection with our search for a target business) and prospective target businesses execute agreements with us waiving any right, title, interest or claim of any kind they may have in or to any monies held in the trust account, there is no guarantee that they will execute such agreements. Nor is there any guarantee that, even if such entities execute such agreements with us, they will not seek recourse against the trust account or that a court would not conclude that such agreements are not legally enforceable. Nathan Leight and Jason Weiss have agreed that they will be personally liable to ensure that the proceeds in the trust account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us. However, we cannot assure you that they will be able to satisfy those obligations, if they are required to do so. Furthermore, Messrs. Leight and Weiss will not have any personal liability as to any claimed amounts owed to a third party who executed a waiver (including a prospective target business). Additionally, in the case of a prospective target business that did not execute a waiver, such liability will be only in an amount necessary to ensure that public stockholders receive no less than \$10.00 per share upon liquidation.

We anticipate the distribution of the funds in the trust account to our public stockholders will occur by \_\_\_\_\_, 2009 [**10 business days from the date our corporate existence ceases**], subject to our obligations under Delaware law to provide for claims of creditors. Our existing stockholders have waived their rights to participate in any liquidation distribution with respect to their initial shares. We will pay the costs of liquidation from our remaining assets outside of the trust account. If such funds are insufficient, Nathan Leight and Jason Weiss have agreed to advance us the funds necessary to complete such liquidation (currently anticipated to be no more than approximately \$15,000) and have agreed not to seek repayment for such expenses.

**Escrow of existing stockholders' shares** On the date of this prospectus, all of our existing stockholders, including all of our officers and directors, will place their initial shares into an escrow account maintained by Continental Stock Transfer & Trust Company, acting as escrow agent. Subject to certain limited exceptions (such as transfers (i) to an entity's members



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upon its liquidation, (ii) to relatives and trusts for estate planning purposes or (iii) by private sales made at or prior to the consummation of a business combination at prices no greater than the price at which the shares were originally purchased, in each case where the transferee agrees to the terms of the escrow agreement), these shares will not be transferable during the escrow period and will not be released from escrow until one year after the consummation of our initial business combination or earlier if, following a business combination, (i) the last sales price of our common stock equals or exceeds \$18.00 per share for any 20 trading days within any 30-trading day period or (ii) we consummate a subsequent liquidation, merger, stock exchange or other similar transaction which results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property.

**RISKS**

In making your decision on whether to invest in our securities, you should take into account not only the backgrounds of our management team, but also the special risks we face as a blank check company, as well as the fact that this offering is not being conducted in compliance with Rule 419 promulgated under the Securities Act of 1933, as amended, and, therefore, you will not be entitled to protections normally afforded to investors in Rule 419 blank check offerings. You should carefully consider these and the other risks set forth in the section entitled Risk Factors beginning on page 13 of this prospectus.

**Table of Contents****SUMMARY FINANCIAL DATA**

The following table summarizes the relevant financial data for our business and should be read with our financial statements, which are included in this prospectus. We have not had any significant operations to date, so only balance sheet data are presented.

|                                                      | <b>February 28, 2007</b> |                       |
|------------------------------------------------------|--------------------------|-----------------------|
|                                                      | <b>Actual</b>            | <b>As Adjusted(1)</b> |
| <b>Balance Sheet Data:</b>                           |                          |                       |
| Working capital (deficiency)                         | \$ 532                   | \$ 188,284,000        |
| Total assets                                         | 125,000                  | 188,284,000           |
| Total liabilities                                    | 101,000                  |                       |
| Value of common stock which may be converted to cash |                          | 77,604,594            |
| Stockholders' equity                                 | 24,000                   | 110,679,406           |

(1) Includes the \$3,000,000 we will receive from the sale of the insider warrants. Assumes the payment of the \$6,000,000 deferred underwriters' discounts and commissions to the underwriters.

The as adjusted information gives effect to the sale of the units we are offering, including the application of the related gross proceeds and the payment of the estimated remaining costs from such sale and the repayment of the accrued and other liabilities required to be repaid.

The working capital deficiency excludes \$23,468 of costs related to this offering which were paid or accrued prior to February 28, 2007. These deferred offering costs have been recorded as a long-term asset and are reclassified against stockholders' equity in the as adjusted information.

The as adjusted working capital and total assets amounts include the \$194,060,000 to be held in the trust account, which will be available to us only upon the consummation of a business combination within the time period described in this prospectus. The total amount to be placed in trust includes \$6,000,000 (or approximately \$0.30 per share) of deferred underwriting discounts and commissions payable to the underwriters in the offering only if we consummate a business combination. If a business combination is not so consummated, the trust account totaling \$194,060,000 of net proceeds from the offering, including \$3,000,000 of proceeds from the private placement of the insider warrants, and all accrued interest earned thereon less (i) up to \$3,100,000 that may be released to us to fund our expenses and other working capital requirements and (ii) any amounts released to us to pay our income or other tax obligations, will be distributed solely to our public stockholders (subject to our obligations under Delaware law to provide for claims of creditors).

We will not proceed with a business combination if public stockholders owning 40% or more of the shares sold in this offering vote against the business combination and exercise their conversion rights. Accordingly, we may effect a business combination if public stockholders owning up to approximately 39.99% of the shares sold in this offering exercise their conversion rights. If this occurred, we would be required to convert to cash up to approximately 39.99% of the 20,000,000 shares sold in this offering, or 7,998,000 shares of common stock, at an initial per-share conversion price of approximately \$9.70, without taking into account interest earned on the trust account. The actual per-share conversion price will be equal to:

the amount in the trust account, including all accrued interest after distribution of interest income on the trust account balance to us as described above, as of two business days prior to the proposed consummation of the business combination,

divided by the number of shares of common stock sold in the offering.

Because converting stockholders will receive their proportionate share of the deferred underwriting discounts and commissions and the underwriters will be paid the full amount of their deferred underwriting compensation at the time of the consummation of our initial business combination, the Company (and, therefore, the non-converting stockholders) will bear the financial effect of such payments to both the converting stockholders and the underwriters.

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**RISK FACTORS**

*An investment in our securities involves a high degree of risk. You should consider carefully the material risks described below, which we believe represent all the material risks related to the offering, together with the other information contained in this prospectus, before making a decision to invest in our units.*

**Risks associated with our business**

***We are a development stage company with no operating history and, accordingly, you will not have any basis on which to evaluate our ability to achieve our business objective.***

We are a recently incorporated development stage company with no operating results to date. Therefore, our ability to commence operations is dependent upon obtaining financing through the public offering of our securities. Since we do not have an operating history, you will have no basis upon which to evaluate our ability to achieve our business objective, which is to acquire an operating business. We have not conducted any discussions and we have no plans, arrangements or understandings with any prospective acquisition candidates. We will not generate any revenues until, at the earliest, after the consummation of a business combination.

***If we are forced to liquidate before a business combination and distribute the trust account, our public stockholders may receive less than \$10.00 per share and our warrants will expire worthless.***

If we are unable to complete a business combination within the prescribed time frames and are forced to liquidate our assets, the per-share liquidation distribution may be less than \$10.00 because of the expenses of this offering, our general and administrative expenses and the anticipated costs of seeking a business combination. Furthermore, there will be no distribution with respect to our outstanding warrants which will expire worthless if we liquidate before the completion of a business combination.

***If we are unable to consummate a business combination, our public stockholders will be forced to wait the full 24 months before receiving liquidation distributions.***

We have 24 months in which to complete a business combination. We have no obligation to return funds to investors prior to such date unless we consummate a business combination prior thereto and only then in cases where investors 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 a business combination. Accordingly, investors' funds may be unavailable to them until such date.

***We may proceed with a business combination even if public stockholders owning 39.99% of the shares sold in this offering exercise their conversion rights.***

We may proceed with a business combination as long as public stockholders owning less than 40% of the shares sold in this offering exercise their conversion rights. Accordingly, approximately 39.99% of the public stockholders may exercise their conversion rights and we could still consummate a proposed business combination. We have set the conversion percentage at 40% in order to reduce the likelihood that a small group of investors holding a block of our stock will be able to stop us from completing a business combination that is otherwise approved by a large majority of our public stockholders. While there are a few other offerings similar to ours which include conversion provisions greater than 20%, the 20% threshold is customary and standard for offerings similar to ours.

Our 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 business combination in case a larger percentage of stockholders exercise their conversion rights than we expect. Additionally, even if our 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 a business combination and may need to arrange third party financing. We have not taken any

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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.

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

Since the net proceeds of this offering are intended to be used to complete a business combination with a target business that has not been identified, we may be deemed to be a blank check company under the United States securities laws. However, since our securities will be listed on the American Stock Exchange, a national securities exchange, and we will have net tangible assets in excess of \$5,000,000 upon the successful consummation of this offering and will file a Current Report on Form 8-K, including an audited balance sheet demonstrating this fact, we are exempt from rules promulgated by the SEC to protect investors of blank check companies such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules such as completely restricting the transferability of our securities, requiring us to complete a business combination within 18 months of the effective date of the initial registration statement and restricting the use of interest earned on the funds held in the trust account. Because we are not subject to Rule 419, our units will be immediately tradable, we will be entitled to withdraw a certain amount of interest earned on the funds held in the trust account prior to the completion of a business combination and we have a longer period of time to complete such a business combination than we would if we were subject to such rule.

***Because there are numerous companies with a business plan similar to ours seeking to effectuate a business combination, it may be more difficult for us to do so.***

Since August 2003, based upon publicly available information, approximately similarly structured blank check companies have completed initial public offerings in the United States. Of these companies, only companies have consummated a business combination, while other companies have announced they have entered into a definitive agreement for a business combination, but have not consummated such business combination, and companies have failed to complete business combinations and have either dissolved or announced their intention to dissolve and return trust proceeds to their stockholders. Accordingly, there are approximately blank check companies with more than \$ billion in trust that are seeking to carry out a business plan similar to our business plan. Furthermore, there are a number of additional offerings for blank check companies that are still in the registration process but have not completed initial public offerings and there are likely to be more blank check companies filing registration statements for initial public offerings after the date of this prospectus and prior to our completion of a business combination. While some of those companies must complete a business combination in specific industries, a number of them may consummate a business combination in any industry they choose. Therefore, we may be subject to competition from these and other companies seeking to consummate a business plan similar to ours. Because of this competition, we cannot assure you that we will be able to effectuate a business combination within the required time periods.

***If the net proceeds of this offering not being held in trust are insufficient to allow us to operate for at least the next 24 months, we may be unable to complete a business combination.***

We believe that, upon consummation of this offering, the funds available to us outside of the trust account, plus the interest earned on the funds held in the trust account that may be available to us, will be sufficient to allow us to operate for at least the next 24 months, assuming that a business combination is not consummated during that time. However, we cannot assure you that our estimates will be accurate. We could use a portion of the funds available to us to pay commitment fees for financing, fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment or to fund a no-shop provision (a provision in letters of intent designed to keep target businesses from shopping around for transactions with other companies on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not

have any current intention to do so. If we entered into a letter of intent where we paid for the right to receive exclusivity from a target business and were subsequently required to forfeit such funds (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for, or conduct due diligence with respect to, a target business.

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***A decline in interest rates could limit the amount available to fund our search for a target business or businesses and complete a business combination since we will depend on interest earned on the trust account to fund our search, to pay our tax obligations and to complete our initial business combination.***

Of the net proceeds of this offering, only \$200,000 will be available to us initially outside the trust account 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 additional working capital we will need to identify one or more target businesses and to complete our initial business combination, as well as to pay any tax obligations that we may owe. While we are entitled to have released to us for such purposes certain interest earned on the funds in the trust account, a substantial decline in interest rates may result in our having insufficient funds available with which to structure, negotiate or close an initial business combination. In such event, we would need to borrow funds from our initial stockholders to operate or may be forced to liquidate. Our initial stockholders are under no obligation to advance funds in such circumstances.

***If third parties bring claims against us, the proceeds held in trust could be reduced and the per-share liquidation price received by stockholders will be less than approximately \$9.70 per share.***

Our placing of funds in trust may not protect those funds from third party claims against us. Although we will seek to have all vendors and service providers we engage and prospective target businesses we negotiate with, execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, there is no guarantee that they will execute such agreements. Furthermore, there is no guarantee that, even if such entities execute such agreements with us, they will not seek recourse against the trust account. Nor is there any guarantee that a court would uphold the validity of such agreements. Accordingly, the proceeds held in trust could be subject to claims which could take priority over those of our public stockholders. If we liquidate before the completion of a business combination and distribute the proceeds held in trust to our public stockholders, Nathan Leight and Jason Weiss have agreed that they will be personally liable to ensure that the proceeds in the trust account are not reduced by the claims of target businesses or vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us. Based on representations made to us by Messrs. Leight and Weiss, we currently believe that they are capable of funding a shortfall in our trust account to satisfy their foreseeable indemnification obligations. However, we have not asked them to reserve for such an eventuality. Furthermore, our belief is based on our expectation that their indemnification obligations will be minimal. Accordingly, if that expectation turns out to be incorrect, we cannot assure you that such individuals will be able to satisfy those obligations or that the proceeds in the trust account will not be reduced by such claims. Furthermore, Messrs. Leight and Weiss will not have any personal liability as to any claimed amounts owed to a third party who executed a waiver (including a prospective target business). Additionally, in the case of a prospective target business that did not execute a waiver, such liability will only be in an amount necessary to ensure that public stockholders receive no less than \$10.00 per share upon liquidation.

Additionally, if we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which 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 we will be able to return to our public stockholders at least \$9.70 per share.

***Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them.***

Our amended and restated certificate of incorporation provides that we will continue in existence only until 24 months from the date of this prospectus. If we have not completed a business combination by such date and amended this

provision in connection thereto, pursuant to the Delaware General Corporation Law, our corporate existence will cease except for the purposes of winding up our affairs and liquidating. Under Sections 280 through 282 of 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 them in a dissolution. If the corporation complies with certain procedures set forth in Section 280 of the Delaware General Corporation

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Law intended to ensure that it makes reasonable provision for all claims against it, 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 liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. However, it is our intention to make liquidating distributions to our stockholders as soon as reasonably possible after the expiration of the twenty four month period and, therefore, we do not intend to comply with those procedures. Because we will not be complying with those procedures, we are required, pursuant to Section 281 of the Delaware General Corporation Law, to adopt a plan that will provide for our payment, based on facts known to us at such time, of (i) all existing claims, (ii) all pending claims and (iii) all claims that may be potentially brought against us within the subsequent 10 years. Accordingly, we would be required to provide for any creditors known to us at that time or those that we believe could be potentially brought against us within the subsequent 10 years prior to distributing the funds held in the trust to stockholders. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of the date of distribution. Accordingly, we cannot assure you that third parties will not seek to recover from our stockholders amounts owed to them by us.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a preferential transfer or a fraudulent conveyance. As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. Furthermore, because we intend to distribute the proceeds held in the trust account to our public stockholders promptly after \_\_\_\_\_, 2009 [twenty four months from the date of this prospectus], this may be viewed or interpreted as giving preference to our public stockholders over any potential creditors with respect to access to or distributions from our assets. Furthermore, our board may be viewed as having breached their fiduciary duties to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

***An effective registration statement may not be in place when an investor desires to exercise warrants, thus precluding such investor from being able to exercise his, her or its warrants and causing such warrants to be practically worthless.***

No warrant held by public stockholders will be exercisable and we will not be obligated to issue shares of common stock unless at the time such holder seeks to exercise such warrant, a registration statement relating to the common stock issuable upon exercise of the warrant is effective and current. Under the terms of the warrant agreement, we have agreed to use our best efforts to meet these conditions and to maintain a current prospectus relating to the common stock issuable upon exercise of the warrants until the expiration of the warrants. However, we cannot assure you that we will be able to do so, and if we do not maintain a current prospectus related to the common stock issuable upon exercise of the warrants, holders will be unable to exercise their warrants and we will not be required to settle any such warrant exercise. If the prospectus relating to the common stock issuable upon the exercise of the warrants is not current, the warrants held by public stockholders may have no value, the market for such warrants may be limited and such warrants may expire worthless. Notwithstanding the foregoing, the insider warrants may be exercisable for unregistered shares of common stock even if no registration relating to the common stock issuable upon exercise of the warrants is effective and current.

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***An investor will only be able to exercise a warrant if the issuance of common stock upon such exercise has been registered or qualified or is deemed exempt under the securities laws of the state of residence of the holder of the warrants.***

No warrants will be exercisable and we will not be obligated to issue shares of common stock unless the common stock issuable upon such exercise has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. At the time that the warrants become exercisable (following our completion of a business combination), we expect to continue to be listed on a national securities exchange, which would provide an exemption from registration in every state. Accordingly, we believe holders in every state will be able to exercise their warrants as long as our prospectus relating to the common stock issuable upon exercise of the warrants is current. However, we cannot assure you of this fact. As a result, the warrants may be deprived of any value, the market for the warrants may be limited and the holders of warrants may not be able to exercise their warrants if the common stock issuable upon such exercise is not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside.

***Since we have not yet selected a particular industry or target business with which to complete a business combination, we are unable to currently ascertain the merits or risks of the industry or business in which we may ultimately operate.***

We may consummate a business combination with a company in any industry we choose and 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 which we may ultimately acquire. To the extent we complete a business combination with a financially unstable company or an entity in its development stage, we may be affected by numerous risks inherent in the business operations of those entities. If we complete a business combination with an entity in an industry characterized by a high level of risk, we may be affected by the currently unascertainable risks of that industry. Although our management will endeavor to evaluate the risks inherent in a particular industry or target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors in this offering than a direct investment, if an opportunity were available, in a target business.

***We may issue shares of our capital stock or debt securities to complete a business combination, which would reduce the equity interest of our stockholders and likely cause a change in control of our ownership.***

Our certificate of incorporation authorizes the issuance of up to 60,000,000 shares of common stock, par value \$.0001 per share, and 1,000,000 shares of preferred stock, par value \$.0001 per share. Immediately after this offering and the purchase of the insider warrants (assuming no exercise of the underwriters' over-allotment option), there will be 12,000,000 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of the shares upon full exercise of our outstanding warrants) and all of the 1,000,000 shares of preferred stock available for issuance. Although we have no commitment as of the date of this offering, we may issue a substantial number of additional shares of our common or preferred stock, or a combination of common and preferred stock, to complete a business combination. The issuance of additional shares of our common stock or any number of shares of our preferred stock:

may significantly reduce the equity interest of investors in this offering;

may subordinate the rights of holders of common stock if we issue preferred stock with rights senior to those afforded to our common stock;

may cause a change in control if a substantial number of our shares of common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and could result in the resignation or removal of our present officers and directors; and

may adversely affect prevailing market prices for our common stock.

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Similarly, if we issue debt securities, it could result in:

default and foreclosure on our assets if our operating revenues after a business combination are insufficient to repay our debt obligations;

acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;

our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand; and

our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding.

***Our ability to successfully effect a business combination and to be successful thereafter will be totally dependent upon the efforts of our key personnel, some of whom may join us following a business combination.***

Our ability to successfully effect a business combination is dependent upon the efforts of our key personnel. The role of our key personnel in the target business, however, cannot presently be ascertained. Although some of our key personnel may remain with the target business in senior management or advisory positions following a business combination, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after a business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a public company which could cause us to have to expend time and resources helping them become familiar with such requirements. This could be expensive and time-consuming and could lead to various regulatory issues which may adversely affect our operations.

***Our key personnel may negotiate employment or consulting agreements with a target business in connection with a particular business combination. These agreements may provide for them to receive compensation following a business combination and as a result, may cause them to have conflicts of interest in determining whether a particular business combination is the most advantageous.***

Our key personnel will be able to remain with the company after the consummation of a business combination only if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to the company after the consummation of the business combination. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business. However, we believe the ability of such individuals to remain with the company after the consummation of a business combination will not be the determining factor in our decision as to whether or not we will proceed with any potential business combination.

***Our officers and directors will allocate their time to other businesses thereby causing conflicts of interest in their determination as to how much time to devote to our affairs. This conflict of interest could have a negative impact on our ability to consummate a business combination.***

Our officers and directors are not required to commit their full time to our affairs, which could create a conflict of interest when allocating their time between our operations and their other commitments. We do not intend to have any full time employees prior to the consummation of a business combination. All of our executive officers are engaged in several other business endeavors (none of which are blank check companies) and are not obligated to devote any specific number of hours to our affairs. If our officers and directors other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to our affairs and could have a negative impact on our ability to consummate a business

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combination. We cannot assure you that these conflicts will be resolved in our favor. As a result, a potential target business may be presented to another entity prior to its presentation to us and we may miss out on a potential transaction.

***Our officers, directors and their affiliates may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by us and accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.***

Our officers and directors may in the future become affiliated with entities, including other blank check companies, engaged in business activities similar to those intended to be conducted by us. Additionally, our officers and directors may become aware of business opportunities which may be appropriate for presentation to us and the other entities to which they owe fiduciary duties. Accordingly, they may have conflicts of interest in determining to which entity a particular business opportunity should be presented. We cannot assure you that these conflicts will be resolved in our favor. As a result, a potential target business may be presented to another entity prior to its presentation to us and we may miss out on a potential transaction.

