

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2014

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 001-35898

CAPITOL ACQUISITION CORP. II
(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

27-4749725

(I.R.S. Employer
Identification Number)

509 7th Street, N.W.
Washington, D.C.

(Address of Principal Executive Offices)

20004

(Zip Code)

202-654-7060

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	The NASDAQ Stock Market LLC
Warrants, each to purchase one share of Common Stock at an exercise price of \$11.50	The NASDAQ Stock Market LLC
Units, each to purchase one share of Common Stock and one half of One Warrant	The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 30, 2014 (the last business day of the registrant's most recently completed second fiscal quarter), the aggregate market value of the common stock held by non-affiliates of the registrant was approximately \$196,400,000 based on its last reported sales price of \$9.82 on NASDAQ Stock Market LLC.

As of March 13, 2015, there were 25,000,000 shares of common stock, \$0.0001 par value per share, outstanding.

Documents Incorporated by Reference: None.

CAPITOL ACQUISITION CORP. II
FORM 10-K
TABLE OF CONTENTS

	Page	
PART I		
Item 1.	Business.	1
Item 1A.	Risk Factors.	6
Item 1B.	Unresolved Staff Comments.	16
Item 2.	Properties.	16
Item 3.	Legal Proceedings.	16
Item 4.	Mine Safety Disclosures.	16
PART II		
Item 5.	Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.	17
Item 6.	Selected Financial Data.	19
Item 7.	Management’s Discussion and Analysis of Financial Condition and Results of Operations.	20
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk.	23
Item 8.	Financial Statements and Supplementary Data.	24
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.	24
Item 9A.	Controls and Procedures.	24
Item 9B.	Other Information.	24
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance.	25
Item 11.	Executive Compensation.	30
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.	31
Item 13.	Certain Relationships and Related Transactions, and Director Independence.	34
Item 14.	Principal Accounting Fees and Services.	37
PART IV		
Item 15.	Exhibits, Financial Statement Schedules.	39

PART I

Item 1. Business.

In this Annual Report on Form 10-K (the "Form 10-K"), references to "Capitol" or the "Company" and to "we," "us" and "our" refer to Capitol Acquisition Corp. II.

Introduction

We are a Delaware company incorporated on August 9, 2010 for the purpose of entering into a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization or other similar business combination with one or more businesses or entities.

We maintain a website located at <http://www.capitolacquisition.com>. Our corporate filings, including our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, our proxy statements and reports filed by our officers and directors under Section 16 (a) of the Securities Exchange Act, and any amendments to those filings, are available, free of charge, on our website as soon as reasonably practicable after we electronically file such material with the Securities and Exchange Commission. We do not intend for information contained on our website to be a part of this Annual Report on Form 10-K.

In addition, you can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Washington, D.C. 20549.

You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Company History

In February 2011, we issued 4,417,684 shares of common stock ("founder's shares") to Capitol Acquisition Management 2 LLC (our "sponsor") for \$25,000 in cash, at a purchase price of approximately \$0.006 share, in connection with our organization. In March 2013, our sponsor contributed an aggregate of 105,184 shares of our common stock to our capital, resulting in our sponsor owning an aggregate of 4,312,500 founder's shares. The sponsor received no consideration for this contribution. Such contribution was made solely to maintain the sponsor's collective 20% ownership interest in our shares of common stock based on the then current size of our initial public offering. Thereafter, also in March 2013, our sponsor transferred an aggregate of 1,078,126 founder's shares to our executive officers and directors. In April 2013, our sponsor and Dyson Dryden, our chief financial officer and a director, transferred an aggregate of 22,998 founder's shares to Messrs. Calcano, Donaldson and Sodha, each a director, resulting in our sponsor owning an aggregate of 3,222,875 founder's shares and Mr. Dryden owning an aggregate of 974,626 founder's shares. The shares were transferred for the same per share consideration originally paid for by the transferors. In May 2013, we effected a stock dividend of 0.2 shares for each outstanding share of common stock, resulting in our sponsor and officers and directors holding an aggregate of 5,175,000 founder's shares, of which 175,000 shares were subsequently forfeited.

