

FOOD & LIFESTYLE

D.C. restaurateur gets into the SPAC game, targets food, real estate companies



Steve Salis bought longtime Dupont Circle bookshop and restaurant Kramerbooks & Afterwords Cafe, now just called Kramers, in 2016.

SALIS HOLDINGS

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Greater Washington's newest blank-check company comes from Steve Salis, co-founder of &pizza whose firm Salis Holdings now owns Ted's Bulletin, Kramers bookstore and cafe, and other businesses.

Sizzle Acquisition Corp. has a goal to raise up to \$143.7 million in its initial public offering if underwriters exercise options to purchase additional shares, according to a Securities and Exchange Commission filing.

A blank-check company, or special purpose acquisition company (SPAC), is a publicly traded entity with no products or services that uses the cash received from its own initial public offering to purchase or merge with a private company – in effect taking the other company public without the traditional IPO process.

Sizzle is targeting businesses in the “restaurant, hospitality, food and beverage, retail, consumer, food and food related technology and real estate industries,” according to the filing. Within those categories, the company is looking for acquisitions that have strong branding, “may have been adversely affected by Covid-related shutdowns, but have a definable path forward,” and “can serve as a platform company to make future bolt-on acquisitions,” according to the filing.



Steve Salis of Salis Holdings, which owns Ted's Bulletin, Kramers and other businesses, is going SPAC.

Salis will serve as chairman and CEO of the SPAC, and has brought on other executives from Salis Holdings, including Executive Chairman Jamie Karson, who previously served as chairman and CEO of Steve Madden and chairman and CEO of packaged soup company Original Soupman. Karson will be a nonexecutive vice chairman of Sizzle Acquisition Corp.

Daniel Lee, Salis Holdings's senior vice president for business development, will be Sizzle's head of business and corporate development. Lee is former CFO of analytics

firm RiskSpan and former vice president of investments at NextGen Venture Partners, among others. Grace Park, Salis Holdings' chief accounting officer and senior vice president of finance, will be Sizzle's chief financial officer. Park previously served as corporate controller for Five Guys and internal audit manager at Nestle.

Sizzle has also lined up a slate of board members with plenty of experience in the food and finance worlds. Thompson Hospitality Corp. Chairman and President Warren Thompson, former sweetgreen COO Karen Kelley and former Goldman Sachs Managing Director David Perlin will serve as directors.

It plans to trade on the Nasdaq under the ticker "SZZL."

Two investors, New York investment bank EarlyBirdCapital Inc. and VO Sponsor LLC, have agreed to purchase shares in a private placement as part of the offering. VO Sponsor LLC lists Salis and Salis Holdings Executive Chairman Jamie Karson as managing members.

Salis and Karson will each own 21.9% of the resulting company after the offering. VO Sponsor, of which Park, Kelley, Perlin and Thompson are also members, will also own 21.9%.

Shares of Sizzle Acquisition Corp. are priced at \$10 apiece and each one includes the right to purchase half of a share in the future, which could raise an additional \$82.66 million in the next five years, according to the filing.

“Since the core of our leadership team has worked together for the past three years analyzing suitable targets for acquisition by [Salis Holdings] and its private equity partner, we have established efficient protocols and procedures that we believe will be utilized to efficiently manage deal flow, analysis and negotiations, which should provide us with a competitive advantage,” the company said in its filing.

We've reached out to Salis for more information and will update this post if we hear back.

Salis's foray into the world of blank-check companies is the latest in a string of them across Greater Washington.

Venture capitalist Steve Case has two SPACs. Investor Mark Ein's fifth blank-check company recently found its own target in technology-enabled residential real estate services company Doma, along with two other SPACs Ein launched in recent weeks.

Other local SPAC deals include EJV Acquisition Corp., spearheaded by Emanuel Friedman, co-founder of capital markets firm FBR & Co. and asset management firm EJV Capital LLC, which raised \$287.5 million, according to a March 1 filing. College Park quantum computing firm IonQ just announced a deal Monday to go public by merging with a SPAC.