

# Tilman Fertitta taking Golden Nugget, Landry's public through merger

By [Bailey Schulz](#) Las Vegas Review-Journal  
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Tilman Fertitta's Golden Nugget and Landry's Inc. will go public once again through a deal valued at \$6.6 billion.

Houston-based Fertitta Entertainment Inc., parent company of Golden Nugget and Landry's, is set to hit the New York Stock Exchange in the second quarter through a merger with blank-check company FAST Acquisition Corp. Fertitta took his company private in [2010](#) after 17 years of trading publicly.

Fertitta said the company was able to accomplish "a lot" while private, but he believes going public is the best way to maximize opportunities "in today's opportunistic world." The combined company will include the majority of the assets and businesses that make up Golden Nugget and Landry's, as well as 31 million shares in Golden Nugget Online Gaming Inc., an online gaming platform.

"I look forward to returning my Company to the public marketplace," Fertitta said in a Monday news release. "FAST provided us with the perfect merger vehicle to allow us to take control of an already existing public company. FAST's capital along with the equity investment from institutional shareholders

will strengthen our balance sheet and allow us to pursue our acquisition strategy.”

## **A ‘no-brainer’ deal**

Fertitta, the sole owner of the holding company Fertitta Entertainment, plans to keep his position as chairman, president and CEO. No other changes to management are expected, according to the release.

The company’s assets include controlling stake in Golden Nugget Online Gaming; well-known restaurant brands like Joe’s Crab Shack and Rainforest Cafe; and five Golden Nugget-branded casinos, including one in Las Vegas.

The combined company’s largest shareholder will be Fertitta, with about 60 percent interest and stock valued in excess of \$2 billion upon closing. FAST sponsors are expected to own 1 percent, participants in the private investment in public equity participants are set to hold 35 percent and remaining public stockholders will hold the remaining 4 percent.

Fertitta, third cousin to Station Casinos owners Lorenzo Fertitta and Frank Fertitta III, said he began exploring going public again in 2019, when “tremendous” merger and acquisition deals were hitting the market. Those efforts were stalled when the pandemic hit.

It didn’t take long for Fertitta to turn his attention toward FAST, a blank-check company by co-headed by Doug Jacob, the co-founder of restaurant chain & pizza, and Sandy Beall, co-founder and former CEO of Ruby Tuesday. These special purpose acquisition companies — also known as SPACs — have no

commercial operations, and are formed solely to raise money through an initial public offering and merge with existing, operating companies.

“After I compared the opportunities provided by a transaction with FAST, versus the traditional IPO route, it became abundantly clear that we could access the capital markets with more certainty and speed if we did a deal with FAST,” Fertitta said.

The combined company is expected to use the proceeds from the transaction for “general corporate purposes,” to reduce existing debt and to accelerate growth initiatives, according to the release.

Monday’s release outlined a number of ways the pandemic could lead to growth opportunities. The pandemic has led to financial distress and closures in the restaurant industry, which could lead to acquisition opportunities and less competition. Additionally, the legalization of online gaming has been accelerated by land-based casino shutdowns, which could be a boon for Golden Nugget Online Gaming.

“(The merger with FAST provides) expansion opportunities and increases their portfolio,” said Brendan Bussmann, director of government affairs for Global Market Advisors. “It’s a sign they want to play in the space.”

Jacob said he expects “continued success as a public company,” led by pent-up consumer demand as well as Fertitta Entertainment’s diverse portfolio.

Josh Swissman, founding partner of gaming and hospitality consulting firm The Strategy Organization, said the deal makes sense for both FAST and Fertitta. He

also noted that this isn't Fertitta's first deal with a blank-check company; Golden Nugget Online Gaming went public via a SPAC merger last year.

“For the smaller, nimbler, more aggressive companies, and I would put Tilman (Fertitta) and Golden Nugget in that category ... it makes sense that he would leverage this SPAC transaction to get to market,” he said. “It's a smart move by him, and it's a smart move by the SPAC to invest in him because I think he's a shrewd operator on the gaming and restaurant side.”

These SPAC mergers have been a growing trend in the gaming space and beyond in recent months. [PlayStudios](#) announced plans Monday to merge with a SPAC led by Jim Murren. Las Vegas-based [Affinity Gaming](#) announced last month that it is looking for acquisition opportunities through a SPAC, and Vegas Golden Knights owner [Bill Foley](#) has a blank-check company that announced plans in December to merge with an online payments processing firm tied to big-name casino companies.

The rising popularity of SPAC deals means Fertitta had plenty of partners to choose from, Swissman said. The Texas billionaire landed on FAST, a blank-check company filled with big names in the restaurant industry who can share their industry knowledge.

“He's able to tap into the leadership team of FAST,” Swissman said. “That can help him manage his business better.”

The boards of directors of FAST and Fertitta have unanimously approved the transaction. It still needs the stamp of approval from FAST stockholders and is subject to other closing conditions, including certain regulatory and gaming approvals.

FAST, which raised \$200 million in its initial public offering in August, was up 1.6 percent Monday morning, trading at \$10.75 on the New York Stock Exchange. Golden Nugget Online Gaming shares closed up 5.4 percent to \$18.82 on the Nasdaq.

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