***All of our officers and directors own shares of our common stock issued prior to the offering and some of them will own warrants following this offering. These shares and warrants will not participate in liquidation distributions and, therefore, our officers and directors may have a conflict of interest in determining whether a particular target business is appropriate for a business combination.***

All of our officers and directors own shares of our common stock that were issued prior to this offering. Additionally, certain of our officers and directors are purchasing insider warrants upon consummation of this offering. Such individuals have waived their right to receive distributions with respect to their initial shares upon our liquidation if we are unable to consummate a business combination. Accordingly, the shares acquired prior to this offering, as well as the insider warrants, and any warrants purchased by our officers or directors in this offering or in the aftermarket will be worthless if we do not consummate a business combination. The personal and financial interests of our directors and officers may influence their motivation in timely identifying and selecting a target business and completing a business combination. Consequently, our directors' and officers' discretion in identifying and selecting a suitable target business may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our stockholders' best interest.

***The American Stock Exchange may delist our securities from quotation on its exchange which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.***

We anticipate that our securities will be listed on the American Stock Exchange, a national securities exchange, upon consummation of this offering. We cannot assure you that our securities will continue to be listed on the American Stock Exchange in the future prior to a business combination. Additionally, in connection with our business combination, it is likely that the American Stock Exchange will require us to file a new initial listing application and meet its initial listing requirements as opposed to its more lenient continued listing requirements. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If the American Stock Exchange delists our securities from trading on its exchange, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;

- a determination that our common stock is a penny stock which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the

secondary trading market for our common stock;

a limited amount of news and analyst coverage for our company; and

a decreased ability to issue additional securities or obtain additional financing in the future.

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***We may only be able to complete one business combination with the proceeds of this offering, which will cause us to be solely dependent on a single business which may have a limited number of products or services.***

Our business combination must be with a business with a fair market value of at least 80% of our net assets at the time of such acquisition, although this may entail the simultaneous acquisitions of several operating businesses at the same time. By consummating a business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. Accordingly, the prospects for our success may be:

solely dependent upon the performance of a single business, or

dependent upon the development or market acceptance of a single or limited number of products, processes or services.

This lack of diversification may subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to a business combination.

Alternatively, if we determine to simultaneously acquire several businesses and such businesses are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings of the other business combinations, which may make it more difficult for us, and delay our ability, to complete the business combination. With multiple business combinations, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations.

***The ability of our stockholders to exercise their conversion rights may not allow us to effectuate the most desirable business combination or optimize our capital structure.***

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 and the business combination is approved and completed. Such holder must both vote against such business combination and then exercise his, her or its conversion rights to receive a pro rata portion of the trust account. Accordingly, if our business combination requires us to use substantially all of our cash to pay the purchase price, because we will not know how many stockholders may exercise such conversion rights, we may either need to reserve part of the trust account for possible payment upon such conversion, or we may need to arrange third party financing to help fund our business combination in case a larger percentage of stockholders exercise their conversion rights than we expect. Since we have no specific business combination under consideration, we have not taken any steps to secure third party financing. Therefore, we may not be able to consummate a business combination that requires us to use all of the funds held in the trust account as part of the purchase price, or we may end up having a leverage ratio that is not optimal for our business combination. This may limit our ability to effectuate the most attractive business combination available to us.

***Because of our limited resources and structure, we may not be able to consummate an attractive business combination.***

We expect to encounter intense competition from entities other than blank check companies having a business objective similar to ours, including venture capital funds, leveraged buyout funds and operating businesses competing for acquisitions. Many of these entities are well established and have extensive

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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 are numerous potential target businesses that we could acquire with the net proceeds of this offering, 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. Furthermore, the obligation we have to seek stockholder approval of a business combination may delay the consummation of a transaction. Additionally, 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. Because only \_\_\_\_\_ of the \_\_\_\_\_ blank check companies that have gone public in the United States since August 2003 have either consummated a business combination or entered into a definitive agreement for a business combination, it may indicate that there are fewer attractive target businesses available to such entities like our company or that many privately held target businesses are not inclined to enter into these types of transactions with publicly held blank check companies like ours. If we are unable to consummate a business combination with a target business within the prescribed time periods, we will be forced to liquidate.

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

Although we believe that the net proceeds of this offering will be sufficient to allow us to consummate a business combination, because we have not yet identified any prospective target business, we cannot ascertain the capital requirements for any particular transaction. If the net proceeds of this offering prove to be insufficient, either because of the size of the business combination, the depletion of the available net proceeds in search of a target business, or the obligation to convert into cash a significant number of shares from dissenting stockholders, we will be required to seek additional financing. We cannot assure you that such financing will be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to consummate a particular business combination, we would be compelled to either restructure the transaction or abandon that particular business combination and seek an alternative target business candidate. In addition, if we consummate a business combination, we may require additional financing to fund the operations or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our officers, directors or stockholders is required to provide any financing to us in connection with or after a business combination.

***Our existing stockholders, including our officers and directors, control a substantial interest in us and thus may influence certain actions requiring a stockholder vote.***

Upon consummation of our offering, our existing stockholders (including all of our officers and directors) will collectively own 20% of our issued and outstanding shares of common stock (assuming they do not purchase any units in this offering). Our board of directors is and will be 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. It is unlikely that there will be an annual meeting of stockholders to elect new directors prior to the consummation of a business combination, in which case all of the current directors will continue in office until at least the consummation of the business combination. If there is an annual meeting, as a consequence of our staggered board of directors, only a minority of the board of directors will be considered for election and our existing stockholders, because of their ownership position, will have considerable influence regarding the outcome. Accordingly, our existing stockholders will continue to exert control at least until the consummation of a business combination.



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***Our existing stockholders paid an aggregate of \$25,000, or approximately \$0.004 per share, for their shares and, accordingly, you will experience immediate and substantial dilution from the purchase of our common stock.***

The difference between the public offering price per share and the pro forma net tangible book value per share of our common stock after this offering constitutes the dilution to the investors in this offering. Our existing stockholders acquired their initial shares of common stock at a nominal price, significantly contributing to this dilution. Upon consummation of this offering, you and the other new investors will incur an immediate and substantial dilution of approximately 34.9% or \$3.49 per share (the difference between the pro forma net tangible book value per share of \$6.51, and the initial offering price of \$10.00 per unit).

***Our outstanding warrants may have an adverse effect on the market price of our common stock and make it more difficult to effect a business combination.***

We will be issuing warrants to purchase 20,000,000 shares of common stock as part of the units offered by this prospectus and the insider warrants to purchase 3,000,000 shares of common stock. To the extent we issue shares of common stock to effect a business combination, the potential for the issuance of a substantial number of additional shares upon exercise of these warrants and option could make us a less attractive acquisition vehicle in the eyes of a target business. Such securities, when exercised, will increase the number of issued and outstanding shares of our common stock and reduce the value of the shares issued to complete the business combination. Accordingly, our warrants may make it more difficult to effectuate a business combination or increase the cost of acquiring the target business. Additionally, the sale, or even the possibility of sale, of the shares underlying the warrants could have an adverse effect on the market price for our securities or on our ability to obtain future financing. If and to the extent these warrants are exercised, you may experience dilution to your holdings.

***If our existing stockholders or the purchasers of the insider warrants exercise their registration rights with respect to their initial shares or insider warrants and underlying securities, it may have an adverse effect on the market price of our common stock and the existence of these rights may make it more difficult to effect a business combination.***

Our existing stockholders are entitled to make a demand that we register the resale of their initial shares at any time commencing three months prior to the date on which their shares are released from escrow. Additionally, the purchasers of the insider warrants are entitled to demand that we register the resale of their insider warrants and underlying shares of common stock at any time after we consummate a business combination. If such individuals exercise their registration rights with respect to all of their securities, then there will be an additional 5,750,000 shares (or 5,000,000 shares if the over-allotment option is not exercised) of common stock and 3,000,000 warrants (as well as 3,000,000 shares of common stock underlying the warrants) eligible for trading in the public market. The presence of these additional shares of common stock trading in the public market may have an adverse effect on the market price of our common stock. In addition, the existence of these rights may make it more difficult to effectuate a business combination or increase the cost of acquiring the target business, as the stockholders of the target business may be discouraged from entering into a business combination with us or may request a higher price for their securities because of the potential effect the exercise of such rights may have on the trading market for our common stock.

***If we are deemed to be an investment company, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete a business combination.***

A company that, among other things, is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, trading or holding certain types of securities would be deemed an investment company under the Investment Company Act of 1940. Since we will invest the proceeds held in the trust account, it is possible that we could be deemed an investment company. Notwithstanding the foregoing, we do not believe that our anticipated principal activities will subject us to the Investment Company Act of 1940. To this end, the proceeds held in trust may be invested by the

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trustee only in United States government securities within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 having a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940. By restricting the investment of the proceeds to these instruments, we intend to meet the requirements for the exemption provided in Rule 3a-1 promulgated under the Investment Company Act of 1940.

If we are nevertheless deemed to be an investment company under the Investment Company Act of 1940, we may be subject to certain restrictions that may make it more difficult for us to complete a business combination, including:

restrictions on the nature of our investments; and

restrictions on the issuance of securities.

In addition, we may have imposed upon us certain burdensome requirements, including:

registration as an investment company;

adoption of a specific form of corporate structure; and

reporting, record keeping, voting, proxy, compliance policies and procedures and disclosure requirements and other rules and regulations.

Compliance with these additional regulatory burdens would require additional expense for which we have not allotted funds.

***The determination for the offering price of our units and insider warrants is more arbitrary compared with the pricing of securities for an operating company in a particular industry.***

Prior to this offering there has been no public market for any of our securities. The public offering price of the units and the terms of the warrants, as well as the price of the insider warrants, were negotiated between us and the representatives. Factors considered in determining the prices and terms of the units, including the common stock and warrants underlying the units, and the insider warrants include:

the history and prospects of companies whose principal business is the acquisition of other companies;

prior offerings of those companies;

our prospects for acquiring an operating business at attractive values;

our capital structure;

an assessment of our management and their experience in identifying operating companies;

general conditions of the securities markets at the time of the offering; and

other factors as were deemed relevant.

However, although these factors were considered, the determination of our offering price is more arbitrary than the pricing of securities for an operating company in a particular industry since we have no historical operations or

financial results to compare them to.

***If we effect a business combination with a company located outside of the United States, we would be subject to a variety of additional risks that may negatively impact our operations.***

We may effect a business combination with a company located outside of the United States. If we did, we would be subject to any special considerations or risks associated with companies operating in the target business' home jurisdiction, including any of the following:

rules and regulations or currency conversion or corporate withholding taxes on individuals;

tariffs and trade barriers;

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regulations related to customs and import/export matters;

longer payment cycles;

tax issues, such as tax law changes and variations in tax laws as compared to the United States;

currency fluctuations;

challenges in collecting accounts receivable;

cultural and language differences; and

employment regulations.

We cannot assure you that we would be able to adequately address these additional risks. If we were unable to do so, our operations might suffer.

***If we effect a business combination with a company located outside of the United States, the laws applicable to such company will likely govern all of our material agreements and we may not be able to enforce our legal rights.***

If we effect a business combination with a company located outside of the United States, the laws of the country in which such company operates will govern almost all of the material agreements relating to its operations. We cannot assure you that the target business will be able to enforce any of its material agreements or that remedies will be available in this new jurisdiction. The system of laws and the enforcement of existing laws in such jurisdiction may not be as certain in implementation and interpretation as in the United States. The inability to enforce or obtain a remedy under any of our future agreements could result in a significant loss of business, business opportunities or capital. Additionally, if we acquire a company located outside of the United States, it is likely that substantially all of our assets would be located outside of the United States and some of our officers and directors might reside outside of the United States. As a result, it may not be possible for investors in the United States to enforce their legal rights, to effect service of process upon our directors or officers or to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties against our directors and officers under Federal securities laws.

**Table of Contents****USE OF PROCEEDS**

We estimate that the net proceeds of this offering, in addition to the funds we will receive from the sale of the insider warrants (all of which will be deposited into the trust account), will be as set forth in the following table:

|                                                                                                                                                                                              | <b>Without Over-<br/>Allotment Option</b> | <b>Over-Allotment<br/>Option Exercised</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|
| <b><u>Gross proceeds</u></b>                                                                                                                                                                 |                                           |                                            |
| From offering                                                                                                                                                                                | \$ 200,000,000                            | \$ 230,000,000                             |
| From private placement                                                                                                                                                                       | 3,000,000                                 | 3,000,000                                  |
| Total gross proceeds                                                                                                                                                                         | 203,000,000                               | 233,000,000                                |
| <b><u>Offering expenses<sup>(1)</sup></u></b>                                                                                                                                                |                                           |                                            |
| Underwriting discount (7% of gross proceeds from offering, 4% of which is payable at closing and 3% of which is payable upon consummation of a business combination)                         | 8,000,000 <sup>(2)</sup>                  | 9,200,000 <sup>(2)</sup>                   |
| Legal fees and expenses                                                                                                                                                                      | 305,000                                   | 305,000                                    |
| Miscellaneous expenses                                                                                                                                                                       | 148,560                                   | 148,560                                    |
| Printing and engraving expenses                                                                                                                                                              | 100,000                                   | 100,000                                    |
| American Stock Exchange filing and listing fee                                                                                                                                               | 80,000                                    | 80,000                                     |
| Accounting fees and expenses                                                                                                                                                                 | 50,000                                    | 50,000                                     |
| SEC registration fee                                                                                                                                                                         | 13,140                                    | 13,140                                     |
| NASD filing fee                                                                                                                                                                              | 43,300                                    | 43,300                                     |
| Total offering expenses                                                                                                                                                                      | 8,740,000                                 | 9,940,000                                  |
| <b><u>Net proceeds</u></b>                                                                                                                                                                   |                                           |                                            |
| Held in trust                                                                                                                                                                                | 194,060,000                               | 222,860,000                                |
| Not held in trust                                                                                                                                                                            | 200,000                                   | 200,000                                    |
| Total net proceeds                                                                                                                                                                           | 194,260,000                               | 223,060,000                                |
| <b><u>Use of net proceeds not held in trust and amounts available from interest income earned on the trust account<sup>(3)(4)</sup></u></b>                                                  |                                           |                                            |
| Legal, accounting and other third party expenses attendant to the search for target businesses and to the due diligence investigation, structuring and negotiation of a business combination | 1,000,000                                 | (30.3)%                                    |
| Due diligence of prospective target businesses by officers, directors and existing stockholders                                                                                              | 250,000                                   | (7.6)%                                     |
| Legal and accounting fees relating to SEC reporting obligations                                                                                                                              | 200,000                                   | (6.1)%                                     |
| Payment of administrative fee to Terrapin Partners LLC (\$7,500 per month for two years)                                                                                                     | 180,000                                   | (5.4)%                                     |
| Working capital to cover miscellaneous expenses, D&O insurance, general corporate purposes, liquidation obligations and reserves                                                             | 1,670,000                                 | (50.6)%                                    |

|       |           |        |
|-------|-----------|--------|
| Total | 3,300,000 | (100)% |
|-------|-----------|--------|

- (1) Approximately \$61,440 of the offering expenses, including the SEC registration fee, the NASD filing fee, the non-refundable portion of the American Stock Exchange filing fee and a portion of the legal and audit fees, have been or will be paid from the funds we received from Messrs. Leight and Weiss described below. These funds will be repaid out of the proceeds of this offering available to us.
- (2) No discounts or commissions will be paid with respect to the purchase of the insider warrants. For purposes of presentation, the underwriting discounts are reflected as the amount payable to the underwriters upon consummation of the offering. An additional \$6,000,000, or \$6,900,000 if the over-allotment option is exercised in full, all of which will be deposited in trust following the consummation of the offering, is payable to the underwriters only if and when we consummate a business combination.

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- (3) The amount of proceeds not held in trust will remain constant at \$200,000 even if the over-allotment option is exercised. In addition, \$3,100,000 of interest income earned on the amounts held in the trust account will be available to us to pay for our working capital requirements. For purposes of presentation, the full amount available to us is shown as the total amount of net proceeds available to us immediately following the offering.
- (4) These are estimates only. Our actual expenditures for some or all of these items may differ from the estimates set forth herein. For example, we may incur greater legal and accounting expenses than our current estimates in connection with negotiating and structuring a business combination based upon the level of complexity of that business combination. We do not anticipate any change in our intended use of proceeds, other than fluctuations among the current categories of allocated expenses, which fluctuations, to the extent they exceed current estimates for any specific category of expenses, would be deducted from our excess working capital.

In addition to the offering of units by this prospectus, Nathan Leight and Jason Weiss have committed to purchase the insider warrants (for an aggregate purchase price of \$3,000,000) from us. These purchases will take place on a private placement basis simultaneously with the consummation of this offering. We will not pay any discounts or commissions with respect to the purchase of the insider warrants. All of the proceeds we receive from this purchase will be placed in the trust account described below.

\$191,060,000, or \$219,860,000 if the over-allotment option is exercised in full, of net proceeds of this offering, plus the \$3,000,000 we will receive from the sale of the insider warrants, will be placed in a trust account at Wells Fargo, maintained by Continental Stock Transfer & Trust Company, New York, New York, as trustee. This amount includes a portion of the underwriting discounts and commissions payable to the underwriters in this offering. The underwriters have agreed that such amount will not be paid unless and until we consummate a business combination and have waived their right to receive such payment upon our liquidation if we are unable to complete a business combination. The funds held in trust will be invested only in United States government securities within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 having a maturity of 180 days or less, or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940, so that we are not deemed to be an investment company under the Investment Company Act. Except with respect to interest income that may be released to us of (i) up to \$3,100,000 to fund expenses related to investigating and selecting a target business and our other working capital requirements and (ii) any additional amounts we may need to pay our income or other tax obligations, the proceeds will not be released from the trust account until the earlier of the completion of a business combination or our liquidation. The proceeds held in the trust account may be used as consideration to pay the sellers of a target business with which we complete a business combination. Any amounts not paid as consideration to the sellers of the target business may be used to finance operations of the target business.

The payment to Terrapin Partners LLC, an affiliate of Nathan Leight, our chairman of the board, and Jason Weiss, our chief executive officer, of a monthly fee of \$7,500 is for certain administrative, technology and secretarial services, as well as the use of certain limited office space, including a conference room, in New York City. This arrangement is being agreed to by Terrapin Partners LLC for our benefit and is not intended to provide Messrs. Leight and Weiss compensation in lieu of a salary. We believe, based on rents and fees for similar services in the New York City metropolitan area, that the fee charged by Terrapin Partners LLC is at least as favorable as we could have obtained from an unaffiliated person. This arrangement will terminate upon completion of a business combination or the distribution of the trust account to our public stockholders. Other than the \$7,500 per month fee, no compensation of any kind (including finder's fees, consulting or other similar fees) will be paid to any of our existing officers, directors, stockholders, or any of their affiliates, prior to, or for any services they render in order to effectuate, the consummation of the business combination (regardless of the type of transaction that it is). However, such individuals will receive reimbursement for any out-of-pocket expenses incurred by them in connection with activities on our behalf, such as searching for and identifying potential target businesses, performing business due diligence on suitable

target businesses and business combinations as well as traveling to and from the offices, plants or similar locations of prospective target businesses to examine their operations or meet with their representatives or owners. Reimbursement for such expenses will be paid by us out of the funds not held in trust and currently allocated to Legal, accounting and other third-party expenses attendant to the search for target businesses and to the due diligence investigation, structuring and negotiation of a business combination, Due diligence of prospective target businesses by our officers, directors and existing stockholders and Working capital to cover miscellaneous expenses, D&O insurance, general corporate purposes, liquidation obligations and

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reserves. Since the role of present management after a business combination is uncertain, we have no ability to determine what remuneration, if any, will be paid to those persons after a business combination.

Regardless of whether the over-allotment option is exercised in full, the net proceeds from this offering available to us out of trust for our search for a business combination will be approximately \$200,000. In addition, interest earned on the funds held in the trust account, up to \$3,100,000, may be released to us to fund our working capital requirements. We will also be entitled to have interest earned on the funds held in the trust account released to us to pay any tax obligations that we may owe. We intend to use the excess working capital (approximately \$1,670,000) for director and officer liability insurance premiums (approximately \$120,000), with the balance of \$1,550,000 being held in reserve in the event due diligence, legal, accounting and other expenses of structuring and negotiating business combinations exceed our estimates, as well as for reimbursement of any out-of-pocket expenses incurred by our existing stockholders in connection with activities on our behalf as described below. We believe these funds will be sufficient to cover the foregoing expenses and reimbursement costs. We could use a portion of the funds not being placed in trust to pay commitment fees for financing, fees to consultants to assist us with our search for a target business or as a down payment or to fund a no-shop provision (a provision in letters of intent designed to keep target businesses from shopping around for transactions with other companies on terms more favorable to such target businesses) with respect to a particular proposed business combination, although we do not have any current intention to do so. If we entered into a letter of intent where we paid for the right to receive exclusivity from a target business, the amount that would be used as a down payment or to fund a no-shop provision would be determined based on the terms of the specific business combination and the amount of our available funds at the time. Our forfeiture of such funds (whether as a result of our breach or otherwise) could result in our not having sufficient funds to continue searching for, or conducting due diligence with respect to, potential target businesses.

