

King of Prussia tech company agrees to be acquired in \$350M deal

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CardConnect, a King of Prussia FinTech startup aimed at simplifying card transactions, has agreed to merge with FinTech Acquisition Corp. for \$350 million of cash and common stock.

FinTech Acquisition (NASDAQ: FNTC) will acquire CardConnect, and the newly merged company will be renamed CardConnect Corp. CardConnect's current executive team will assume leadership of the newly merged company, which will adopt the ticker symbol "CCN." The parties expect the transaction to close in June.

"CardConnect has developed a straightforward value proposition that provides both large enterprises and smaller merchants a robust platform that optimizes security and the user experience," CardConnect CEO [Jeff Shanahan](#) said in a statement. "Our new capital structure will support our opportunistic acquisition strategy and our development of new products and technology, which will help scale the business."

CardConnect was originally founded in Cleveland in 2006 but moved to Philadelphia because of its low cost of living and glut of colleges. On [a panel](#) last December (which has now seen [two representatives](#) strike a deal in the last month), Shanahan said these factors make the city a prime destination for valuable millennial employees.

Shanahan's company has over 60,000 merchants on its platform, and has processed over \$17 billion in credit card transactions. It's backed by a \$50 million investment from the private equity firm FTV Capital.

FNTC is a blank check company exclusively constructed to effect a merger of this scale. It made a \$100 million initial public stock offering in February 2015, selling 10 million shares. According to its most recent 10-K filing with the SEC, FNTC intended "to use cash from the proceeds of our initial public offering... to effectuate our initial business combination." The filing said FNTC had until Aug. 19, 2016 to finalize such a deal, or it would distribute its capital into a trust account and cease operations.

No changes are expected in employment in King of Prussia.

It purchased CardConnect for \$180 million in cash and \$170 million in FNTC common stock. FNTC will also pay \$62 million of CardConnect's debt.

Financial Technology Partners and FTP Securities served as CardConnect's financial and strategic advisors in the deal, while Kirkland & Ellis acted as CardConnect's legal counsel.