Pinstripes Bowls Onto National Experiential Dining Scene With NYSE Debut

Case Study

In June of 2023, Northbrook, Illinois-based Pinstripes Inc., which at the time had 13 locations in eight states and Washington, DC, announced plans to go public with a large-scale expansion of its experiential dining and entertainment brand combining bistro, bowling, bocce and private event space. As part of its growth strategy, Pinstripes is filling holes left by disappearing big-box shopping mall anchors, revitalizing retail spaces with its brand of dining and entertainment and hosting events that range from company outings and birthday parties to weddings.

Tapped by Partner Christopher Atkinson, Co-Chair of Katten's Mergers & Acquisitions and Private Equity Practice, Capital Markets Partner Mark Wood led the legal team that helped Pinstripes go public through a merger with special purpose acquisition company (SPAC) Banyan Acquisition Corporation (Banyan). The deal, which closed at the end of 2023, valued Pinstripes at approximately $380 million, based upon a value of $10 ascribed to each SPAC share. The transaction included an equity investment of over $20 million directly in Pinstripes by Middleton Partners, a Chicago-based investment firm, and a debt investment of $50 million in the combined company by Oaktree Capital Management. The deal closed on schedule, with Pinstripes' common stock commencing trading on the New York Stock Exchange (NYSE) on January 2, 2024.

In 2023, initial public offerings (IPOs) experienced a significant decrease, mainly in the first quarter. This decline was due to high interest rates and other factors that discouraged many companies from going public. Additionally, SPAC activity slowed down sharply in the same year. Redemption rates were notably high, and fundraising was a challenge. SPACs were also under increasing regulatory scrutiny from the Securities and Exchange Commission.

In addition, the deal team faced a looming year-end deadline to ensure more favorable tax implications for the new company.

Katten has been a trusted advisor to Pinstripes for a considerable time, and the firm also represented Banyan when it went public in January 2022. When Pinstripes began exploring options for going public, including through a potential business combination with a SPAC, Mark introduced Pinstripes' founder to the leadership team at Banyan. The

successful closing of the deal required a team with in-depth knowledge of crucial areas, such as capital markets, mergers and acquisitions, tax planning, executive compensation and private credit.

Mark, who is Co-Chair of Katten's Capital Markets Practice, spearheaded the representation, along with Capital Markets Partners Elizabeth McNichol, Vlad Bulkin and Jonathan Weiner, and Associates Michelle Mount and Michael Tremeski; Mergers & Acquisitions Partner Harold Davidson, and Associates Alex Haddad, Weston Love and Aaron Weiss; Transactional Tax Planning Partners Saul Rudo and Valentina Famparska, and Associates Jeffrey Ng and Drew Palmer; Employee Benefits and Executive Compensation Partners Mitchel Pahl, Shira Selengut, Counsel Lisa Christensen, and Associate David Mohl; Private Credit Partner Kirby Chin, Counsel Stacy Cundy and Associate Jesse Sanchez; Securities Litigation Partner Jonathan Rotenberg; Commercial Litigation Partners James Calder and Nancy Rich; and Intellectual Property Associate Cynthia Martens.

The Pinstripes business combination, which raised more than $70 million to support the growth of the newly public company, was approved by Banyan's stockholders on December 27, 2023, and the company, now Pinstripes Holdings, began trading publicly on the NYSE the following week under the ticker symbols PNST and PNST WS.

In celebration, Pinstripes Founder and CEO Dale Schwartz rang the NYSE opening bell on January 19.

By early 2024, Pinstripes was operating 16 large experiential dining venues, with more in development.