The allocation of the net proceeds available to us outside of the trust account, along with the available interest earned on the funds held in the trust account, represents our best estimate of the intended uses of these funds. In the event that our assumptions prove to be inaccurate, we may reallocate some of such proceeds within the above described categories.

We will likely use substantially all of the net proceeds of this offering, including the funds held in the trust account, to acquire a target business and to pay our expenses relating thereto. Additionally, while we are not obligated to engage any of the underwriters to assist us with locating a target business following this offering, we are not restricted from doing so. If we did, we may pay a fee to them for their services for assisting us in locating a target business. To the extent that our capital stock is used in whole or in part as consideration to effect a business combination, the proceeds held in the trust account which are not used to consummate a business combination will be disbursed to the combined company and will, along with any other net proceeds not expended, be used as working capital to finance the operations of the target business. Such working capital funds could be used in a variety of ways including continuing or expanding the target business operations, for strategic acquisitions and for marketing, research and development of existing or new products. Such funds could also be used to repay any operating expenses or finders fees which we had incurred prior to the completion of our business combination if the funds available to us outside of the trust account were insufficient to cover such expenses.

To the extent we are unable to consummate a business combination, we will pay the costs of liquidation from our remaining assets outside of the trust account. If such funds are insufficient, Nathan Leight and Jason Weiss have agreed to advance us the funds necessary to complete such liquidation (currently anticipated to be no more than approximately \$15,000) and have agreed not to seek repayment of such expenses.

Nathan Leight, our chairman of the board, and Jason Weiss, our chief executive officer, has each advanced to us \$50,000 (for a total of \$100,000) which was used to pay a portion of the expenses of this offering referenced in the line items above for SEC registration fee, NASD filing fee, the non-refundable portion of the American Stock

Exchange listing fee, and a portion of the legal and audit fees and expenses. The loans will be payable without interest on the earlier of February 27, 2008 or the consummation of this

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offering. The loans will be repaid out of the proceeds of this offering available to us for payment of offering expenses.

We believe that, upon consummation of this offering, we will have sufficient available funds (which includes amounts that may be released to us from the trust account) to operate for the next 24 months, assuming that a business combination is not consummated during that time.

A public stockholder will be entitled to receive funds from the trust account (including interest earned on his, her or its portion of the trust account) only in the event of our liquidation or if that public stockholder converts such shares into cash in connection with a business combination which the public stockholder voted against and which we consummate. In no other circumstances will a public stockholder have any right or interest of any kind to or in the trust account.

Upon the consummation of our initial business combination, the underwriters will be entitled to receive the portion of the proceeds held in the trust account attributable to the underwriters' discounts and commissions held in the trust account.

**Table of Contents****DILUTION**

The difference between the public offering price per share of common stock, assuming no value is attributed to the warrants included in the units we are offering by this prospectus and the insider warrants, and the pro forma net tangible book value per share of our common stock after this offering constitutes the dilution to investors in this offering. Such calculation does not reflect any dilution associated with the sale and exercise of warrants, including the insider warrants. Net tangible book value per share is determined by dividing our net tangible book value, which is our total tangible assets less total liabilities (including the value of common stock which may be converted into cash), by the number of outstanding shares of our common stock.

At February 28, 2007, our net tangible book value was \$532, or approximately \$0.00 per share of common stock. After giving effect to the sale of 20,000,000 shares of common stock included in the units we are offering by this prospectus, and the deduction of underwriting discounts and estimated expenses of this offering, and the sale of the insider warrants, our pro forma net tangible book value at February 28, 2007 would have been \$110,679,406 or \$6.51 per share, representing an immediate increase in net tangible book value of \$6.51 per share to the existing stockholders and an immediate dilution of \$3.49 per share or 34.9% to new investors not exercising their conversion rights. For purposes of presentation, our pro forma net tangible book value after this offering is approximately \$77,604,594 less than it otherwise would have been because if we effect a business combination, the conversion rights of the public stockholders (but not our existing stockholders) may result in the conversion into cash of up to approximately 39.99% of the aggregate number of the shares sold in this offering at a per-share conversion price equal to the amount in the trust account (a portion of which is made up of \$6,000,000 in deferred underwriting discounts and commissions) as of two business days prior to the consummation of the proposed business combination, inclusive of any interest, divided by the number of shares sold in this offering.

The following table illustrates the dilution to the new investors on a per-share basis, assuming no value is attributed to the warrants included in the units and the insider warrants:

|                                                          |         |          |
|----------------------------------------------------------|---------|----------|
| Public offering price                                    |         | \$ 10.00 |
| Net tangible book value before this offering             | \$ 0.00 |          |
| Increase attributable to new investors and private sales | 6.51    |          |
| Pro forma net tangible book value after this offering    |         | 6.51     |
| Dilution to new investors                                |         | \$ 3.49  |

The following table sets forth information with respect to our existing stockholders and the new investors:

|                       | Shares Purchased         |            | Total Consideration |            | Average Price Per Share |
|-----------------------|--------------------------|------------|---------------------|------------|-------------------------|
|                       | Number                   | Percentage | Amount              | Percentage | Share                   |
| Existing stockholders | 5,000,000 <sup>(1)</sup> | 20.0%      | \$ 25,000           | 0.01%      | \$ 0.005                |
| New investors         | 20,000,000               | 80.0%      | \$ 200,000,000      | 99.99%     | \$ 10.00                |

|            |        |                |        |
|------------|--------|----------------|--------|
| 25,000,000 | 100.0% | \$ 200,025,000 | 100.0% |
|------------|--------|----------------|--------|

- (1) Assumes the over-allotment option has not been exercised and an aggregate of 750,000 shares of common stock have been forfeited by our initial stockholders as a result thereof.

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The pro forma net tangible book value after the offering is calculated as follows:

Numerator:

|                                                                                                                      |    |              |
|----------------------------------------------------------------------------------------------------------------------|----|--------------|
| Net tangible book value before this offering                                                                         | \$ | 532          |
| Net proceeds from this offering and private placement                                                                |    | 194,260,000  |
| Offering costs paid in advance and excluded from net tangible book value before this offering                        |    | 23,468       |
| Less: deferred underwriters' discounts and commissions payable on consummation of a business combination (6,000,000) |    |              |
| Less: Proceeds held in trust subject to conversion to cash (\$194,060,000 × 39.99%)                                  |    | (77,604,594) |
|                                                                                                                      | \$ | 110,679,406  |

Denominator:

|                                                           |                          |
|-----------------------------------------------------------|--------------------------|
| Shares of common stock outstanding prior to this offering | 5,000,000 <sup>(1)</sup> |
| Shares of common stock included in the units offered      | 20,000,000               |
| Less: Shares subject to conversion (20,000,000 x 39.99%)  | (7,998,000)              |
|                                                           | 17,002,000               |

(1) Assumes the over-allotment option has not been exercised and an aggregate of 750,000 shares of common stock have been forfeited by our initial stockholders as a result thereof.

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The following table sets forth our capitalization at February 28, 2007 and as adjusted to give effect to the sale of our units and the insider warrants and the application of the estimated net proceeds derived from the sale of such securities:

|                                                                                                                                                                                                                                   | <b>February 28, 2007</b> |                                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------|
|                                                                                                                                                                                                                                   | <b>Actual</b>            | <b>As Adjusted<sup>(1)</sup></b> |
| Notes payable to certain existing stockholders                                                                                                                                                                                    | \$ 100,000               | \$                               |
| Common stock, \$.0001 par value, -0- and 7,998,000 shares which are subject to possible conversion, shares at conversion value                                                                                                    |                          | 77,604,594                       |
| Stockholders' equity:                                                                                                                                                                                                             |                          |                                  |
| Preferred stock, \$.0001 par value, 1,000,000 shares authorized; none issued or outstanding                                                                                                                                       |                          |                                  |
| Common stock, \$.0001 par value, 60,000,000 shares authorized; 5,750,000 shares issued and outstanding, actual; 17,002,000 shares issued and outstanding (excluding 7,998,000 shares subject to possible conversion), as adjusted | 575                      | 1,700 <sup>(2)</sup>             |
| Additional paid-in capital                                                                                                                                                                                                        | 24,425                   | 110,678,706                      |
| Deficit accumulated during the development stage                                                                                                                                                                                  | (1,000)                  | (1,000)                          |
| Total stockholders' equity:                                                                                                                                                                                                       | 24,000                   | 110,679,406                      |
| Total capitalization                                                                                                                                                                                                              | 124,000                  | 188,284,000                      |

(1) Includes the \$3,000,000 we will receive from the sale of the insider warrants.

(2) Assumes the over-allotment option has not been exercised and an aggregate of 750,000 shares of common stock have been forfeited by our initial stockholders as a result thereof.

If we consummate a business combination, the conversion rights afforded to our public stockholders (but not our existing stockholders) may result in the conversion into cash of up to approximately 39.99% of the aggregate number of shares sold in this offering at a per-share conversion price equal to the amount in the trust account (a portion of which is made up of \$6,000,000 in deferred underwriting discounts and commissions), inclusive of any interest thereon not previously released to us for working capital requirements and tax obligations, as of two business days prior to the proposed consummation of a business combination, divided by the number of shares sold in this offering. Because converting stockholders will receive their proportionate share of the deferred underwriting discounts and commissions and the underwriters will be paid the full amount of their deferred underwriting compensation at the time of the consummation of our initial business combination, the Company (and, therefore, the non-converting stockholders) will bear the financial effect of such payments to both the converting stockholders and the underwriters.



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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

We were formed on February 1, 2007 to serve as a vehicle to effect a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business. We intend to utilize cash derived from the proceeds of this offering, our capital stock, debt or a combination of cash, capital stock and debt, in effecting a business combination. The issuance of additional shares of our capital stock:

may significantly reduce the equity interest of our stockholders;

may subordinate the rights of holders of common stock if we issue preferred stock with rights senior to those afforded to our common stock;

will likely cause a change in control if a substantial number of our shares of common stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and most likely will also result in the resignation or removal of our present officers and directors; and

may adversely affect prevailing market prices for our common stock.

Similarly, if we issue debt securities, it could result in:

default and foreclosure on our assets if our operating revenues after a business combination are insufficient to pay our debt obligations;

acceleration of our obligations to repay the indebtedness even if we have made all principal and interest payments when due if the debt security contains covenants that require the maintenance of certain financial ratios or reserves and we breach any such covenant without a waiver or renegotiation of that covenant;

our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand; and

our inability to obtain additional financing, if necessary, if the debt security contains covenants restricting our ability to obtain additional financing while such security is outstanding.

We have neither engaged in any operations nor generated any revenues to date. Our entire activity since inception has been to prepare for our proposed fundraising through an offering of our equity securities.

We estimate that the net proceeds from the sale of the units, after deducting offering expenses of approximately \$740,000 and underwriting discounts of approximately \$14,000,000, or \$16,100,000 if the over-allotment option is exercised in full, will be approximately \$185,260,000, or \$213,160,000 if the underwriters' over-allotment option is exercised in full. However, the underwriters have agreed that \$0.30 per unit of the underwriting discounts and commissions will be deferred and will not be payable unless and until we consummate a business combination. Accordingly, \$191,060,000, or \$219,860,000 if the over-allotment option is exercised in full, plus the \$3,000,000 we will receive from the sale of the insider warrants, will be held in trust and the remaining \$200,000 in either event, will not be held in trust. We intend to use substantially all of the net proceeds of this offering, including the funds held in the trust account (excluding deferred underwriting discounts and commissions), to acquire a target business and to pay our expenses relating thereto. To the extent that our capital stock is used in whole or in part as consideration to effect a

business combination, the remaining proceeds held in the trust account as well as any other net proceeds not expended will be used as working capital to finance the operations of the target business. Such working capital funds could be used in a variety of ways including continuing or expanding the target business operations, for strategic acquisitions and for marketing, research and development of existing or new products. Such funds could also be used to repay any operating expenses or finders fees which we had incurred prior to the completion of our business combination if the funds available to us outside of the trust account were insufficient to cover such expenses.

We believe that, upon consummation of this offering, the \$200,000 of net proceeds not held in the trust account, plus the up to \$3,100,000 of interest earned on the trust account balance that may be released to us as well as amounts necessary for our tax obligations, will be sufficient to allow us to operate for at least the

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next 24 months, assuming that a business combination is not consummated during that time. Over this time period, we will be using these funds for identifying and evaluating prospective acquisition candidates, performing business due diligence on prospective target businesses, traveling to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, reviewing corporate documents and material agreements of prospective target businesses, selecting the target business to acquire and structuring, negotiating and consummating the business combination. We anticipate that we will incur approximately:

\$1,000,000 of expenses for the search for target businesses and for the legal, accounting and other third-party expenses attendant to the due diligence investigations, structuring and negotiating of a business combination;

\$250,000 of expenses for the due diligence and investigation of a target business by our officers, directors and existing stockholders;

\$200,000 of expenses in legal and accounting fees relating to our SEC reporting obligations;

\$180,000 for the administrative fee payable to Terrapin Partners LLC (\$7,500 per month for twenty four months); and

\$1,670,000 for general working capital that will be used for miscellaneous expenses and reserves, including approximately \$120,000 for director and officer liability insurance premiums.

We do not believe we will need to raise additional funds following this offering in order to meet the expenditures required for operating our business. However, we may need to raise additional funds through a private offering of debt or equity securities if such funds are required to consummate a business combination that is presented to us, although we have not entered into any such arrangement and have no current intention of doing so.

We are obligated, commencing on the date of this prospectus, to pay to Terrapin Partners LLC, an affiliate of Nathan Leight and Jason Weiss, a monthly fee of \$7,500 for general and administrative services.

On February 27, 2007, Nathan Leight and Jason Weiss advanced an aggregate of \$100,000 to us, on a non-interest bearing basis, for payment of offering expenses on our behalf. The loans will be payable without interest on the earlier of February 27, 2008 or the consummation of this offering. The loans will be repaid out of the proceeds of this offering not being placed in trust.

Nathan Leight and Jason Weiss have committed to purchase an aggregate of 3,000,000 warrants at \$1.00 per warrant (for a total purchase price of \$3,000,000) from us. These purchases will take place on a private placement basis simultaneously with the consummation of this offering.

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**PROPOSED BUSINESS**

**Introduction**

We are a recently organized Delaware blank check company incorporated on February 1, 2007 in order to serve as a vehicle for the acquisition of an operating business. We intend to focus our efforts on seeking a business combination with a portfolio company currently held by a private equity firm specializing in either leveraged buyouts or venture capital. We believe these types of companies represent attractive acquisition targets for the following reasons:

*Substantial Capital Has Been Invested by Private Equity Firms in Recent Years.* According to Standard & Poor's Leveraged Buyout Review, U.S. leveraged buyout volumes have increased from \$40.5 billion in 2000 to \$233.0 billion in 2006, a compound annual growth rate of 33.9%. Furthermore, according to Thomson Financial, \$442.1 billion of venture capital has been raised by private companies from 2000 to 2006. Therefore, we believe that there should be a significant number of businesses available for sale from private equity firms in the coming years.

*Private Equity Firms Have An Ongoing Need for Investment Realizations.* Because most private equity funds are limited life investment vehicles, they continuously seek liquidity events for their portfolio companies.

*Higher Levels of Leverage Used to Fund Leveraged Buyouts Increase the Need to Divest Non-Core Assets.* According to Standard & Poor's Leveraged Buyout Review, the average Debt to EBITDA (adjusted for prospective cost savings or synergies) multiples of leveraged buyout loans has increased from 4.2x in 2000 to 5.4x in 2006 and 5.7x in the fourth quarter of 2006. Given the higher debt levels, private equity firms are encouraged to quickly sell non-core assets, which we believe will create attractive acquisition targets for us.

Accordingly, our principal strategy in sourcing our business combination will be to search for an attractive company held by such an investment fund.

Our efforts to identify a prospective target business will not be limited to a particular industry. We intend to focus on companies with positive operating cash flow that are well-positioned to capitalize on one of the following two investment themes:

*Changing Socio-Economics and Demographics.* We intend to focus on portfolio companies that are well positioned to capitalize on certain emerging socio-economic and demographic trends. While many socio-economic and demographic trends have been well researched and documented, such as the aging of the population and the growing ethnic base of specific minorities, we believe that few companies have actually altered their strategy to specifically prepare for such trends. If we acquire such a company, we intend to accelerate the steps needed to position the company to better exploit the socio-economic and demographic changes impacting its business.

*Intellectual Property, Proprietary Business Practices and/or Other Intangible Assets.* We intend to focus on companies that have potentially underexploited or not fully-developed intellectual property, proprietary business practices and/or other intangible assets. Such businesses generally have fewer tangible assets and are generally more dependent on the implementation of technology. We believe that such companies can be acquired for attractive valuations. If we acquire such a company, we intend to focus on applying new technologies or business models to leverage or more fully develop its intangible assets, and thereby increase

growth and improve profitability.

While we may or may not consummate our business combination with a company owned by a private equity firm (or a company with the investment themes discussed above), we believe this focus will allow us to find attractive acquisition candidates.

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We believe that private equity firms will find the opportunity to sell to us attractive for the following reasons:

*Attractive Route to Liquidity.* We may present an easier and less risky route to liquidity for their portfolio companies than going through an initial public offering.

*Ability to Retain Upside in the Business.* Our ability to issue shares of our common stock in a business combination provides a unique and attractive way for a private equity firm selling a portfolio company to retain an equity stake in the ongoing business.

*Track Record of Aldabra 2 Management Team.* Nathan Leight and Jason Weiss served as the Chairman and CEO, respectively, of Aldabra Acquisition Corporation which recently completed a merger with Great Lakes Dredge & Dock Corporation, a portfolio company of Madison Dearborn Partners. We believe many private equity firms will view the consummation of that merger (and the fact that the securities of Aldabra Acquisition Corporation have appreciated markedly since then) as a positive factor in considering whether or not to sell a portfolio company to us.

## **Summary of Aldabra Acquisition Corporation Merger with Great Lakes Dredge & Dock Corporation**

In February 2005, Aldabra Acquisition Corporation, a blank check company founded by Nathan Leight and Jason Weiss with an objective to acquire an operating business owned by a private equity or venture capital fund (the same objective as ours), consummated its initial public offering, raising \$55.2 million. On December 27, 2006, Aldabra Acquisition Corporation completed a merger with Great Lakes Dredge & Dock Corporation ( "Great Lakes" ), a Madison Dearborn Partners, LLC portfolio company. Great Lakes, with more than 180 specialized vessels, is the largest provider of dredging services in North America and the only U.S. dredging company with significant international operations. Great Lakes also owns an 85% interest in North American Site Developers, Inc., one of the largest U.S. providers of commercial and industrial demolition services, and a 50% interest in a marine sand mining operation in New Jersey which supplies sand and aggregate used for road and building construction. In the merger, Aldabra Acquisition Corporation issued approximately 29 million shares of its common stock to Great Lakes' stockholders and assumed approximately \$250 million of Great Lakes' debt. As a result of the merger, Great Lakes is now owned approximately 28% by Aldabra Acquisition Corporation's former stockholders, 67% by Madison Dearborn Partners and 5% by Great Lakes' management. The funds held in Aldabra Acquisition Corporation's trust account were used to pay down Great Lakes' existing term bank debt by approximately \$50 million. Great Lakes common stock and warrants currently trade on the Nasdaq Global Market under the symbols GLDD and GLDDW, respectively. Nathan Leight and Jason Weiss currently serve as directors of Great Lakes.

## **Effecting a business combination**

### *General*

We are not presently engaged in, and we will not engage in, any substantive commercial business for an indefinite period of time following this offering. We intend to utilize cash derived from the proceeds of this offering, our capital stock, debt or a combination of these in effecting a business combination. Although substantially all of the net proceeds of this offering are intended to be applied generally toward effecting a business combination as described in this prospectus, the proceeds are not otherwise being designated for any more specific purposes. Accordingly, investors in this offering are investing without first having an opportunity to evaluate the specific merits or risks of any one or more business combinations. A business combination may involve the acquisition of, or merger with, a company which does not need substantial additional capital but which desires to establish a public trading market for its shares, while avoiding what it may deem to be adverse consequences of undertaking a public offering itself. These

include time delays, significant expense, loss of voting control and compliance with various Federal and state securities laws. In the alternative, we may seek to consummate a business combination with a company that may be financially unstable or in its early stages of development or growth. While we may seek to effect simultaneous business combinations with more than one target business, we will probably have the ability, as a result of our limited resources, to effect only a single business combination.