On May 15, 2013, we consummated our initial public offering ("Offering") of 20,000,000 units, including 2,000,000 units under the underwriters' over-allotment option, with each unit consisting of one share of common stock and one half of one warrant, each whole warrant to purchase one share of common stock. The shares of common stock and the warrants included in the units traded as a unit until July 1, 2013 when separate trading of common stock and warrants began. No fractional warrants will be issued and only whole warrants will trade. Holders now have the option to continue to hold units or separate their units into the component pieces. Each whole warrant entitles its holder, upon exercise, to purchase one share of common stock for \$11.50 subject to certain adjustments, during the period commencing on the later of thirty days after we complete an initial business combination or May 10, 2014 and terminating on the five-year anniversary of the completion of our initial business combination. The units were sold at an offering price of \$10.00 per unit, generating gross proceeds of \$200,000,000.

Simultaneously with the consummation of the Offering, we consummated the private placement (“Private Placement”) of 5,600,000 warrants (“sponsor’s warrants”) at a price of \$1.00 per warrant, generating total proceeds of \$5,600,000. The sponsor’s warrants are identical to the warrants included in the units sold in the Offering except that the sponsor’s warrants: (i) will not be redeemable by us and (ii) may be exercised for cash or on a cashless basis, in each case so long as they are held by the initial purchasers or any of their permitted transferees. The purchasers of the sponsor’s warrants have also agreed not to transfer, assign or sell any of the sponsor’s warrants, including the common stock issuable upon exercise of the sponsor’s warrants (except to certain permitted transferees), until 30 days after the completion of an initial business combination.

We incurred a total of \$4,000,000 in underwriting discounts and commissions (not including deferred fees) and \$666,300 for other costs and expenses related to the Offering.

After deducting the underwriting discounts and commissions and the offering expenses, the total net proceeds to us from the Offering were \$200,933,700. Of this amount, \$200,000,000 we received from the sale of units in the Offering and the Private Placement of sponsor’s warrants was deposited into a trust account. Except as described in this Form 10-K, these funds will not be released to us until the earlier of the completion of a business combination or our liquidation upon our failure to consummate a business combination within the required time period (which may not occur until May 15, 2015).

Merger Agreement

On March 9, 2015, we entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Argo Expeditions, LLC, a Delaware limited liability company and our wholly-owned subsidiary (“LLC Sub”), Argo Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of LLC Sub (“Merger Sub”), and Lindblad Expeditions, Inc., a New York corporation (“Lindblad”).

Pursuant to the Merger Agreement, Merger Sub will be merged with and into Lindblad to form an interim corporation (“Interim Corporation”), and such Interim Corporation shall immediately thereafter be merged with and into LLC Sub to form the surviving company as our wholly-owned subsidiary. In connection with the transaction, the stockholders of Lindblad will receive merger consideration having an aggregate value of approximately \$330,000,000, comprised of approximately \$90,000,000 in cash and approximately 24,000,000 shares of our common stock, including options to purchase shares of our common stock.

Lindblad is an expedition travel company that works in partnership with National Geographic to inspire people to explore and care about the planet. The organizations work in tandem to produce innovative marine expedition programs and to promote conservation and sustainable tourism around the world. The partnership’s educationally oriented voyages allow guests to interact with and learn from leading scientists, naturalists and researchers while discovering stunning natural environments, above and below the sea, through state-of-the-art exploration tools

The proposed transaction is expected to be consummated by May 15, 2015, after the required approval by our stockholders and the fulfillment of certain other conditions, as described in our Current Report on Form 8-K filed on March 10, 2015 (the “Merger Form 8-K”) and in the Merger Agreement.

The description of the Merger Agreement and the transactions contemplated thereby contained in the Merger Form 8-K is incorporated herein by reference.

Effecting a Business Combination

Fair Market Value of Target Business

Pursuant to the NASDAQ Stock Market LLC listing rules, the target business or businesses that we acquire must collectively have a fair market value equal to at least 80% of the balance of the funds in the trust account (excluding deferred underwriting commissions and taxes payable on the income earned on the trust account) at the time of the execution of a definitive agreement for our initial business combination, although we may acquire a target business whose fair market value significantly exceeds 80% of the trust account balance. Our board of directors determined that this test was met in connection with the proposed business combination with Lindblad.

