CFIUS Clearance: Duddell Street Acquisition Corp. (U.S.); Maso Capital (Hong Kong SAR, China) and FiscalNote Holdings, Inc (U.S.)

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Wednesday, August 10, 2022

Status: Clearance

Acquirer: Duddell Street Acquisition Corp. (U.S.); Maso Capital (Hong Kong SAR, China)

Acquired: FiscalNote Holdings, Inc (U.S.)

Value: $1.3 billion
“FiscalNote Holdings, Inc., a leading AI-driven enterprise SaaS company that delivers legal and regulatory data and insights, and Duddell Street Acquisition Corp. (Nasdaq: “DSAC”), a publicly traded special purpose acquisition company, announced [on November 8, 2021] that they have entered into a definitive business combination agreement that will result in FiscalNote becoming a publicly listed company with a pro forma market capitalization of approximately $1.3 billion. Upon closing, the combined company will operate under the FiscalNote name and trade on the Nasdaq under the ticker symbol ‘NOTE’. “ (Press Release, Duddell Street Acquisition Corp. Form 8-K, Ex-99.1, Nov. 8, 2021, SEC filing.) Pursuant to the agreement, two board members “shall be designated by Duddell Street Holdings Limited (the ‘Sponsor’), subject to CFIUS approval . . .” (Duddell Street Acquisition Corp. Form 8-K, Nov. 8, 2021, SEC filing.) “Duddell Street Holdings Limited, a Cayman Islands limited liability company (‘Sponsor’) is the record and ‘beneficial owner’ . . . of 4,325,000 DSAC Class B Ordinary Shares and (b) Maso Capital Investments Limited, a Cayman Islands exempted company (‘MCIL’), Blackwell Partners LLC – Series A, a Delaware limited liability company (‘Blackwell’) and Star V Partners LLC, a Tennessee limited liability company (‘Star’ and collectively with MCIL and Blackwell, ‘Maso’) are the record and beneficial owners of 4,000,000 DSAC Class A Ordinary Shares (Maso, collectively with Sponsor, the ‘Sponsor Parties’).” (Sponsor Letter Agreement, Duddell Street Acquisition Corp. Form 8-K, Ex-10.1, Nov. 8, 2021, SEC filing.)

In response to questions from the U.S. SEC, Duddell Street Acquisition Corp. stated that the transaction “is not subject to a mandatory CFIUS filing requirement and review,” but the parties “determined that CFIUS has jurisdiction over the Business Combination as a ‘covered investment’ because (i) FiscalNote is likely a ‘TID US business’ as defined at 31 C.F.R. § 800.248 as a result of certain non-public communications data it holds, and (ii) the Sponsor is acquiring the right to appoint two (2) directors to the board of New FiscalNote. Accordingly, the Parties elected to file with CFIUS on a voluntary basis and have conditioned Sponsor’s board nomination rights on CFIUS approval.” (Response to the Staff’s comment in Duddell Street Acquisition Corp. Correspondence, Feb. 14, 2022, SEC filing.) “On June 6, 2022, the Filing Parties obtained approval from CFIUS regarding the Proposed Transaction, without conditions.” (Duddell Street Acquisition Corp. Form S-4/A, June 22, 2022, SEC filing.)

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National Law Review, Volume XII, Number 222