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*We have not identified a target business or target industry*

To date, we have not selected any target business or target industry on which to concentrate our search for a business combination. Our officers and directors have neither individually identified or considered a target business nor have they had any discussions regarding possible target businesses amongst themselves or with our underwriters or other advisors. None of our officers, directors, promoters and other affiliates has engaged in discussions on our behalf with representatives of other companies regarding the possibility of a potential merger, capital stock exchange, asset acquisition or other similar business combination with us, nor have we, nor any of our agents or affiliates, been approached by any candidates (or representatives of any candidates) with respect to a possible acquisition transaction with us. Additionally, we have not, nor has anyone on our behalf, taken any measure, directly or indirectly, to identify or locate any suitable acquisition candidate, nor have we engaged or retained any agent or other representative to identify or locate such an acquisition candidate. We have also not conducted any research with respect to identifying the number and characteristics of the potential acquisition candidates. As a result, we cannot assure you that we will be able to locate a target business or that we will be able to engage in a business combination with a target business on favorable terms.

Subject to the limitations that a target business have a fair market value of at least 80% of our net assets at the time of the acquisition, as described below in more detail, we will have virtually unrestricted flexibility in identifying and selecting a prospective acquisition candidate. We have not established any other specific attributes or criteria (financial or otherwise) for prospective target businesses. Accordingly, there is no basis for investors in this offering to evaluate the possible merits or risks of the target business with which we may ultimately complete a business combination. To the extent we effect a business combination with a financially unstable company or an entity in its early stage of development or growth, including entities without established records of sales or earnings, we may be affected by numerous risks inherent in the business and operations of financially unstable and early stage or potential emerging growth companies. Although our management will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all significant risk factors.

*Sources of target businesses*

While we have not yet identified any acquisition candidates, we believe based on our management's business knowledge and past experience that there are numerous acquisition candidates that we intend to target. We anticipate that target business candidates will be brought to our attention from various unaffiliated sources, including investment bankers, venture capital funds, private equity funds, leveraged buyout funds, management buyout funds and other members of the financial community. Target businesses may be brought to our attention by such unaffiliated sources as a result of being solicited by us through calls, mailings or advertisements. These sources may also introduce us to target businesses they think we may be interested in on an unsolicited basis, since many of these sources will have read this prospectus and know what types of businesses we are targeting. Our officers and directors, as well as their affiliates, may also bring to our attention target business candidates that they become aware of through their business contacts as a result of formal or informal inquiries or discussions they may have, as well as attending trade shows or conventions. While we do not presently anticipate engaging the services of professional firms or other individuals that specialize in business acquisitions on any formal basis, we may engage these firms or other individuals in the future, in which event we may pay a finder's fee, consulting fee or other compensation to be determined in an arm's length negotiation based on the terms of the transaction. Our management has experience in evaluating transactions but will retain advisors as they deem necessary to assist them in their due diligence efforts. In no event, however, will any of our existing officers, directors, stockholders or special advisors, or any entity with which they are affiliated, be paid, from us or a target business, any finder's fee, consulting fee or other compensation prior to, or for any services they render in order to effectuate, the consummation of a business combination (regardless of the type of transaction that it is). If we determine to enter into a business combination with a target business that is affiliated with our officers,

directors, special advisors or stockholders, we would do so only if we obtained an opinion from an independent investment banking firm that the business combination is fair to our unaffiliated stockholders from a financial point of view. However, as of the date of this prospectus, there are no affiliated entities that we would consider as a business combination target.

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We will not acquire an entity with which any of our officers or directors, through their other business activities, is currently having acquisition or investment discussions. Additionally, we have not contacted any of the prospective target businesses that Aldabra Acquisition Corporation contacted in connection with its search for a business combination and do not intend to do so unless the operations, profits or prospects of such target business improved significantly and we were made aware of such change. At this time, we do not anticipate this happening. We also do not anticipate acquiring an entity with which our officers or directors, through their other business activities, had acquisition or investment discussions, nor do we anticipate acquiring an entity that is either a portfolio company of, or has otherwise received a financial investment from, an investment banking firm (or an affiliate thereof) that is affiliated with our management. However, if we determined to acquire an entity affiliated with our officers, directors, special advisors, initial stockholders or their affiliates, we are required to obtain an opinion from an independent investment banking firm that the business combination is fair to our unaffiliated shareholders from a financial point of view.

*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 our net assets at the time of such acquisition, our management will have virtually unrestricted flexibility in identifying and selecting a prospective target business. We have not established any other specific attributes or criteria (financial or otherwise) for prospective target businesses. In evaluating a prospective target business, our management may consider a variety of factors, including one or more of the following:

financial condition and results of operation;

growth potential;

experience and skill of management and availability of additional personnel;

capital requirements;

competitive position;

barriers to entry;

stage of development of the products, processes or services;

degree of current or potential market acceptance of the products, processes or services;

proprietary features and degree of intellectual property or other protection of the products, processes or services;

regulatory environment of the industry; and

costs associated with effecting the business combination.

These criteria are not intended to be exhaustive. Any evaluation relating to the merits of a particular business combination will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant by our management in effecting a business combination consistent with our business objective. In evaluating a prospective target business, we will conduct an extensive due diligence review which will encompass, among other things, meetings with incumbent management and inspection of facilities, as well as review of financial and other

information which is made available to us. This due diligence review will be conducted either by our management or by unaffiliated third parties we may engage, although we have no current intention to engage any such third parties. We intend to have all prospective target businesses execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account. If any prospective target business refused to execute such agreement, it is unlikely we would continue negotiations with such target business. However, in no event will we enter into a definitive agreement for a business combination with a target business unless such entity executes a waiver agreement.

The time and costs required to select and evaluate a target business and to structure and complete the business combination cannot presently be ascertained with any degree of certainty. Any costs incurred with respect to the identification and evaluation of a prospective target business with which a business combination

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is not ultimately completed will result in a loss to us and reduce the amount of capital available to otherwise complete a business combination.

Additionally, while we are not obligated to engage any of the underwriters to assist us with locating a target business following this offering, we are not restricted from doing so. If we did, we may pay a fee to them for their services for assisting us in locating a target business.

### *Fair market value of target business*

The target business or businesses that we acquire must collectively have a fair market value equal to at least 80% of our net assets at the time of such acquisition, although we may acquire a target business whose fair market value significantly exceeds 80% of our net assets. We anticipate structuring a business combination to acquire 100% of the equity interests or assets of the target business. We may, however, structure a business combination to acquire less than 100% of such interests or assets of the target business but will not acquire less than a controlling interest (which would be at least 50% of the voting securities of the target business). If we acquire only a controlling interest in a target business or businesses, the portion of such business that we acquire must have a fair market value equal to at least 80% of our net assets. In order to consummate such an acquisition, we may issue a significant amount of our debt or equity securities to the sellers of such businesses and/or seek to raise additional funds through a private offering of debt or equity securities. Since we have no specific business combination under consideration, we have not entered into any such fund raising arrangement and have no current intention of doing so. The fair market value of the target will be determined by our board of directors based upon one or more standards generally accepted by the financial community (such as actual and potential sales, earnings and cash flow and/or book value). If our board is not able to independently determine that the target business has a sufficient fair market value, we will obtain an opinion from an unaffiliated, independent investment banking firm with respect to the satisfaction of such criteria. Since any opinion, if obtained, would merely state that fair market value meets the 80% of net assets threshold, it is not anticipated that copies of such opinion would be distributed to our stockholders, although copies will be provided to stockholders who request it. We will not be required to obtain an opinion from an investment banking firm as to the fair market value if our board of directors independently determines that the target business complies with the 80% threshold.

### *Lack of business diversification*

Our business combination must be with a target business or businesses that collectively satisfy the minimum valuation standard at the time of such acquisition, as discussed above, although this process may entail the simultaneous acquisitions of several operating businesses at the same time. Therefore, at least initially, the prospects for our success may be entirely dependent upon the future performance of a single business. Unlike other entities which may have the resources to complete several business combinations of entities operating in multiple industries or multiple areas of a single industry, it is probable that we will not have the resources to diversify our operations or benefit from the possible spreading of risks or offsetting of losses. By consummating a business combination with only a single entity, our lack of diversification may:

subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to a business combination, and

result in our dependency upon the performance of a single operating business or the development or market acceptance of a single or limited number of products, processes or services.

If we determine to simultaneously acquire several businesses and such businesses are owned by different sellers, we will need for each of such sellers to agree that our purchase of its business is contingent on the simultaneous closings

of the other acquisitions, which may make it more difficult for us, and delay our ability, to complete the business combination. With multiple acquisitions, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating business.

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*Limited ability to evaluate the target business management*

Although we intend to scrutinize the management of a prospective target business when evaluating the desirability of effecting a business combination, we cannot assure you that our assessment of the target business management will prove to be correct. In addition, we cannot assure you that the future management will have the necessary skills, qualifications or abilities to manage a public company. Furthermore, the future role of our officers and directors, if any, in the target business following a business combination cannot presently be stated with any certainty. While it is possible that some of our key personnel will remain associated in senior management or advisory positions with us following a business combination, it is unlikely that they will devote their full time efforts to our affairs subsequent to a business combination. Moreover, they would only be able to remain with the company after the consummation of a business combination if they are able to negotiate employment or consulting agreements in connection with the business combination. Such negotiations would take place simultaneously with the negotiation of the business combination and could provide for them to receive compensation in the form of cash payments and/or our securities for services they would render to the company after the consummation of the business combination. While the personal and financial interests of our key personnel may influence their motivation in identifying and selecting a target business, their ability to remain with the company after the consummation of a business combination will not be the determining factor in our decision as to whether or not we will proceed with any potential business combination. Additionally, we cannot assure you that our officers and directors will have significant experience or knowledge relating to the operations of the particular target business.

Following a 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 any such additional managers we do recruit will have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

*Opportunity for stockholder approval of business combination*

Prior to the completion of a business combination, we will submit the transaction to our stockholders for approval, even if the nature of the acquisition is such as would not ordinarily require stockholder approval under applicable state law. In connection with any such transaction, we will also submit to our stockholders for approval a proposal to amend our amended and restated certificate of incorporation to provide for our corporate life to continue perpetually following the consummation of such business combination. Any vote to extend our corporate life to continue perpetually following the consummation of a business combination will be taken only if the business combination is approved. We will only consummate a business combination if stockholders vote both in favor of such business combination and our amendment to extend our corporate life.

In connection with seeking stockholder approval of a business combination, we will furnish our stockholders with proxy solicitation materials prepared in accordance with the Securities Exchange Act of 1934, as amended, which, among other matters, will include a description of the operations of the target business and audited historical financial statements of the business.

In connection with the vote required for any business combination, all of our existing stockholders, including all of our officers and directors, have agreed to vote their respective initial shares in accordance with the majority of the shares of common stock voted by the public stockholders. This voting arrangement shall not apply to shares included in units purchased in this offering or purchased following this offering in the open market by any of our existing stockholders, officers and directors. Accordingly, they may vote these shares on a proposed business combination any way they choose. We will proceed with the business combination only if a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and public stockholders owning less

than 40% of the shares sold in this offering both exercise their conversion rights and vote against the business combination.

*Conversion rights*

At the time we seek stockholder approval of any business combination, we will offer each public stockholder the right to have such stockholder's shares of common stock converted to cash if the stockholder votes against the business combination and the business combination is approved and completed. Our existing

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stockholders will not have such conversion rights with respect to any shares of common stock owned by them, directly or indirectly, whether included in or underlying their initial shares or purchased by them in this offering or in the aftermarket. The actual per-share conversion price will be equal to the amount in the trust account, inclusive of any interest (calculated as of two business days prior to the consummation of the proposed business combination), divided by the number of shares sold in this offering. Without taking into account any interest earned on the trust account, the initial per-share conversion price would be approximately \$9.70.

An eligible stockholder may request conversion at any time after the mailing to our stockholders of the proxy statement and prior to 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 stockholder votes against the business combination and the business combination is approved and completed. Additionally, we may require public stockholders, whether they are a record holder or hold their shares in street name, to either tender their certificates to our transfer agent at any time through the vote on the business combination or to deliver their shares to the transfer agent electronically using Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System, at the holder's option. The proxy solicitation materials that we will furnish to stockholders in connection with the vote for any proposed business combination will indicate whether we are requiring stockholders to satisfy such certification and delivery requirements. Accordingly, a stockholder would have from the time we send out our proxy statement through the vote on the business combination to tender his shares if he wishes to seek to exercise his conversion rights. This time period varies depending on the specific facts of each transaction. However, as the delivery process can be accomplished by the stockholder, whether or not he is a record holder or his shares are held in street name, in a matter of hours by simply contacting the transfer agent or his broker and requesting delivery of his shares through the DWAC System, we believe this time period is sufficient for an average investor. Traditionally, in order to perfect conversion rights in connection with a blank check company's business combination, a holder could simply vote against a proposed business combination and check a box on the proxy card indicating such holder was seeking to convert. After the business combination was approved, the company would contact such stockholder to arrange for him to deliver his certificate to verify ownership. As a result, the stockholder then had an option window after the consummation of the business combination during which he could monitor the price of the stock in the market. If the price rose above the conversion price, he could sell his shares in the open market before actually delivering his shares to the company for cancellation. Thus, the conversion right, to which stockholders were aware they needed to commit before the stockholder meeting, would become a put right surviving past the consummation of the business combination until the converting holder delivered his certificate. The requirement for physical or electronic delivery prior to the meeting ensures that a converting holder's election to convert is irrevocable once the business combination is approved.

Any request for conversion, once made, may be withdrawn at any time up to the date of the meeting. Furthermore, if a stockholder delivered his certificate for conversion and subsequently decided prior to the meeting not to elect conversion, he may simply request that the transfer agent return the certificate (physically or electronically). It is anticipated that the funds to be distributed to stockholders entitled to convert their shares who elect conversion will be distributed promptly after completion of a business combination. Public stockholders who convert their stock into their share of the trust account still have the right to exercise any warrants they still hold.

If a vote on our initial business combination is held and the business combination is not approved, we may continue to try to consummate a business combination with a different target until twenty four months from the date of this prospectus. 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. In such case, if we have required public stockholders to tender their certificates prior to the meeting, we will promptly return such certificates to the tendering public stockholder. Public stockholders would be entitled to receive their pro rata share of the aggregate amount on deposit in the trust account only in the event that the initial business

combination they voted against was duly approved and subsequently completed, or in connection with our liquidation.

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We will not complete any business combination if public stockholders, owning 40% or more of the shares sold in this offering, both exercise their conversion rights and vote against the business combination. Accordingly, it is our understanding and intention in every case to structure and consummate a business combination in which public stockholders owning 39.99% of the shares sold in this offering may exercise their conversion rights and the business combination will still go forward. We have set the conversion percentage at 40% in order to reduce the likelihood that a small group of investors holding a block of our stock will be able to stop us from completing a business combination that is otherwise approved by a large majority of our public stockholders.

Investors in this offering who do not sell, or who receive less than an aggregate of approximately \$0.30 of net sales proceeds for, the warrants included in the units, or persons who purchase common stock in the aftermarket at a price in excess of \$9.70 per share, may have a disincentive to exercise their conversion rights because the amount they would receive upon conversion could be less than their original or adjusted purchase price.

### *Liquidation if no business combination*

Our amended and restated certificate of incorporation provides that we will continue in existence only until , 2009 **[twenty four months from the date of this prospectus]**. This provision may not be amended except in connection with the consummation of a business combination. If we have not completed a business combination by such 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. This has the same effect as if our board of directors and stockholders had formally voted to approve our dissolution pursuant to Section 275 of the Delaware General Corporation Law. Accordingly, limiting our corporate existence to a specified date as permitted by Section 102(b)(5) of the Delaware General Corporation Law removes the necessity to comply with the formal procedures set forth in Section 275 (which would have required our board of directors and stockholders to formally vote to approve our dissolution and liquidation and to have filed a certificate of dissolution with the Delaware Secretary of State). We view this provision terminating our corporate life by , 2009 **[twenty four months from the date of this prospectus]** as an obligation to our stockholders and will not take any action to amend or waive this provision to allow us to survive for a longer period of time except in connection with the consummation of a business combination.

If we are unable to complete a business combination by , 2009 **[twenty four months from the date of this prospectus]**, we will distribute to all of our public stockholders, in proportion to their respective equity interests, an aggregate sum equal to the amount in the trust account, inclusive of any interest, plus any remaining net assets (subject to our obligations under Delaware law to provide for claims of creditors as described below). We anticipate notifying the trustee of the trust account to begin liquidating such assets promptly after such date and anticipate it will take no more than 10 business days to effectuate such distribution. Our initial stockholders have waived their rights to participate in any liquidation distribution with respect to their initial shares. There will be no distribution from the trust account with respect to our warrants, which will expire worthless. We will pay the costs of liquidation from our remaining assets outside of the trust account. If such funds are insufficient, Nathan Leight and Jason Weiss have agreed to advance us the funds necessary to complete such liquidation (currently anticipated to be no more than approximately \$15,000) and have agreed not to seek repayment of such expenses.

If we were to expend all of the net proceeds of this offering, other than the proceeds deposited in the trust account, and without taking into account interest, if any, earned on the trust account, the initial per-share liquidation price would be approximately \$9.70. The proceeds deposited in the trust account could, however, become subject to the claims of our creditors (which could include vendors and service providers we have engaged to assist us in any way in connection with our search for a target business and that are owed money by us, as well as target businesses themselves) which could have higher priority than the claims of our public stockholders. Messrs. Leight and Weiss have personally

agreed, pursuant to agreements with us and Lazard Capital Markets that, if we liquidate prior to the consummation of a business combination, they will be personally liable to pay debts and obligations to target businesses or vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us in excess of the net proceeds of this

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offering not held in the trust account, but only if, and to the extent, the claims reduce the amounts in the trust account. We cannot assure you, however, that they would be able to satisfy those obligations. Furthermore, Messrs. Leight and Weiss will not have any personal liability as to any claimed amounts owed to a third party (including target businesses) who executed a waiver. If a claim was made that resulted in Messrs. Leight and Weiss having personal liability and they refused to satisfy their obligations, we would have a fiduciary obligation to bring an action against them to enforce our indemnification rights and would accordingly bring such an action against them. Accordingly, the actual per-share liquidation price could be less than approximately \$9.70, plus interest, due to claims of creditors. Additionally, in the case of a prospective target business that did not execute a waiver, such liability will only be in an amount necessary to ensure that public stockholders receive no less than \$10.00 per share upon liquidation. Furthermore, if we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which 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 we will be able to return to our public stockholders at least approximately \$9.70 per share.

Our public stockholders will be entitled to receive funds from the trust account only in the event of the expiration of our corporate existence and our liquidation or if they seek to convert their respective shares into cash upon a business combination which the stockholder voted against and which is completed by us. In no other circumstances will a stockholder have any right or interest of any kind to or in the trust account.

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 them in a dissolution. If the corporation complies with certain procedures set forth in Section 280 of the Delaware General Corporation Law intended to ensure that it makes reasonable provision for all claims against it, 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 liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution. However, as stated above, it is our intention to make liquidating distributions to our stockholders as soon as reasonably possible after \_\_\_\_\_, 2009 **[twenty four months from the date of this prospectus]** and, therefore, we do not intend to comply with those procedures. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of such date. Because we will not be complying with Section 280, Section 281(b) of the Delaware General Corporation Law requires us to adopt a plan that will provide for our payment, based on facts known to us at such time, of (i) all existing claims, (ii) all pending claims and (iii) all claims that may be potentially brought against us within the subsequent 10 years. Accordingly, we would be required to provide for any claims of creditors known to us at that time or those that we believe could be potentially brought against us within the subsequent 10 years prior to our distributing the funds in the trust account to our public stockholders. However, because we are a blank check company, rather than an operating company, and our operations will be limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors and service providers (such as accountants, lawyers, investment bankers, etc.) and potential target businesses. As described above, pursuant to the obligation contained in our underwriting agreement, we will seek to have all vendors, service providers and prospective target businesses execute agreements with us waiving any right, title, interest or claim of any kind they may have in or to any monies held in the trust account. As a result, the claims that could be made against us will be limited, thereby lessening the likelihood that any claim would result in any liability extending to the trust. We therefore believe that any necessary provision for creditors will be reduced and should not have a significant impact on our ability to distribute the funds in the trust account to our public stockholders. Nevertheless, we cannot assure you of this fact as there is no guarantee that vendors, service providers and prospective target businesses will execute such agreements. Nor is there any guarantee that, even if they execute

such agreements with us, they will not seek recourse against the trust account. A court could also conclude that such agreements are not legally enforceable. As a result, if we liquidate, the per-share

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distribution from the trust account could be less than approximately \$9.70 due to claims or potential claims of creditors.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a preferential transfer or a fraudulent conveyance. As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. Furthermore, because we intend to distribute the proceeds held in the trust account to our public stockholders promptly after \_\_\_\_\_, 2009 [twenty four months from the date of this prospectus], this may be viewed or interpreted as giving preference to our public stockholders over any potential creditors with respect to access to or distributions from our assets. Furthermore, our board may be viewed as having breached their fiduciary duties to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

## **Competition**

In identifying, evaluating and selecting a target business, we may encounter intense competition from other entities having a business objective similar to ours. There are approximately \_\_\_\_\_ blank check companies that have completed initial public offerings in the United States with more than \$ \_\_\_\_\_ billion in trust that are seeking to carry out a business plan similar to our business plan. Furthermore, there are a number of additional offerings for blank check companies that are still in the registration process but have not completed initial public offerings and there are likely to be more blank check companies filing registration statements for initial public offerings after the date of this prospectus and prior to our completion of a business combination. Additionally, we may be subject to competition from entities other than blank check companies having a business objective similar to ours, including venture capital firms, leverage buyout firms and operating businesses looking to expand their operations through the acquisition of a target business. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than us and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe there may be numerous potential target businesses that we could acquire with the net proceeds of this offering, 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 a target business. Further, the following may not be viewed favorably by certain target businesses:

our obligation to seek stockholder approval of a business combination may delay the completion of a transaction;

our obligation to convert into cash shares of common stock held by our public stockholders to such holders that both vote against the business combination and exercise their conversion rights may reduce the resources available to us for a business combination; and

our outstanding warrants, and the potential future dilution they represent.

Any of these factors may place us at a competitive disadvantage in successfully negotiating a business combination. Our management believes, however, that our status as a public entity and potential access to the United States public equity markets may give us a competitive advantage over privately-held entities having a similar business objective as ours in acquiring a target business with significant growth potential on favorable terms.

If we succeed in effecting a business combination, there will be, in all likelihood, intense competition from competitors of the target business. We cannot assure you that, subsequent to a business combination, we will have the

resources or ability to compete effectively.

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### **Facilities**

We maintain our executive offices at c/o Terrapin Partners LLC, 540 Madison Avenue, 17<sup>th</sup> Floor, New York, New York 10022. Terrapin Partners has agreed to provide us with certain administrative, technology and secretarial services, as well as the use of certain limited office space, including a conference room, at this location pursuant to a letter agreement between us and Terrapin Partners. The cost for the foregoing services to be provided to us by Terrapin Partners is \$7,500 per month. We believe, based on rents and fees for similar services in the New York City metropolitan area, that the fee charged by Terrapin Partners 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 have two executive officers. These individuals are not obligated to devote any specific number of hours to our matters and intend to devote only as much time as they deem necessary to our affairs. The amount of time they will devote in any time period will vary based on whether a target business has been selected for the business combination and the stage of the business combination process the company is in. Accordingly, once management locates a suitable target business to acquire, they will spend more time investigating such target business and negotiating and processing the business combination (and consequently devote more time to our affairs) than they would prior to locating a suitable target business. We presently expect each of our executive officers to devote an average of approximately 10 hours per week to our business. We do not intend to have any full time employees prior to the consummation of a business combination, although Terrapin Partners has indicated to us that it will make available to us, as part of the administrative services to be provided to us in consideration of the \$7,500 per month administrative fee, the services of two of its employees to assist us in our search for a target business. These individuals will not be required to devote any specific number of hours to our matters.

### **Periodic Reporting and Audited Financial Statements**

We have registered our units, common stock and warrants under the Securities Exchange Act of 1934, as amended, and have reporting obligations, including the requirement that we file annual, quarterly and current reports with the SEC. In accordance with the requirements of the Securities Exchange Act of 1934, our annual reports will contain financial statements audited and reported on by our independent registered public accountants.

We will provide stockholders with audited financial statements of the prospective target business as part of the proxy solicitation materials sent to stockholders to assist them in assessing the target business. In all likelihood, these financial statements will need to be prepared in accordance with United States generally accepted accounting principles. We cannot assure you that any particular target business identified by us as a potential acquisition candidate will have financial statements prepared in accordance with United States generally accepted accounting principles or that the potential target business will be able to prepare its financial statements in accordance with United States generally accepted accounting principles. To the extent that this requirement cannot be met, we may not be able to acquire the proposed target business. While this may limit the pool of potential acquisition candidates, we do not believe that this limitation will be material.

### **Comparison to offerings of blank check companies**

The following table compares and contrasts the terms of our offering and the terms of an offering of blank check companies under Rule 419 promulgated by the SEC assuming that the gross proceeds, underwriting discounts and underwriting expenses for the Rule 419 offering are the same as this offering and that the underwriters will not exercise their over-allotment option. None of the terms of a Rule 419 offering will apply to this offering.



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|                                                                  | <b>Terms of Our Offering</b>                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Terms Under a Rule 419 Offering</b>                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Escrow of offering proceeds</b>                               | \$191,060,000 of the net offering proceeds plus the \$3,000,000 we will receive from the sale of the insider warrants will be deposited into a trust account at Wells Fargo, maintained by Continental Stock Transfer & Trust Company, acting as trustee.                                                                                                                                                                                   | \$167,400,000 of the offering proceeds would be required to be deposited into either an escrow account with an insured depository institution or in a separate bank account established by a broker-dealer in which the broker-dealer acts as trustee for persons having the beneficial interests in the account. |
| <b>Investment of net proceeds</b>                                | The \$191,060,000 of net offering proceeds plus the \$3,000,000 we will receive from the sale of the insider warrants held in trust will only be invested in United States government securities within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 with a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940. | Proceeds could be invested only in specified securities such as a money market fund meeting conditions of the Investment Company Act of 1940 or in securities that are direct obligations of, or obligations guaranteed as to principal or interest by, the United States.                                        |
| <b>Limitation on Fair Value or Net Assets of Target Business</b> | The initial target business that we acquire must have a fair market value equal to at least 80% of our net assets at the time of such acquisition.                                                                                                                                                                                                                                                                                          | We would be restricted from acquiring a target business unless the fair value of such business or net assets to be acquired represent at least 80% of the maximum offering proceeds.                                                                                                                              |

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|                                     | <b>Terms of Our Offering</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Terms Under a Rule 419 Offering</b>                                                                                                                                                                                         |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Trading of securities issued</b> | <p>The units may commence trading on or promptly after the date of this prospectus. The common stock and warrants comprising the units will begin to trade separately on the 90th day after the date of this prospectus unless Lazard Capital Markets informs us of its decision to allow earlier separate trading, provided we have filed with the SEC a Current Report on Form 8-K, which includes an audited balance sheet reflecting our receipt of the proceeds of this offering, including any proceeds we receive from the exercise of the over-allotment option, if such option is exercised prior to the filing of the Current Report on Form 8-K. If the over-allotment option is exercised after our initial filing of a Form 8-K, we will file an amendment to the Form 8-K to provide updated financial information to reflect the exercise and consummation of the over-allotment option. We will also include in this Form 8-K, an amendment thereto, or in a subsequent Form 8-K, information indicating if Lazard Capital Markets has allowed separate trading of the common stock and warrants prior to the 90th day after the date of this prospectus.</p> | <p>No trading of the units or the underlying common stock and warrants would be permitted until the completion of a business combination. During this period, the securities would be held in the escrow or trust account.</p> |
| <b>Exercise of the warrants</b>     | <p>The warrants cannot be exercised until the later of the completion of a business combination and one year from the date of this prospectus and, accordingly, will be exercised only after the trust account has been terminated and distributed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>The warrants could be exercised prior to the completion of a business combination, but securities received and cash paid in connection with the exercise would be deposited in the escrow or trust account.</p>             |

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|                                       | <b>Terms of Our Offering</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>Terms Under a Rule 419 Offering</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Election to remain an investor</b> | <p>We will give our stockholders the opportunity to vote on the business combination. In connection with seeking stockholder approval, we will send each stockholder a proxy statement containing information required by the SEC. A stockholder following the procedures described in this prospectus is given the right to convert his or her shares into his or her pro rata share of the trust account. However, a stockholder who does not follow these procedures or a stockholder who does not take any action would not be entitled to the return of any funds.</p> | <p>A prospectus containing information required by the SEC would be sent to each investor. Each investor would be given the opportunity to notify the company, in writing, within a period of no less than 20 business days and no more than 45 business days from the effective date of the post-effective amendment, to decide whether he or she elects to remain a stockholder of the company or require the return of his or her investment. If the company has not received the notification by the end of the 45th business day, funds and interest or dividends, if any, held in the trust or escrow account would automatically be returned to the stockholder. Unless a sufficient number of investors elect to remain investors, all of the deposited funds in the escrow account must be returned to all investors and none of the securities will be issued.</p> <p>If an acquisition has not been consummated within 18 months after the effective date of the initial registration statement, funds held in the trust or escrow account would be returned to investors.</p> |
| <b>Business combination deadline</b>  | <p>Pursuant to our amended and restated certificate of incorporation, our corporate existence will cease 24 months from the date of this prospectus except for the purposes of winding up our affairs and we will liquidate. However, if we complete a business combination within this time period, we will amend this provision to allow for our perpetual existence following such business combination.</p>                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

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|                                                          | <b>Terms of Our Offering</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Terms Under a Rule 419 Offering</b>                                                                                                                                                                                                                                              |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Interest earned on the funds in the trust account</b> | <p>There can be released to us, from time to time, interest earned on the funds in the trust account (i) up to an aggregate of \$3,100,000 to fund expenses related to investigating and selecting a target business and our other working capital requirements and (ii) any amounts necessary to pay our tax obligations. The remaining interest earned on the funds in the trust account will not be released until the earlier of the completion of a business combination and our liquidation upon failure to effect a business combination within the allotted time.</p> | <p>All interest earned on the funds in the trust account will be held in trust for the benefit of public stockholders until the earlier of the completion of a business combination and our liquidation upon failure to effect a business combination within the allotted time.</p> |
| <b>Release of funds</b>                                  | <p>Except for (i) up to \$3,100,000 we may need to fund expenses related to investigating and selecting a target business and our other working capital requirements and (ii) any amounts that we may need to pay our tax obligations that may be released to us from the interest earned on the trust account balance, the proceeds held in the trust account will not be released until the earlier of the completion of a business combination and our liquidation upon failure to effect a business combination within the allotted time.</p>                             | <p>The proceeds held in the escrow account would not be released until the earlier of the completion of a business combination or the failure to effect a business combination within the allotted time.</p>                                                                        |

Table of Contents**MANAGEMENT****Directors and Executive Officers**

Our current directors and executive officers are as follows:

| <b>Name</b>        | <b>Age</b> | <b>Position</b>                                 |
|--------------------|------------|-------------------------------------------------|
| Nathan Leight      | 47         | Chairman of the Board                           |
| Jason Weiss        | 37         | Chief Executive Officer, Secretary and Director |
| Jonathan W. Berger | 47         | Director                                        |
| Richard H. Rogel   | 57         | Director                                        |
| Carl A. Albert     | 65         | Director                                        |

**Nathan Leight** has served as our chairman of the board since our inception. Mr. Leight is the co-founder and a managing member of Terrapin Partners LLC (including its affiliates), a co-founder and a managing member and the chief investment officer of Terrapin Asset Management, LLC (including its affiliates), and a co-founder and a managing member and the chief investment officer of TWF Management Company, LLC (including its affiliates). Terrapin Partners, established in August 1998, is a private investment management firm focusing on private equity investing. Terrapin Asset Management, established in March 2002, focuses primarily on the management of multi-manager hedge fund portfolios and as of April 30, 2007, managed, or provided sub-advisory services for, more than \$500 million of assets. TWF Management Company, established in December 2004, focuses on the management of a water industry-focused hedge fund (The Water Fund, LP), and as of April 30, 2007 managed approximately \$50 million. From November 2004 to December 2006, Mr. Leight was the chairman of the board of Aldabra Acquisition Corporation, a blank check company formed to acquire an operating business. In December 2006, Aldabra Acquisition Corporation completed a merger with Great Lakes Dredge & Dock Corp. Mr. Leight has continued to serve as a director of Great Lakes since December 2006. From September 1998 to March 1999, Mr. Leight served as the interim chief executive officer of e-STEEL LLC, an industry-specific business-to-business software enterprise, and from January 2000 to May 2002, he served as interim chief executive officer of VastVideo, Inc., a provider of special interest video content and related technology to web sites and interactive television operators. Both e-STEEL and VastVideo were Terrapin portfolio companies. From February 1995 to August 1998, Mr. Leight was employed by Gabriel Capital LP, a hedge fund with assets exceeding \$1 billion specializing in investing in bankruptcies, under-valued securities, emerging markets, and merger arbitrage, and from February 1995 to August 1997 he served as its chief investment officer. From December 1991 to February 1995, Mr. Leight served as a managing director of Dillon Read & Co., a private investment firm, where he oversaw the firm's proprietary trading department which invested primarily in risk arbitrage and bankruptcy/distressed companies. Mr. Leight received a B.A. from Harvard College (cum laude). Mr. Leight is the cousin of Jonathan W. Berger.

**Jason Weiss** has served as our chief executive officer, secretary and a member of our board of directors since our inception. Mr. Weiss is the co-founder and a managing member of Terrapin Partners (including its affiliates), a co-founder and a managing member of Terrapin Asset Management (including its affiliates), and a co-founder and a managing member of TWF Management Company. From November 2004 to December 2006, Mr. Weiss was the chief executive officer, secretary and director of Aldabra Acquisition Corporation and has continued to serve as a director of Great Lakes (Aldabra's merger partner as described above) since December 2006. From March 1999 to December 1999, Mr. Weiss served as the chief executive officer of PaperExchange.com, Inc., an industry-specific business-to-business software enterprise and a Terrapin portfolio company, and from December 1999 to March 2000

he served as executive vice president of strategy. He also served as a managing member of e-STEEL LLC from September 1998 to March 1999. Mr. Weiss also served as a managing member of Terrapin's portfolio company, American Classic Sanitation, LLC, a construction site and special event services business specializing in portable toilets, temporary fencing, and sink rentals, from August 1998 to December 2000 and from January 2004 to March 2004. He also served as its chief executive officer from August 1998 to December 1999 and as a consultant from August 1998 to January 2004. From November 1997 to August 1998, Mr. Weiss was a private consultant for several companies. From April 1997 to November 1997, Mr. Weiss was the president of Pacific EyeNet, Inc., a privately held physician practice

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management organization. From June 1996 to April 1997, he was an associate with EGS Securities Corp., an investment banking and private equity boutique focused primarily on the health care sector, and from November 1994 to December 1995, he was an associate with Booz Allen & Hamilton, a management consulting firm. Mr. Weiss received a B.A. from the University of Michigan (with Highest Distinction) and a J.D. (cum laude) from Harvard Law School.

**Jonathan W. Berger** has served as a member of our board of directors since our inception. Mr. Berger has been associated with Navigant Consulting, Inc., a New York Stock Exchange-listed consulting firm, since December 2001, and is the managing director and co-practice area leader for the corporate finance practice. He has also been president of Navigant Capital Advisors, LLC, Navigant Consulting, Inc.'s registered broker-dealer, since October 2003. From November 2004 to December 2006, Mr. Berger was a director of Aldabra Acquisition Corporation and has continued to serve as a director since its acquisition of Great Lakes Dredge & Dock Holdings Corp in December 2006. From January 2000 to March 2001, Mr. Berger was president of DotPlanet.com, an Internet services provider. From August 1983 to December 1999, Mr. Berger was employed by KPMG, LLP, an independent public accounting firm, and served as a partner from August 1991 to December 1999 where he was in charge of the corporate finance practice for three of those years. Mr. Berger received a B.S. from Cornell University and an M.B.A. from Emory University. Mr. Berger is a certified public accountant. Mr. Berger is the cousin of Nathan D. Leight.

**Richard H. Rogel** has been a member of our board of directors since our inception. Since 1997, Mr. Rogel has been a private investor. Mr. Rogel served as chairman of the board of CoolSavings, Inc., a provider of interactive marketing services to advertisers, their agencies, and publishers, from 1996 to December 2005, serving as its chairman of the board from July 2001 to December 2005 and as the chairman of its audit committee from 1998 to December 2005. In 1982, Mr. Rogel founded Preferred Provider Organization of Michigan, Inc., a preferred provider organization for health care delivery, and served as its Chairman from its inception until it was sold in 1997. Mr. Rogel has been a director of Origen Financial, Inc., a Nasdaq Global Market listed real estate investment trust, since August 2003. Mr. Rogel is the chairman of The Michigan Difference, a \$2.5 billion endowment campaign for the University of Michigan. He is also on the University of Michigan President Advisory Board and is the past president of the University of Michigan Alumni Association. He has self-funded over 200 scholarships for the University of Michigan. He serves on the Board of Trustees of the Progressive Policy Institute and the Board of Directors of the Gore Range Natural Science School. Mr. Rogel received a B.B.A. from the University of Michigan.

**Carl A. Albert** has served as a member of our board of directors since our inception. Since April 2000, Mr. Albert has served as the chairman of the board and chief executive officer of Fairchild Venture Capital Corporation, a private investment firm. From September 1990 to April 2000, Mr. Albert was the majority owner, chairman of the board and chief executive officer of Fairchild Aerospace Corporation and Fairchild Dornier Corporation, and Chairman of the Supervisory Board of Dornier Luftfahrt, GmbH, all aircraft manufacturing companies. From 1989 to 1990, Mr. Albert was a private investor. After providing start up venture capital, Mr. Albert served from 1981 to 1988 as chairman of the board and chief executive officer of Wings West Airlines, a California based regional airline that completed an initial public offering in 1983 and was acquired by AMR Corporation, parent of American Airlines, in 1988. Following the acquisition Mr. Albert served as President until 1989. Prior to this, Mr. Albert was an attorney, specializing in business, real estate and corporate law. Mr. Albert received a B.A. from the University of California at Los Angeles and an L.L.B. from the University of California at Los Angeles School of Law.

Our board of directors is divided into three classes with only one class of directors being elected in each year and each class serving a three-year term. The term of office of the first class of directors, consisting of Carl A. Albert, will expire at our first annual meeting of stockholders. The term of office of the second class of directors, consisting of Richard H. Rogel and Jonathan W. Berger, will expire at the second annual meeting. The term of the third class of directors, consisting of Nathan Leight and Jason Weiss, will expire at the third annual meeting.



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### **Special Advisors**

We may seek guidance and advice from the following special advisors. We have no formal arrangements or agreements with these advisors to provide services to us and accordingly, they have no fiduciary obligations to present business opportunities to us, although they have a beneficial interest in the shares of common stock held by Terrapin Partners Venture Partnership as a result of their ownership interest in such entity. These special advisors will simply provide advice, introductions to potential targets, and assistance to us, at our request, only if they are able to do so. Nevertheless, we believe with their business background and extensive contacts, they will be helpful to our search for a target business and our consummation of a business combination.

**Sheli Z. Rosenberg** is an Adjunct Professor at Northwestern University's J. L. Kellogg Graduate School of Business. Ms. Rosenberg was vice chairman of Equity Group Investments, LLC from January 2000 to October 2002, and from 1994 to January 2000, she served as president, chief executive officer and a director of Equity Group Investments, LLC. At the time of her retirement from Equity Group Investments, it was a privately held real estate investment firm whose approximately \$10 billion in annual revenues was generated from 27 privately held companies, direct controlling interests in 15 publicly traded corporations, and an approximately 600 property real estate portfolio. Ms. Rosenberg is currently on the board of directors of CVS Corporation (NYSE:CVS), Avis Budget Group, Inc. (NYSE:CAR), Equity Lifestyle Properties, Inc. (NYSE:ELS), Equity Residential (NYSE:EQR), and Ventas, Inc. (NYSE:VTR).

**Peter R. Deutsch** has been an attorney in private practice since January 2005. Mr. Deutsch was a member of the United States House of Representatives from January 1993 until January 2005 representing the 20th Congressional District of Florida. He served on the House Energy and Commerce Committee from January 1994 until January 2005. He was the Ranking Democrat on the Oversight and Investigations Subcommittee during the 104th, 107th and 108th Congresses. Mr. Deutsch was the Ranking Democrat in the investigations of Enron Corporation, Martha Stewart Living Omnimedia Inc., Bridgestone/Firestone Tires and the conflict of interest abuses at the National Institute of Health. He was also a member of the subcommittees on Telecommunications and the Internet, the Environment and Hazardous Materials and Consumer Trade and Protection. Prior to serving in Congress, Mr. Deutsch served in the Florida House of Representatives from November 1982 until November 1992 where he served on the Veterans Affairs Committee, the Health Care Committee, the Criminal Justice Committee, and as Chairman of the Insurance Committee. Mr. Deutsch has been a director of Great Lakes since its merger with Aldabra Acquisition Corporation and served as a director of Aldabra Acquisition Corporation from its inception until its merger with Great Lakes. Mr. Deutsch received a B.S. from Swarthmore College and a J.D. from Yale University Law School.

These individuals will play a key role in identifying and evaluating prospective acquisition candidates, selecting the target business, and structuring, negotiating and consummating its acquisition. We believe that the skills and expertise of these individuals, their collective access to acquisition opportunities and ideas, their contacts, and their transactional expertise should enable them to successfully identify and effect an acquisition.

### **Prior Involvement of Principals in Blank Check Companies**

Each of Nathan Leight, Jason Weiss and Jonathan W. Berger have been involved in another blank check company. Aldabra Acquisition Corporation, a blank check company with an objective to acquire an operating business, consummated its initial public offering on February 24, 2005, raising total gross proceeds of \$55.2 million at an offering price of \$6.00 per unit (SEC File No. 333-121610). Aldabra's units, common stock and warrants traded on the Over The Counter Bulletin Board under the symbols ALBAU, ALBA and ALBAW, respectively. Prior to Aldabra's merger described below, Aldabra's units, common stock and warrants traded from a low of \$6.00 per unit to a high of \$8.75 per unit, from a low of \$5.10 per share to a high of \$6.00 per share, and from a low of \$0.35 per warrant to a high of \$1.38 per warrant, respectively. Following Aldabra's merger, its units ceased trading while its common stock

and warrants began trading on the Nasdaq Global Market under the symbols GLDD and GLDDW, respectively, and have traded from a low of \$6.35 per share to a high of \$9.30 per share, and from a low of \$1.45 per warrant to a high of \$4.21 per warrant, respectively.

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In December 2006, Aldabra consummated a merger with Great Lakes Dredge & Dock Corporation. Pursuant to the Agreement and Plan of Merger, Aldabra issued approximately 29 million shares of its common stock to Great Lakes stockholders in the merger and Aldabra changed its name to Great Lakes Dredge & Dock Corporation. No Aldabra stockholder exercised conversion rights or voted against the merger at the special meeting of its stockholders. The funds held in Aldabra's trust account were used to pay down Great Lakes' existing term bank debt by approximately \$50 million. In December 2006, Aldabra deregistered its original securities with the Securities and Exchange Commission.

From its inception until its acquisition of Great Lakes, Mr. Leight was the chairman of the board of Aldabra, Mr. Weiss was the chief executive officer, secretary and a director of Aldabra, and Mr. Berger was a director of Aldabra. None of such individuals received any salary for their services to Aldabra. However, Terrapin Partners received a \$7,500 per month fee from Aldabra for certain administrative, technology and secretarial services, as well as the use of certain limited office space, including a conference room, in New York City, from its inception until December 2006 (aggregating a total of \$160,446). Prior to Aldabra's initial public offering, (i) Messrs. Leight and Weiss had each purchased an aggregate of 851,850 shares of common stock (at approximately \$0.0125 per share), (ii) trusts for the benefit of the families of Messrs. Leight and Weiss had each purchased an aggregate of 92,150 shares of common stock (at approximately \$0.0125 per share), (iii) Terrapin Partners Employee Partnership (of which Messrs. Leight and Weiss are the sole owners and General Partners of Terrapin Partners LLC, Terrapin Partners Employee Partnership's general partner) had purchased 52,000 shares of common stock (at approximately \$0.0125 per share) and (iv) Jonathan W. Berger had purchased an aggregate of 20,000 shares of common stock (at approximately \$0.0125 per share). Subsequent to Aldabra's initial public offering, Messrs. Leight, Weiss and Berger (and/or their respective family trusts or IRAs) purchased in the open market 16,000, 22,900 and 400 shares of Aldabra common stock, respectively, at an average price of \$5.55, \$5.52 and \$5.76 per share, respectively. Additionally, Mr. Leight purchased 7,000 units at \$6.44 per unit. Additionally, Terrapin Partners LLC purchased 1,572,000 warrants in the open market (at an average purchase price of \$0.65 per warrant) and Mr. Leight (or his affiliates) acquired 14,000 warrants as part of the 7,000 units purchased by him in the open market (as described above). The current market value of each of Messrs. Leight's, Weiss' and Berger's holdings (including their respective affiliates) in Aldabra Acquisition Corporation, as of May 17, 2007, is \$8,513,750, \$8,460,375 and \$178,500, respectively, not including Messrs. Leight's and Weiss' equal interests in the holdings of the Terrapin Partners Employee Partnership which had a value of \$455,000 and Terrapin Partners LLC which had a value of \$5,895,000.

The following table sets forth the foregoing information relating to the holdings of such individuals (and their respective affiliates) and entities in Aldabra Acquisition Corporation:

| <b>Name of Individual</b>              | <b>Total<br/>Investment</b> | <b>Current<br/>Market<br/>Value</b> | <b>Realized<br/>Return on<br/>Investment<br/>To Date</b> |
|----------------------------------------|-----------------------------|-------------------------------------|----------------------------------------------------------|
| Nathan Leight                          | \$ 145,680                  | \$ 8,513,750                        |                                                          |
| Jason Weiss                            | \$ 138,208                  | \$ 8,460,375                        |                                                          |
| Jonathan W. Berger                     | \$ 2,554                    | \$ 178,500                          |                                                          |
| Terrapin Partners Employee Partnership | \$ 650                      | \$ 455,000                          |                                                          |
| Terrapin Partners LLC                  | \$ 1,021,800                | \$ 5,895,000                        |                                                          |

Since the acquisition of Great Lakes, each of Messrs. Leight and Weiss has continued to serve as directors. As such, they may receive fees for their services as directors, though as of the date of this prospectus they have not received

any compensation.

### **Executive Compensation**

No executive officer has received any cash compensation for services rendered to us. Commencing on the date of this prospectus through the acquisition of a target business, we will pay Terrapin Partners LLC, an affiliate of Nathan Leight and Jason Weiss, a fee of \$7,500 per month for providing us with certain administrative, technology and secretarial services, as well as the use of certain limited office space, including

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a conference room, in New York City. However, this arrangement is solely for our benefit and is not intended to provide Messrs. Leight and Weiss compensation in lieu of a salary. Other than the \$7,500 per month administrative fee, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our existing stockholders, including our directors, or any of their respective affiliates, prior to, or for any services they render in order to effectuate, the consummation of a business combination. However, such individuals will be reimbursed for any actual out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses, performing due diligence on suitable business combinations and travel expenses, meals and lodging incurred in visiting potential target businesses. There is no limit on the amount of these actual out-of-pocket expenses and there will be no review of the reasonableness of the expenses by anyone other than our board of directors, which includes persons who may seek reimbursement, or a court of competent jurisdiction if such reimbursement is challenged.

## **Director Independence**

The American Stock Exchange requires that a majority of our board must be composed of independent directors, which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company's board of directors would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director.

We have determined that, upon consummation of this offering, each of Jonathan W. Berger, Richard H. Rogel and Carl A. Albert will be an independent director as defined under the American Stock Exchange's listing standards, constituting a majority of our board. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Any affiliated transactions will be on terms no less favorable to us than could be obtained from independent parties. Any affiliated transactions must be approved by a majority of our independent and disinterested directors.

## **Audit Committee**

Effective upon consummation of this offering, we will establish an audit committee of the board of directors, which will consist of Jonathan W. Berger, as chairman, Richard H. Rogel and Carl A. Albert, each of whom is an independent director under the American Stock Exchange's listing standards. The audit committee's duties, which are specified in our Audit Committee Charter, include, but are not limited to:

- reviewing and discussing with management and the independent auditor the annual audited financial statements, and recommending to the board whether the audited financial statements should be included in our Form 10-K;

- discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of our financial statements;

- discussing with management major risk assessment and risk management policies;

- monitoring the independence of the independent auditor;

- verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;

- reviewing and approving all related-party transactions;

inquiring and discussing with management our compliance with applicable laws and regulations;

pre-approving all audit services and permitted non-audit services to be performed by our independent auditor, including the fees and terms of the services to be performed;

appointing or replacing the independent auditor;

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determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work; and

establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies.

### **Financial Experts on Audit Committee**

The audit committee will at all times be composed exclusively of independent directors who are financially literate as defined under the American Stock Exchange listing standards. The American Stock Exchange listing standards define financially literate as being able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement.

In addition, we must certify to the American Stock Exchange that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual's financial sophistication. The board of directors has determined that Jonathan W. Berger satisfies the American Stock Exchange's definition of financial sophistication and also qualifies as an audit committee financial expert, as defined under rules and regulations of the SEC.

### **Nominating Committee**

Effective upon consummation of this offering, we will establish a nominating committee of the board of directors, which will consist of Jonathan W. Berger, as chairman, and Richard H. Rogel, each of whom is an independent director under the American Stock Exchange's listing standards. The nominating committee is responsible for overseeing the selection of persons to be nominated to serve on our board of directors. The nominating committee considers persons identified by its members, management, shareholders, investment bankers and others.

#### *Guidelines for Selecting Director Nominees*

The guidelines for selecting nominees, which are specified in the Nominating Committee Charter, generally provide that persons to be nominated:

should have demonstrated notable or significant achievements in business, education or public service;

should possess the requisite intelligence, education and experience to make a significant contribution to the board of directors and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and

should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the stockholders.

The Nominating Committee will consider a number of qualifications relating to management and leadership experience, background and integrity and professionalism in evaluating a person's candidacy for membership on the board of directors. The nominating committee may require certain skills or attributes, such as financial or accounting experience, to meet specific board needs that arise from time to time. The nominating committee does not distinguish among nominees recommended by shareholders and other persons.

## **Code of Ethics**

Effective upon consummation of this offering, we will adopt a code of ethics that applies to all of our executive officers, directors and employees. The code of ethics codifies the business and ethical principles that govern all aspects of our business.

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**Conflicts of Interest**

Potential investors should be aware of the following potential conflicts of interest:

None of our officers and directors is required to commit their full time to our affairs and, accordingly, they may have conflicts of interest in allocating their time among various business activities.

In the course of their other business activities, our officers and directors may become aware of investment and business opportunities which may be appropriate for presentation to our company as well as the other entities with which they are affiliated. Our management may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Our officers and directors may in the future become affiliated with entities, including other blank check companies, engaged in business activities similar to those intended to be conducted by our company.

The initial shares owned by our officers and directors will be released from escrow only if a business combination is successfully completed, and the insider warrants purchased by our officers and directors and any warrants which they may purchase in this offering or in the aftermarket will expire worthless if a business combination is not consummated. Additionally, our officers and directors will not receive liquidation distributions with respect to any of their initial shares. Furthermore, while the insider warrants have been registered for resale under the registration statement of which this prospectus forms a part, the purchasers have agreed that such securities will not be sold or transferred by them until after we have completed a business combination. For the foregoing reasons, our board may have a conflict of interest in determining whether a particular target business is appropriate to effect a business combination with.

Our directors and officers may purchase shares of common stock as part of this offering or in the open market. If they did, they would be entitled to vote such shares as they choose on a proposal to approve a business combination.

Our special advisors have no fiduciary obligations to us. Therefore, they have no obligation to present business opportunities to us at all and will only do so if they believe it will not violate their other fiduciary obligations.

In general, officers and directors of a corporation incorporated under the laws of the State of Delaware are required to present business opportunities to a corporation if:

the corporation could financially undertake the opportunity;

the opportunity is within the corporation's line of business; and

it would not be fair to the corporation and its stockholders for the opportunity not to be brought to the attention of the corporation.

Accordingly, as a result of multiple business affiliations, our officers and directors may have similar legal obligations relating to presenting business opportunities meeting the above-listed criteria to multiple entities. In addition, conflicts of interest may arise when our board evaluates a particular business opportunity with respect to the above-listed criteria. We cannot assure you that any of the above mentioned conflicts will be resolved in our favor.

In order to minimize potential conflicts of interest which may arise from multiple corporate affiliations, each of our officers has agreed, until the earliest of a business combination, our liquidation or such time as he or she ceases to be an officer, to present to our company for our consideration, prior to presentation to any other entity, any business opportunity which may reasonably be required to be presented to us under Delaware law, subject to any pre-existing fiduciary or contractual obligations he might have. We have not established any procedures to ensure that our officers observe these requirements.

Each of Nathan Leight and Jason Weiss has a pre-existing fiduciary obligation to Great Lakes as each is a director of such entity. Additionally, each of these individuals has a pre-existing fiduciary obligation to Terrapin Partners which is a private investment management firm focusing on private equity investing.

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Accordingly, due to these affiliations, each may have a fiduciary obligation to present potential business opportunities to such entities in addition to presenting them to us which could cause additional conflicts of interest.

In connection with the vote required for any business combination, all of our existing stockholders, including all of our officers and directors, have agreed to vote their respective initial shares in accordance with the vote of the public stockholders owning a majority of the shares of our common stock sold in this offering. In addition, they have agreed to waive their respective rights to participate in any liquidation distribution with respect to those shares of common stock acquired by them prior to this offering. Any common stock acquired by existing stockholders in the offering or aftermarket will be considered part of the holdings of the public stockholders. Except with respect to the conversion rights afforded to public stockholders, these existing stockholders will have the same rights as other public stockholders with respect to such shares, including voting rights in connection with a potential business combination. Accordingly, they may vote such shares on a proposed business combination any way they choose.

To further minimize potential conflicts of interest, we have agreed not to consummate a business combination with an entity which is affiliated with any of our existing stockholders, including an entity that is either a portfolio company of, or has otherwise received a financial investment from, an investment banking firm (or an affiliate thereof) that is affiliated with our management, unless we obtain an opinion from an independent investment banking firm that the business combination is fair to our unaffiliated stockholders from a financial point of view. We currently do not anticipate entering into a business combination with an entity affiliated with any of our existing stockholders. We will also not acquire an entity with which our management, through their other business activities, is currently having acquisition or investment discussions. Furthermore, in no event will any of our existing officers, directors, stockholders or advisors, or any entity with which they are affiliated, be paid any finder's fee, consulting fee or other compensation prior to, or for any services they render in order to effectuate, the consummation of a business combination.

**Table of Contents****PRINCIPAL STOCKHOLDERS**

The following table sets forth information regarding the beneficial ownership of our common stock as of June 1, 2007 and as adjusted to reflect the sale of our common stock included in the units offered by this prospectus (assuming none of the individuals listed purchase units in this offering), by:

each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;

each of our officers and directors; and

all our officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

| Name and Address of Beneficial Owner <sup>(1)</sup>                | Prior to Offering                         |                                                    | After Offering <sup>(2)</sup>             |                                                    |
|--------------------------------------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------------------------|----------------------------------------------------|
|                                                                    | Amount and Nature of Beneficial Ownership | Approximate Percentage of Outstanding Common Stock | Amount and Nature of Beneficial Ownership | Approximate Percentage of Outstanding Common Stock |
| Nathan Leight                                                      | 5,675,000 <sup>(3)</sup>                  | 98.7%                                              | 4,934,783 <sup>(3)(4)</sup>               | 19.7%                                              |
| Jason Weiss                                                        | 5,675,000 <sup>(3)</sup>                  | 98.7%                                              | 4,934,783 <sup>(3)(4)</sup>               | 19.7%                                              |
| Jonathan W. Berger <sup>(5)</sup>                                  | 25,000                                    | *                                                  | 21,739                                    | *                                                  |
| Richard H. Rogel                                                   | 25,000                                    | *                                                  | 21,739                                    | *                                                  |
| Carl A. Albert <sup>(6)</sup>                                      | 25,000                                    | *                                                  | 21,739                                    | *                                                  |
| Sanjay Arora                                                       | 345,000 <sup>(7)</sup>                    | 6.0%                                               | 300,000 <sup>(7)</sup>                    | 1.2%                                               |
| All directors and executive officers as a group (five individuals) | 5,750,000                                 | 100.0%                                             | 5,000,000 <sup>(4)</sup>                  | 20.0%                                              |

\* Less than 1%.

(1) Unless otherwise indicated, the business address of each of the individuals is c/o Terrapin Partners LLC, 540 Madison Avenue, 17th Floor, New York, New York 10022.

(2) Assumes no exercise of the over-allotment option and, therefore, the forfeiture of an aggregate of 750,000 shares of common stock held by our initial stockholders.

(3) Represents (i) 5,507,500 shares of common stock held by the Terrapin Partners Venture Partnership and (ii) 167,500 shares of common stock held by the Terrapin Partners Employee Partnership. Messrs. Leight and Weiss are the general partners of the Terrapin Partners Venture Partnership and they and/or their family trusts are the owners of the Terrapin Partners Venture Partnership. Terrapin Partners LLC is the general partner of the

Terrapin Partners Employee Partnership and Messrs. Leight and Weiss are the co-managers of Terrapin Partners LLC. Accordingly, all shares held by the Terrapin Partners Venture Partnership and the Terrapin Partners Employee Partnership are deemed to be beneficially owned by them. Terrapin Partners Venture Partnership has allocated 345,000 shares to Sanjay Arora, an employee of Terrapin Partners LLC, and 10,000 shares to each of Sheli Rosenberg and Peter R. Deutsch, our special advisors. The remaining shares held by Terrapin Partners Venture Partnership have been allocated to Messrs. Leight and Weiss (or their affiliates). Mr. Arora's shares vest over time commencing from the consummation of our initial public offering for as long as Mr. Arora remains employed by Terrapin Partners LLC. The shares allocated to Messrs. Leight and Weiss (or their affiliates) and Ms. Rosenberg and Mr. Deutsch have no vesting requirements and have already vested in full in the individuals or entities. Terrapin Partners Employee Partnership has allocated certain of its shares to employees and affiliates of Terrapin Partners LLC. These shares vest in full in the employees and affiliates when the shares are released from escrow, as described below, provided such individuals are still employed by or affiliated with Terrapin Partners LLC at such time.

- (4) Does not include 1,500,000 shares of common stock issuable upon exercise of insider warrants that are not exercisable and will not become exercisable within 60 days.
- (5) The business address of Mr. Berger is c/o Navigant Consulting, Inc., 100 Colony Square, Suite 1900, 1175 Peachtree Street, N.E., Atlanta, Georgia 30361.
- (6) The business address of Mr. Albert is 10940 Bellagio Road, Suite A, Los Angeles, California 90077-3203.
- (7) Represents shares allocated by Terrapin Partners Venture Partnership to Mr. Arora. The shares vest over time commencing from the consummation of our initial public offering, for so long as Mr. Arora remains employed by Terrapin Partners LLC. To the extent such shares do not vest, they will revert back to Terrapin Partners Venture Partnership.

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Immediately after this offering, our existing stockholders, which include all of our officers and directors, collectively, will beneficially own 20% of the then issued and outstanding shares of our common stock (assuming none of them purchase any units offered by this prospectus). None of our existing stockholders, officers and directors has indicated to us that he intends to purchase our securities in the offering. Because of the ownership block held by our existing stockholders, such individuals may be able to effectively exercise control over all matters requiring approval by our stockholders, including the election of directors and approval of significant corporate transactions other than approval of our initial business combination.

If the underwriters do not exercise all or a portion of the over-allotment option, our initial stockholders will be required to forfeit up to an aggregate of 750,000 shares of common stock. Our initial stockholders will be required to forfeit only a number of shares necessary to maintain their collective 20% ownership interest in our common stock after giving effect to the offering and the exercise, if any, of the underwriters' over-allotment option.

All of the initial shares outstanding prior to the date of this prospectus will be placed in escrow with Continental Stock Transfer & Trust Company, as escrow agent, until one year after the consummation of our initial business combination. The initial shares may be released from escrow earlier than this date if, within the first year after we consummate a business combination:

the last sales price of our common stock equals or exceeds \$18.00 per share for any 20 trading days within any 30-trading day period; or

we consummate a subsequent liquidation, merger, stock exchange or other similar transaction which results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property.

During the escrow period, the holders of these shares will not be able to sell or transfer their securities except (i) to an entity's members upon its liquidation, (ii) to relatives and trusts for estate planning purposes or (iii) by private sales made at or prior to the consummation of a business combination at prices no greater than the price at which the shares were originally purchased, in each case where the transferee agrees to the terms of the escrow agreement, but will retain all other rights as our stockholders, including, without limitation, the right to vote their shares of common stock and the right to receive cash dividends, if declared. If dividends are declared and payable in shares of common stock, such dividends will also be placed in escrow. If we are unable to effect a business combination and liquidate, none of our existing stockholders will receive any portion of the liquidation proceeds with respect to their initial shares.

Nathan Leight and Jason Weiss have committed to purchase the insider warrants (for a total purchase price of \$3,000,000) from us. These purchases will take place on a private placement basis simultaneously with the consummation of this offering. The insider warrants will be identical to warrants underlying the units being offered by this prospectus except that the insider warrants will be exercisable on a cashless basis and will not be redeemable by us so long as they are still held by the purchasers or their affiliates. The purchasers have agreed that the insider warrants will not be sold or transferred by them (except to employees of Terrapin Partners LLC or to our directors at the same cost per warrant originally paid by them) until the later of \_\_\_\_\_, 2008 **[one year from the date of this prospectus]** and 60 days after the consummation of our initial business combination.

Messrs. Leight and Weiss are our promoters, as that term is defined under the Federal securities laws.

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**CERTAIN TRANSACTIONS**

In February 2007, we issued 5,750,000 shares of our common stock to the individuals set forth below for \$25,000 in cash, at a purchase price of approximately \$0.004 share, as follows:

| <b>Name</b>                            | <b>Number of<br/>Shares</b> | <b>Relationship to Us</b>                       |
|----------------------------------------|-----------------------------|-------------------------------------------------|
| Nathan Leight <sup>(1)</sup>           | 5,507,500                   | Chairman of the Board                           |
| Jason Weiss <sup>(1)</sup>             | 5,507,500                   | Chief Executive Officer, Secretary and Director |
| Jonathan W. Berger                     | 25,000                      | Director                                        |
| Richard H. Rogel                       | 25,000                      | Director                                        |
| Carl A. Albert                         | 25,000                      | Director                                        |
| Terrapin Partners Employee Partnership | 167,500                     | Stockholder                                     |

- (1) These shares are held by the Terrapin Partners Venture Partnership. Messrs. Leight and Weiss are the general partners of the Terrapin Partners Venture Partnership and they and/or their family trusts are the owners of the Terrapin Partners Venture Partnership.

If the underwriters determine to exercise their over-allotment option, our initial stockholders have agreed to forfeit an aggregate of 750,000 shares of common stock. If such shares are forfeited, we would record the aggregate fair value of the shares forfeited and reacquired to treasury stock and a corresponding credit to additional paid-in capital based on the difference between the fair market value of the shares of common stock forfeited and the price paid to us for such forfeited shares (which would be an aggregate total of approximately \$3,000 for all 750,000 shares). Upon receipt, such forfeited shares would then be immediately cancelled which would result in the retirement of the treasury stock and a corresponding charge to additional paid-in capital.

If the underwriters determine the size of the offering should be increased or decreased, a stock dividend or a contribution back to capital, as applicable, would be effectuated in order to maintain our existing stockholders ownership at a percentage of the number of shares to be sold in this offering.

The holders of the majority of these shares will be entitled to make up to two demands that we register these shares pursuant to an agreement to be signed prior to or on the date of this prospectus. The holders of the majority of these shares may elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of common stock are released from escrow. In addition, these stockholders have certain piggy-back registration rights with respect to registration statements filed subsequent to the date on which these shares of common stock are released from escrow. We will bear the expenses incurred in connection with the filing of any such registration statements.

Nathan Leight and Jason Weiss have committed, pursuant to written subscription agreements with us and Lazard Capital Markets, to purchase the 3,000,000 insider warrants (for a total purchase price of \$3,000,000) from us. These purchases will take place on a private placement basis simultaneously with the consummation of this offering. The purchase price for the insider warrants will be delivered to Graubard Miller, our counsel in connection with this offering, who will also be acting solely as escrow agent in connection with the private sale of insider warrants, at least 24 hours prior to the date of this prospectus to hold in an account until we consummate this offering. Graubard Miller

will deposit the purchase price into the trust account simultaneously with the consummation of the offering. The insider warrants will be identical to warrants underlying the units being offered by this prospectus except that the insider warrants will be exercisable on a cashless basis and will not be redeemable by us so long as they are still held by the purchasers or their affiliates. The purchasers have agreed that the insider warrants will not be sold or transferred by them (except to employees of Terrapin Partners LLC or to our directors at the same cost per warrant originally paid by them) until the later of \_\_\_\_\_, 2008 **[one year from the date of this prospectus]** and 60 days after the consummation of our business combination. The holders of the majority of these insider warrants (or underlying shares) will be entitled to demand that we register these securities pursuant to an agreement to be signed prior to or on the date of this prospectus. The holders of the majority of these securities may elect to exercise these registration rights with respect to such securities at any time after we consummate a business combination. In addition,

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these holders have certain piggy-back registration rights with respect to registration statements filed subsequent to such date. We will bear the expenses incurred in connection with the filing of any such registration statements.

Terrapin Partners LLC, an affiliate of Nathan Leight and Jason Weiss, has agreed that, commencing on the effective date of this prospectus through the acquisition of a target business, it will make available to us certain administrative, technology and secretarial services, as well as the use of certain limited office space, including a conference room, in New York City, as we may require from time to time. We have agreed to pay Terrapin Partners LLC \$7,500 per month for these services. Messrs. Leight and Weiss are each a managing member and 50% owner of Terrapin Partners LLC. Accordingly, they will benefit from the transaction to the extent of their interest in Terrapin Partners LLC. However, this arrangement is solely for our benefit and is not intended to provide Messrs. Leight and Weiss compensation in lieu of a salary. We believe, based on rents and fees for similar services in the New York City metropolitan area, that the fee charged by Terrapin Partners LLC is at least as favorable as we could have obtained from an unaffiliated person. However, as our directors may not be deemed independent, we did not have the benefit of disinterested directors approving this transaction.

As of the date of this prospectus, Nathan Leight and Jason Weiss have advanced to us an aggregate of \$100,000 to cover expenses related to this offering. The loans will be payable without interest on the earlier of February 27, 2008 or the consummation of this offering. We intend to repay these loans from the proceeds of this offering not being placed in trust.

We will reimburse our officers and directors for any reasonable out-of-pocket business expenses incurred by them in connection with certain activities on our behalf such as identifying and investigating possible target businesses and business combinations. There is no limit on the amount of out-of-pocket expenses reimbursable by us, which will be reviewed only by our board or a court of competent jurisdiction if such reimbursement is challenged.

Other than the \$7,500 per-month administrative fee and reimbursable out-of-pocket expenses payable to our officers and directors, no compensation or fees of any kind, including finder's fees, consulting fees or other similar compensation, will be paid to any of our existing stockholders, officers or directors who owned our common stock prior to this offering, or to any of their respective affiliates, prior to or with respect to the business combination (regardless of the type of transaction that it is).

All ongoing and future transactions between us and any of our officers and directors or their respective affiliates, including loans by our officers and directors, will be on terms believed by us to be no less favorable to us than are available from unaffiliated third parties. Such transactions or loans, including any forgiveness of loans, will require prior approval by a majority of our uninterested independent directors (to the extent we have any) or the members of our board who do not have an interest in the transaction, in either case who had access, at our expense, to our attorneys or independent legal counsel. We will not enter into any such transaction unless our disinterested independent directors (or, if there are no independent directors, our disinterested directors) determine that the terms of such transaction are no less favorable to us than those that would be available to us with respect to such a transaction from unaffiliated third parties.

## **DESCRIPTION OF SECURITIES**

### **General**

We are authorized to issue 60,000,000 shares of common stock, par value \$.0001, and 1,000,000 shares of preferred stock, par value \$.0001. As of the date of this prospectus, 5,750,000 shares of common stock are outstanding, held by five stockholders of record. No shares of preferred stock are currently outstanding.

## Units

Each unit consists of one share of common stock and one warrant. Each warrant entitles the holder to purchase one share of common stock. The common stock and warrants will begin to trade separately on the 90th day after the date of this prospectus unless Lazard Capital Markets informs us of its decision to allow earlier separate trading, provided that in no event may the common stock and warrants be traded separately

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until we have filed with the SEC a Current Report on Form 8-K which includes an audited balance sheet reflecting our receipt of the gross proceeds of this offering. We will file a Current Report on Form 8-K which includes this audited balance sheet promptly upon the consummation of this offering. The audited balance sheet will reflect proceeds we receive from the exercise of the over-allotment option, if the over-allotment option is exercised prior to the filing of the Form 8-K. If the over-allotment option is exercised after our initial filing of a Form 8-K, we will file an amendment to the Form 8-K to provide updated financial information to reflect the exercise of the over-allotment option. We will also include in this Form 8-K, an amendment thereto, or in a subsequent Form 8-K information indicating if Lazard Capital Markets has allowed separate trading of the common stock and warrants prior to the 90th day after the date of this prospectus.

## **Common stock**

Our stockholders of record are entitled to one vote for each share held on all matters to be voted on by stockholders. In connection with the vote required for any business combination, all of our existing stockholders, including all of our officers and directors, have agreed to vote their respective shares of common stock owned by them immediately prior to this offering in accordance with the majority of the shares of our common stock voted by our public stockholders. This voting arrangement shall not apply to shares included in units purchased in this offering or purchased following this offering in the open market by any of our existing stockholders, officers and directors. Our existing stockholders, officers and directors will vote all of their shares in any manner they determine, in their sole discretion, with respect to any other items that come before a vote of our stockholders.

We will proceed with the business combination only if a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and public stockholders owning less than 40% of the shares sold in this offering both exercise their conversion rights discussed below and vote against the 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. There is no cumulative voting with respect to the election of directors, with the result that the holders of more than 50% of the shares eligible to vote for the election of directors can elect all of the directors.

Pursuant to our amended and restated certificate of incorporation, if we do not consummate a business combination by , 2009 [twenty four months from the date of this prospectus], our corporate existence will cease except for the purposes of winding up our affairs and liquidating. If we are forced to liquidate prior to a business combination, our public stockholders are entitled to share ratably in the trust fund, including any interest, and any net assets remaining available for distribution to them after payment of liabilities. Our existing stockholders have agreed to waive their rights to share in any distribution with respect to their initial shares.

Our stockholders have no conversion, preemptive or other subscription rights and there are no sinking fund or redemption provisions applicable to the common stock, except that public stockholders have the right to have their shares of common stock converted to cash equal to their pro rata share of the trust account if they vote against the business combination and the business combination is approved and completed. Public stockholders who convert their stock into their share of the trust account still have the right to exercise the warrants that they received as part of the units.

## **Preferred stock**

Our certificate of incorporation authorizes the issuance of 1,000,000 shares of blank check preferred stock with such designation, rights and preferences as may be determined from time to time by our board of directors. No shares of

preferred stock are being issued or registered in this offering. Accordingly, our board of directors is empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, voting or other rights which could adversely affect the voting power or other rights of the holders of common stock. However, the underwriting agreement prohibits us, prior to a business combination, from issuing preferred stock which participates in any manner in the proceeds of the trust account, or which votes as a class with the common stock on a business combination. We may issue some or all of the preferred stock

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to effect a business combination. In addition, the preferred stock could be utilized as a method of discouraging, delaying or preventing a change in control of us. Although we do not currently intend to issue any shares of preferred stock, we cannot assure you that we will not do so in the future.

## **Warrants**

No warrants are currently outstanding. Each warrant entitles the registered holder to purchase one share of our common stock at a price of \$7.50 per share, subject to adjustment as discussed below, at any time commencing on the later of:

the completion of a business combination; and

one year from the date of this prospectus.

However, the warrants will be exercisable only if a registration statement relating to the common stock issuable upon exercise of the warrants is effective and current. The warrants will expire four years from the date of this prospectus at 5:00 p.m., New York City time.

We may call the warrants for redemption (excluding any insider warrants held by Nathan Leight or Jason Weiss or their affiliates), without the prior consent of the underwriters,

in whole and not in part,

at a price of \$.01 per warrant at any time after the warrants become exercisable,

upon not less than 30 days prior written notice of redemption to each warrant holder, and

if, and only if, the reported last sale price of the common stock equals or exceeds \$14.25 per share, for any 20 trading days within a 30 trading day period ending on the third business day prior to the notice of redemption to warrant holders.

The right to exercise will be forfeited unless they are exercised prior to the date specified in the notice of redemption. On and after the redemption date, a record holder of a warrant will have no further rights except to receive the redemption price for such holder's warrant upon surrender of such warrant.

The redemption criteria for our warrants have been established at a price which is intended to provide warrant holders a reasonable premium to the initial exercise price and provide a sufficient differential between the then-prevailing common stock price and the warrant exercise price so that if the stock price declines as a result of our redemption call, the redemption will not cause the stock price to drop below the exercise price of the warrants.

We have agreed that the insider warrants may be exercised on a cashless basis and will not be redeemable by us so long as they are held by the initial purchasers or their affiliates. The reason that we have agreed to this is because it is not known at this time whether they will be affiliated with us following a business combination. If they are, their ability to sell our securities in the open market will be significantly limited. If they remain insiders, we will have policies in place that prohibit insiders from selling our securities except during specific periods of time. Even during such periods of time, an insider cannot trade in our securities if he is in possession of material non-public information. Accordingly, unlike public stockholders who could exercise their warrants and sell the shares of common stock received upon such exercise freely in the open market in order to recoup the cost of such exercise, the insiders could be significantly restricted from selling such securities. As a result, we believe that allowing the holders to exercise

such warrants on a cashless basis or restrict our ability to redeem such warrants is appropriate.

The warrants will be issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. You should review a copy of the warrant agreement, which has been filed as an exhibit to the registration statement of which this prospectus is a part, for a complete description of the terms and conditions applicable to the warrants.

The exercise price and number of shares of common stock issuable on exercise of the warrants may be adjusted in certain circumstances including in the event of a stock dividend, or our recapitalization,

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reorganization, merger or consolidation. However, the warrants will not be adjusted for issuances of common stock at a price below their respective exercise prices.

The warrants may be exercised upon surrender of the warrant certificate on or prior to the expiration date at the offices of the warrant agent, with the exercise form on the reverse side of the warrant certificate completed and executed as indicated, accompanied by full payment of the exercise price, by certified or official bank check payable to us, for the number of warrants being exercised. The warrant holders do not have the rights or privileges of holders of common stock and any voting rights until they exercise their warrants and receive shares of common stock. After the issuance of shares of common stock upon exercise of the warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by stockholders.

No warrants held by public stockholders will be exercisable and we will not be obligated to issue shares of common stock unless at the time a holder seeks to exercise such warrant, a registration statement relating to the common stock issuable upon exercise of the warrants is effective and current and the common stock has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. Under the terms of the warrant agreement, we have agreed to use our best efforts to meet these conditions and to maintain a current prospectus relating to the common stock issuable upon exercise of the warrants until the expiration of the warrants. However, we cannot assure you that we will be able to do so and, if we do not maintain a current prospectus relating to the common stock issuable upon exercise of the warrants, holders will be unable to exercise their warrants and we will not be required to settle any such warrant exercise. If the prospectus relating to the common stock issuable upon the exercise of the warrants is not current or if the common stock is not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside, we will not be required to net cash settle or cash settle the warrant exercise, the warrants may have no value, the market for the warrants may be limited and the warrants may expire worthless.

No fractional shares will be issued upon exercise of the warrants. If, upon exercise of the warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round up or down to the nearest whole number the number of shares of common stock to be issued to the warrant holder.

## **Dividends**

We have not paid any cash dividends on our common stock to date and do not intend to pay cash dividends prior to the completion of a business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of a business combination. The payment of any dividends subsequent to a business combination will be within the discretion of our then board of directors. It is the present intention of our board of directors to retain all earnings, if any, for use in our business operations and, accordingly, our board does not anticipate declaring any dividends in the foreseeable future.

## **Our Transfer Agent and Warrant Agent**

The transfer agent for our securities and warrant agent for our warrants is Continental Stock Transfer & Trust Company.

## **American Stock Exchange Listing**

There is presently no public market for our units, common stock or warrants. We anticipate that the units will be listed on the American Stock Exchange under the symbol AII.U on or promptly after the date of this prospectus. Once the securities comprising the units begin separate trading, we anticipate that the common stock and warrants will be listed

on the American Stock Exchange under the symbols AII and AII.WS, respectively.

**Shares Eligible for Future Sale**

Immediately after this offering, we will have 25,000,000 shares of common stock outstanding, or 28,750,000 shares if the over-allotment option is exercised in full. Of these shares, the 20,000,000 shares sold

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in this offering, or 23,000,000 shares if the over-allotment option is exercised, will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by one of our affiliates within the meaning of Rule 144 under the Securities Act. All of the remaining shares are restricted securities under Rule 144, in that they were issued in private transactions not involving a public offering. None of those shares would be eligible for sale under Rule 144 prior to February 1, 2008. However, as described below, the Securities and Exchange Commission has taken the position that these securities would not be eligible for transfer under Rule 144. Furthermore, all of those shares have been placed in escrow and will not be transferable for a period of one year from the consummation of our initial business combination and will be released prior to that date only if, following a business combination, (i) the last sales price of our common stock equals or exceeds \$18.00 per share for any 20 trading days within any 30-trading day period or (ii) we consummate a subsequent liquidation, merger, stock exchange or other similar transaction which results in all of our stockholders having the right to exchange their shares of common stock for cash, securities or other property.

### *Rule 144*

In general, under Rule 144 as currently in effect, a person who has beneficially owned restricted shares of our common stock for at least one year would be entitled to sell within any three-month period a number of shares that does not exceed the greater of either of the following:

1% of the number of shares of common stock then outstanding, which will equal 250,000 shares immediately after this offering (or 287,500 if the over-allotment option is exercised in full); and

the average weekly trading volume of the common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales under Rule 144 are also limited by manner of sale provisions and notice requirements and to the availability of current public information about us.

### *Rule 144(k)*

Under Rule 144(k), a person who is not deemed to have been one of our affiliates at the time of or at any time during the three months preceding a sale, and who has beneficially owned the restricted shares proposed to be sold for at least two years, including the holding period of any prior owner other than an affiliate, is entitled to sell their shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

### *SEC Position on Rule 144 Sales*

The Securities and Exchange Commission has taken the position that promoters or affiliates of a blank check company and their transferees, both before and after a business combination act as underwriters under the Securities Act when reselling the securities of a blank check company acquired prior to the consummation of its initial public offering. Accordingly, the Securities and Exchange Commission believes that those securities can be resold only through a registered offering and that Rule 144 would not be available for those resale transactions despite technical compliance with the requirements of Rule 144.

### *Registration Rights*

The holders of our initial shares issued and outstanding on the date of this prospectus, as well as the holders of the insider warrants (and underlying securities), will be entitled to registration rights pursuant to an agreement to be signed prior to or on the effective date of this offering. The holders of the majority of these securities are entitled to

make up to two demands that we register such securities. The holders of the majority of the initial shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of common stock are to be released from escrow. The holders of a majority of the insider warrants (or underlying securities) can elect to exercise these registration rights at any time after we consummate a business combination. In addition, the holders have certain piggy-back registration rights with respect to registration statements filed subsequent to our consummation of a business combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

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**UNDERWRITING**

In accordance with the terms and conditions contained in the underwriting agreement, we have agreed to sell to each of the underwriters named below, and each of the underwriters, for which Lazard Capital Markets is acting as representative, has individually agreed to purchase on a firm commitment basis the number of units set forth opposite their respective name below:

| <b>Underwriters</b>           | <b>Number of Units</b> |
|-------------------------------|------------------------|
| Lazard Capital Markets LLC    |                        |
| Pali Capital, Inc.            |                        |
| Ladenburg Thalmann & Co. Inc. |                        |
| EarlyBirdCapital, Inc.        |                        |
| Total                         |                        |

A copy of the underwriting agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part.

**Pricing of Securities**

We have been advised by the representative that the underwriters propose to offer the units to the public at the offering price set forth on the cover page of this prospectus. They may allow some dealers concessions not in excess of \$     per unit and the dealers may reallow a concession not in excess of \$     per unit to other dealers.

Prior to this offering there has been no public market for any of our securities. The public offering price of the units and insider warrants and the terms of the warrants were negotiated between us and the representative. Factors considered in determining the prices and terms of the units, including the common stock and warrants underlying the units, and the insider warrants include:

- the history and prospects of companies whose principal business is the acquisition of other companies;
- prior offerings of those companies;
- our prospects for acquiring an operating business at attractive values;
- our capital structure;
- an assessment of our management and their experience in identifying operating companies;
- general conditions of the securities markets at the time of the offering; and
- other factors as were deemed relevant.

However, although these factors were considered, the determination of our offering price is more arbitrary than the pricing of securities for an operating company in a particular industry since the underwriters are unable to compare our financial results and prospects with those of public companies operating in the same industry.

### **Over-Allotment Option**

We have granted to the representative of the underwriters an option, exercisable during the 45-day period commencing on the date of this prospectus, to purchase from us at the offering price, less underwriting discounts, up to an aggregate of 3,000,000 additional units for the sole purpose of covering over-allotments, if any. The over-allotment option will only be used to cover the net syndicate short position resulting from the initial distribution. The representative of the underwriters may exercise the over-allotment option if the underwriters sell more units than the total number set forth in the table above.

**Table of Contents****Commissions and Discounts**

The following table shows the public offering price, underwriting discount to be paid by us to the underwriters and the proceeds, before expenses, to us. This information assumes either no exercise or full exercise by the representative of the underwriters of its over-allotment option.

|                                         | <b>Per Unit</b> | <b>Without Option</b> | <b>With Option</b> |
|-----------------------------------------|-----------------|-----------------------|--------------------|
| Public offering price                   | \$ 10.00        | \$ 200,000,000        | \$ 230,000,000     |
| Discount <sup>(1)</sup>                 | \$ 0.70         | \$ 14,000,000         | \$ 16,100,000      |
| Proceeds before expenses <sup>(2)</sup> | \$ 9.30         | \$ 186,000,000        | \$ 213,900,000     |

(1) \$6,000,000 (or \$6,900,000 if the over-allotment option is exercised in full) of the underwriting discounts will not be payable unless and until we complete a business combination. The underwriters have waived their right to receive such payment upon our liquidation if we are unable to complete a business combination

(2) The offering expenses are estimated at \$740,000.

No discounts or commissions will be paid on the sale of the insider warrants.

Lazard Frères & Co. LLC referred this transaction to Lazard Capital Markets and will receive a referral fee from Lazard Capital Markets in connection therewith.

**Regulatory Restrictions on Purchase of Securities**

Rules of the SEC may limit the ability of the underwriters to bid for or purchase our units before the distribution of the units is completed. However, the underwriters may engage in the following activities in accordance with the rules:

*Stabilizing Transactions.* The underwriters may make bids or purchases for the purpose of preventing or retarding a decline in the price of our units, as long as stabilizing bids do not exceed the offering price of \$10.00.

*Over-Allotments and Syndicate Coverage Transactions.* The underwriters may create a short position in our units by selling more of our units than are set forth on the cover page of this prospectus. If the underwriters create a short position during the offering, the representative may engage in syndicate covering transactions by purchasing our units in the open market. The representative may also elect to reduce any short position by exercising all or part of the over-allotment option.

*Penalty Bids.* The representative may reclaim a selling concession from a syndicate member when the units originally sold by the syndicate member are purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

Stabilization and syndicate covering transactions may cause the price of our securities to be higher than they would be in the absence of these transactions. The imposition of a penalty bid might also have an effect on the prices of our securities if it discourages resales of our securities.

Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the price of our securities. These transactions may occur on the American Stock Exchange, in the over-the-counter market or on any trading market. If any of these transactions are commenced, they may be discontinued without notice at any time.

### **Other Terms**

Although we are not under any contractual obligation to engage any of the underwriters to provide any services for us after this offering, and have no present intent to do so, any of the underwriters may, among other things, introduce us to potential target businesses or assist us in raising additional capital, as needs may arise in the future. If any of the underwriters provide services to us after this offering, we may pay such underwriter fair and reasonable fees that would be determined at that time in an arm's length negotiation; provided that no agreement will be entered into with any of the underwriters and no fees for such services will be paid to any of the underwriters prior to the date which is 90 days after the date of this prospectus, unless

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the National Association of Securities Dealers determines that such payment would not be deemed underwriters compensation in connection with this offering.

**Indemnification**

We have agreed to indemnify the underwriters against some liabilities, including civil liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in this respect.

**LEGAL MATTERS**

Graubard Miller, New York, New York is acting as counsel in connection with the registration of our securities under the Securities Act of 1933, and as such, will pass upon the validity of the securities offered in this prospectus. Clearly Gottlieb Steen & Hamilton LLP, New York, New York, is acting as counsel for the underwriters in this offering.

**EXPERTS**

The financial statements included in this prospectus and in the registration statement have been audited by Goldstein Golub Kessler LLP, an independent registered public accounting firm, to the extent and for the period set forth in their report appearing elsewhere in this prospectus and in the registration statement. The financial statements and the report of Goldstein Golub Kessler LLP are included in reliance upon their report given upon the authority of Goldstein Golub Kessler LLP as experts in auditing and accounting.

**WHERE YOU CAN FIND ADDITIONAL INFORMATION**

We have filed with the SEC a registration statement on Form S-1, which includes exhibits, schedules and amendments, under the Securities Act, with respect to this offering of our securities. Although this prospectus, which forms a part of the registration statement, contains all material information included in the registration statement, parts of the registration statement have been omitted as permitted by rules and regulations of the SEC. We refer you to the registration statement and its exhibits for further information about us, our securities and this offering. The registration statement and its exhibits, as well as our other reports filed with the SEC, can be inspected and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information about the operation of the public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a web site at <http://www.sec.gov> which contains the Form S-1 and other reports, proxy and information statements and information regarding issuers that file electronically with the SEC.

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**ALDABRA 2 ACQUISITION CORP.  
(A CORPORATION IN THE DEVELOPMENT STAGE)**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders  
Aldabra 2 Acquisition Corp.

We have audited the accompanying balance sheet of Aldabra 2 Acquisition Corp. (a corporation in the development stage) as of February 28, 2007, and the related statements of operations, stockholders' equity and cash flows for the period from February 1, 2007 (inception) to February 28, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aldabra 2 Acquisition Corp. as of February 28, 2007, and the results of its operations and its cash flows for the period from February 1, 2007 (inception) to February 28, 2007 in conformity with United States generally accepted accounting principles.

/s/ Goldstein Golub Kessler LLP

Goldstein Golub Kessler LLP  
New York, New York  
March 9, 2007

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**ALDABRA 2 ACQUISITION CORP.  
(A CORPORATION IN THE DEVELOPMENT STAGE)**

**BALANCE SHEET**

|                                                                                                         | <b>February 28,<br/>2007</b> |
|---------------------------------------------------------------------------------------------------------|------------------------------|
| <b>ASSETS</b>                                                                                           |                              |
| <b>Current assets</b> <b>Cash</b>                                                                       | \$     101,532               |
| <b>Deferred offering costs</b> (Note 3)                                                                 | 23,468                       |
| <b>Total assets</b>                                                                                     | \$     125,000               |
| <br><b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                         |                              |
| <b>Current liabilities:</b>                                                                             |                              |
| Accrued expenses                                                                                        | \$           1,000           |
| Notes payable to initial stockholders (Note 4)                                                          | 100,000                      |
| <b>Total liabilities</b>                                                                                | \$     101,000               |
| <br><b>Commitments (Note 6)</b>                                                                         |                              |
| <b>Stockholders' equity</b>                                                                             |                              |
| Preferred stock, \$.0001 par value Authorized 1,000,000 shares; none issued or outstanding              |                              |
| Common stock, \$.0001 par value Authorized 60,000,000 shares Issued and outstanding<br>5,750,000 shares | 575                          |
| Additional paid-in capital                                                                              | 24,425                       |
| Deficit accumulated during the development stage                                                        | (1,000)                      |
| <b>Total stockholders' equity</b>                                                                       | 24,000                       |
| <b>Total liabilities and stockholders' equity</b>                                                       | \$     125,000               |

*See notes to Financial Statements.*

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**ALDABRA 2 ACQUISITION CORP.**  
**(A CORPORATION IN THE DEVELOPMENT STAGE)**

**STATEMENT OF OPERATIONS**

|                                     | <b>For the period<br/>February 1, 2007<br/>(inception)<br/>to February 28,<br/>2007</b> |
|-------------------------------------|-----------------------------------------------------------------------------------------|
| Formation costs                     | \$ 1,000                                                                                |
| Net loss                            | \$ (1,000)                                                                              |
| Weighted average shares outstanding | 5,750,000                                                                               |
| Net loss per share                  | \$ (0.00)                                                                               |

*See notes to Financial Statements.*

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**ALDABRA 2 ACQUISITION CORP.  
(A CORPORATION IN THE DEVELOPMENT STAGE)**

**STATEMENT OF STOCKHOLDERS EQUITY**

**For the period February 1, 2007 (inception) to February 28, 2007**

|                                                                                                | <b>Common Stock<br/>Shares</b> | <b>Common Stock<br/>Amount</b> | <b>Addition<br/>Paid-in<br/>Capital</b> | <b>Deficit<br/>Accumulated<br/>During the<br/>Development<br/>Stage</b> | <b>Stockholders<br/>Equity</b> |
|------------------------------------------------------------------------------------------------|--------------------------------|--------------------------------|-----------------------------------------|-------------------------------------------------------------------------|--------------------------------|
| Issuance of common stock to initial<br>stockholders on February 1, 2007 at<br>\$.004 per share | 5,750,000                      | \$ 575                         | \$ 24,425                               | \$                                                                      | \$ 25,000                      |
| Net Loss                                                                                       |                                |                                |                                         | (1,000)                                                                 | (1,000)                        |
| Balance at February 28, 2007                                                                   | 5,750,000                      | \$ 575                         | \$ 24,425                               | \$ (1,000)                                                              | \$ 24,000                      |

*See notes to Financial Statements*

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**ALDABRA 2 ACQUISITION CORP.  
(A CORPORATION IN THE DEVELOPMENT STAGE)**

**STATEMENT OF CASH FLOWS**

|                                                                      | <b>For the period<br/>February 1, 2007<br/>(inception)<br/>to February 28,<br/>2007</b> |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| <b>Cash flows from operating activities</b>                          |                                                                                         |
| Net loss                                                             | \$ (1,000)                                                                              |
| Increase in accrued expenses                                         | 1,000                                                                                   |
| <b>Net cash used in operating activities</b>                         |                                                                                         |
| <b>Cash flows from financing activities</b>                          |                                                                                         |
| Proceeds from sale of shares of common stock to Initial Stockholders | 25,000                                                                                  |
| Proceeds from notes payable to Initial Stockholders                  | 100,000                                                                                 |
| Payment of costs associated with Proposed Offering                   | (23,468)                                                                                |
| <b>Net cash provided by financing activities</b>                     | 101,532                                                                                 |
| <b>Net increase in cash</b>                                          | 101,532                                                                                 |
| <b>Cash at beginning of period</b>                                   |                                                                                         |
| <b>Cash at end of period</b>                                         | \$ 101,532                                                                              |

*See notes to Financial Statements*

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**Aldabra 2 Acquisition Corp.  
(a corporation in the development stage)**

**Notes to Financial Statements**

**1. Organization and Business Operations**

Aldabra 2 Acquisition Corp. (the Company) was incorporated in Delaware on February 1, 2007 for the purpose of effecting a merger, capital stock exchange, asset acquisition or other similar business combination with an operating business.

At February 28, 2007, the Company had not yet commenced any operations. All activity through February 28, 2007 relates to the Company's formation and the proposed public offering described below. The Company has selected December 31 as its fiscal year-end.

The Company's ability to commence operations is contingent upon obtaining adequate financial resources through a proposed public offering of up to 20,000,000 units (Units) which is discussed in Note 2 (Proposed Offering). The Company's management has broad discretion with respect to the specific application of the net proceeds of this Proposed Offering, although substantially all of the net proceeds of this Proposed Offering are intended to be generally applied toward consummating a business combination with an operating business (Business Combination). Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination. Upon the closing of the Proposed Offering, management has agreed that at least \$9.70 per Unit sold in the Proposed Offering will be held in a trust account (Trust Account) and invested in United States government securities within the meaning of Section 2(a)(16) of the Investment Company Act of 1940 having a maturity of 180 days or less or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940 until the earlier of (i) the consummation of its first Business Combination and (ii) liquidation of the Company. The placing of funds in the Trust Account may not protect those funds from third party claims against the Company. Although the Company will seek to have all vendors and service providers (which would include any third parties we engaged to assist us in any way in connection with our search for a target business) and prospective target businesses execute agreements with the Company waiving any right, title, interest or claim of any kind in or to any monies held in the Trust Account, there is no guarantee that they will execute such agreements. Nor is there any guarantee that, even if such entities execute such agreements with us, they will not seek recourse against the trust account or that a court would not conclude that such agreements are not legally enforceable. The Company's Chairman of the Board and the Company's Chief Executive Officer have agreed that they will be liable under certain circumstances to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by the Company for services rendered or contracted for or products sold to the Company. However, there can be no assurance that they will be able to satisfy those obligations. Furthermore, they will not have any personal liability as to any claimed amounts owed to a third party who executed a waiver (including a prospective target business). Additionally, in the case of a prospective target business that did not execute a waiver, such liability will only be in an amount necessary to ensure that public stockholders receive no less than \$10.00 per share upon liquidation. The remaining net proceeds (not held in the Trust Account) may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. Additionally, up to an aggregate of \$3,100,000 of interest earned on the Trust Account balance may be released to the Company to fund working capital requirements and additional amounts may be released to us as necessary to satisfy tax obligations.

The Company, after signing a definitive agreement for the acquisition of a target business, is required to submit such transaction for stockholder approval. In the event that stockholders owning 40% or more of the shares sold in the Proposed Offering vote against the Business Combination and exercise their conversion rights described below, the

Business Combination will not be consummated. All of the Company's stockholders prior to the Proposed Offering, including all of the officers and directors of the Company ( Initial Stockholders ), have agreed to vote their founding shares of common stock in accordance with the vote of the majority in interest of all other stockholders of the Company ( Public Stockholders ) with respect to any

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**Aldabra 2 Acquisition Corp.**  
**(a corporation in the development stage)**

**Notes to Financial Statements (Continued)**

**1. Organization and Business Operations (Continued)**

Business Combination. After consummation of a Business Combination, these voting safeguards will no longer be applicable.

With respect to a Business Combination which is approved and consummated, any Public Stockholder who voted against the Business Combination may demand that the Company convert his or her shares. The per share conversion price will equal the amount in the Trust Account, calculated as of two business days prior to the consummation of the proposed Business Combination, divided by the number of shares of common stock held by Public Stockholders at the consummation of the Proposed Offering. Accordingly, Public Stockholders holding 39.99% of the aggregate number of shares owned by all Public Stockholders may seek conversion of their shares in the event of a Business Combination. Such Public Stockholders are entitled to receive their per share interest in the Trust Account computed without regard to the shares held by Initial Stockholders.

The Company's Certificate of Incorporation will be amended prior to the Proposed Offering to provide that the Company will continue in existence only until 24 months from the Effective Date of the Proposed Offering. If the Company has not completed a Business Combination by such date, its corporate existence will cease and it will dissolve and liquidate for the purposes of winding up its affairs. In the event of liquidation, it is likely that the per share value of the residual assets remaining available for distribution (including Trust Fund assets) will be less than the initial public offering price per share in the Proposed Offering (assuming no value is attributed to the Warrants contained in the Units to be offered in the Proposed Offering discussed in Note 2).

**Concentration of Credit Risk** The Company maintains cash in a bank deposit account which, at times, exceeds federally insured (FDIC) limits. The Company has not experienced any losses on this account.

**Deferred Income Taxes** Deferred income tax assets and liabilities are computed for differences between the financial statements and tax basis of assets and liabilities that will result in future taxable or deductible amounts and are based on enacted tax laws and rates applicable to the periods in which the differences are expected to effect taxable income. Valuation allowances are established when necessary to reduce deferred income tax assets to the amount expected to be realized.

**Loss Per Share** Loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period.

**Use of Estimates** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

**New Accounting Pronouncements** Management does not believe that any recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

**2. Proposed Public Offering**

The Proposed Offering calls for the Company to offer for public sale up to 20,000,000 Units at a proposed offering price of \$10.00 per Unit (plus up to an additional 3,000,000 units solely to cover over-allotments, if any). Each Unit consists of one share of the Company's common stock and one Redeemable Common Stock Purchase Warrant ( Warrants ). Each Warrant will entitle the holder to purchase from the Company one share of common stock at an exercise price of \$7.50 commencing the later of the completion of a Business Combination and one year from the effective date of the Proposed Offering and expiring four years from the effective date of the Proposed Offering. The Company may redeem the Warrants, at a price of

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**Aldabra 2 Acquisition Corp.**  
**(a corporation in the development stage)**

**Notes to Financial Statements (Continued)**

**2. Proposed Public Offering (Continued)**

\$.01 per Warrant upon 30 days' notice while the Warrants are exercisable, only in the event that the last sale price of the common stock is at least \$14.25 per share for any 20 trading days within a 30 trading day period ending on the third day prior to the date on which notice of redemption is given. In accordance with the warrant agreement relating to the Warrants to be sold and issued in the Proposed Offering, the Company is only required to use its best efforts to maintain the effectiveness of the registration statement covering the Warrants. The Company will not be obligated to deliver securities, and there are no contractual penalties for failure to deliver securities, if a registration statement is not effective at the time of exercise. Additionally, in the event that a registration is not effective at the time of exercise, the holder of such Warrant shall not be entitled to exercise such Warrant and in no event (whether in the case of a registration statement not being effective or otherwise) will the Company be required to net cash settle the warrant exercise. Consequently, the Warrants may expire unexercised and unredeemed.

The Company will pay the underwriters in the Proposed Offering an underwriting discount of 7% of the gross proceeds of the Proposed Offering. However, the underwriters have agreed that 3% of the underwriting discounts will not be payable unless and until the Company completes a Business Combination and have waived their right to receive such payment upon the Company's liquidation if it is unable to complete a Business Combination.

**3. Deferred Offering Costs**

Deferred offering costs consist of legal and other fees incurred through the balance sheet date that are directly related to the Proposed Offering and that will be charged to stockholders' equity upon the receipt of the capital raised or charged to operations if the Proposed Offering is not completed.

**4. Notes Payable, Stockholders**

The Company issued unsecured promissory notes in an aggregate principal amount of \$100,000 to two of the Initial Stockholders on February 27, 2007. The notes are non-interest bearing and are payable on the earlier of February 27, 2008 or the consummation of the Proposed Offering. Due to the short-term nature of the notes, the fair value of the notes approximates their carrying amount.

**5. Income Taxes**

Significant components of the Company's future tax assets are as follows:

|                                           |        |
|-------------------------------------------|--------|
| Expenses deferred for income tax purposes | \$ 340 |
| Less: valuation allowance                 | (340)  |
| Totals                                    | \$     |

Management has recorded a full valuation allowance against its deferred tax assets because it does not believe it is more likely than not that sufficient taxable income will be generated.

The effective tax rate differs from the statutory rate of 34% due to the increase in the valuation allowance.

## **6. Commitments**

The Company presently occupies office space provided by an affiliate of two of the Initial Stockholders. Such affiliate has agreed that, until the Company consummates a Business Combination, it will make such office space, as well as certain office and secretarial services, available to the Company, as may be required by the Company from time to time. The Company has agreed to pay such affiliate \$7,500 per month for such services commencing on the effective date of the Proposed Offering.

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**Aldabra 2 Acquisition Corp.**  
**(a corporation in the development stage)**

**Notes to Financial Statements (Continued)**

**6. Commitments (Continued)**

Pursuant to letter agreements which the Initial Stockholders will enter into with the Company and the underwriters, the Initial Stockholders will waive their right to receive distributions with respect to their founding shares upon the Company's liquidation.

The Company's Chairman and the Company's Chief Executive Officer have committed to purchase a total of 3,000,000 Warrants ( Insider Warrants ) at \$1.00 per Warrant (for an aggregate purchase price of \$3,000,000) privately from the Company. These purchases will take place simultaneously with the consummation of the Proposed Offering. All of the proceeds received from these purchases will be placed in the Trust Account. The Insider Warrants to be purchased by such purchaser will be identical to the Warrants underlying the Units being offered in the Proposed Offering except that the Warrants may not be called for redemption and the Insider Warrants may be exercisable on a cashless basis, at the holder's option, so long as such securities are held by such purchaser or his affiliates. Furthermore, the purchaser has agreed that the Insider Warrants will not be sold or transferred by them, except for estate planning purposes, until after the Company has completed a Business Combination.

The Initial Stockholders and the holders of the Insider Warrants (or underlying securities) will be entitled to registration rights with respect to their founding shares or Insider Warrants (or underlying securities) pursuant to an agreement to be signed prior to or on the effective date of the Proposed Offering. The holders of the majority of the founding shares are entitled to demand that the Company register these shares at any time commencing three months prior to the first anniversary of the consummation of a Business Combination. The holders of the Insider Warrants (or underlying securities) are entitled to demand that the Company register these securities at any time after the Company consummates a Business Combination. In addition, the Initial Stockholders and holders of the Insider Warrants (or underlying securities) have certain piggy-back registration rights on registration statements filed after the Company's consummation of a Business Combination.

The Company has also agreed to pay the fees to the underwriters in the Proposed Offering as described in Note 2 above.

**7. Preferred Stock**

The Company is authorized to issue 1,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors.

The agreement with the underwriters will prohibit the Company, prior to a Business Combination, from issuing preferred stock which participates in the proceeds of the Trust Account or which votes as a class with the Common Stock on a Business Combination.

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Until , 2007, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

No dealer, salesperson or any other person is authorized to give any information or make any representations in connection with this offering other than those contained in this prospectus and, if given or made, the information or representations must not be relied upon as having been authorized by us. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any security other than the securities offered by this prospectus, or an offer to sell or a solicitation of an offer to buy any securities by anyone in any jurisdiction in which the offer or solicitation is not authorized or is unlawful.

**\$200,000,000**

**20,000,000 Units**

**PROSPECTUS**

**Lazard Capital Markets**

**Pali Capital, Inc.**

**Ladenburg Thalmann & Co. Inc.**

**EarlyBirdCapital, Inc.**

**, 2007**