Stockholder Approval of Business Combination

In connection with the proposed business combination with Lindblad, we will seek stockholder approval of such initial business combination at a meeting called for such purpose at which stockholders may seek to convert their shares, regardless of whether they vote for or against the proposed business combination, into their pro rata share of the aggregate amount then on deposit in the trust account, less any taxes then due but not yet paid, subject to the limitations described herein. The amount in the trust account is currently approximately \$10.00 per share. We will consummate our initial business combination only if we have net tangible assets of at least \$5 million upon such consummation and a majority of the outstanding shares of common stock voted are voted in favor of the business combination.

Voting Restrictions in Connection with Stockholder Meeting

In connection with the vote for the proposed business combination with Lindblad, our sponsor, as well as all of our officers and directors, have agreed to vote the shares of common stock owned by them in favor of such proposed business combination. None of our officers, directors, sponsor or their affiliates has indicated any intention to purchase any units or shares of common stock from persons in the open market or in private transactions. However, if a significant number of stockholders vote, or indicate an intention to vote, against the proposed business combination with Lindblad, our officers, directors, sponsor or their affiliates could make such purchases in the open market or in private transactions in order to influence the vote. The purpose of such arrangements would be to increase the likelihood of satisfaction of the requirements that the holders of a majority of our shares of common stock outstanding vote in favor of the proposed business combination and that we have at least \$5 million of net tangible assets upon consummation of such business combination where it appears that such requirements would otherwise not be met. All shares purchased by our sponsor, officers, directors or their affiliates would be voted in favor of the proposed business combination. No such arrangements currently exist.

Conversion Rights

In connection with the proposed business combination with Lindblad, public stockholders may seek to convert their shares, regardless of whether they vote for or against the proposed business combination, into their pro rata share of the aggregate amount then on deposit in the trust account, less any taxes then due but not yet paid.

Notwithstanding the foregoing, a public stockholder, together with any affiliate of his or any other person with whom he is acting in concert or as a “group” (as defined in Section 13(d)(3) of the Exchange Act) will be restricted from seeking conversion rights with respect to 10% or more of the shares of common stock sold in the Offering. Such a public stockholder would still be entitled to vote against the proposed business combination with respect to all shares of common stock owned by him or his affiliates. We believe this restriction will prevent stockholders from accumulating large blocks of shares before the vote held to approve the proposed business combination with Lindblad and attempt to use the conversion right as a means to force us or our management to purchase their shares at a significant premium to the then current market price.

Our sponsor, officers and directors will not have conversion rights with respect to any shares of common stock owned by them, directly or indirectly.

We may also require public stockholders, whether they are a record holder or hold their shares in “street name,” to either tender their certificates to our transfer agent at any time through the vote on the business combination or to deliver their shares to the transfer agent electronically using Depository Trust Company’s DWAC (Deposit/Withdrawal At Custodian) System, at the holder’s option.

The proxy solicitation materials that we will furnish to stockholders in connection with the vote for the proposed business combination with Lindblad will indicate whether we are requiring stockholders to satisfy such certification and delivery requirements. Accordingly, a stockholder would have from the time the stockholder received our proxy statement through the vote on the business combination to deliver his shares if he wishes to seek to exercise his conversion rights.

Any request to convert such shares once made, may be withdrawn at any time up to the vote on the proposed business combination. Furthermore, if a holder of a public share of common stock delivered his certificate in connection with an election of their conversion and subsequently decides prior to the vote on the proposed business combination not to elect to exercise such rights, he may simply request that the transfer agent return the certificate (physically or electronically).

If the proposed business combination is not approved or completed for any reason, then our public stockholders who elected to exercise their conversion rights would not be entitled to convert their shares for the applicable pro rata share of the trust account. In such case, we will promptly return any shares delivered by public holders.

Liquidation if No Business Combination

Our amended and restated certificate of incorporation provides that we have until May 15, 2015 to complete the business combination with Lindblad. If we do not complete an initial business combination by such date, our amended and restated certificate of incorporation provides that we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including any interest but net of franchise and income taxes payable, divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate, subject (in the case of (ii) and (iii) above) to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

Our sponsor, officers and directors have agreed that they will not propose any amendment to our amended and restated certificate of incorporation that would affect the substance or timing of our obligation to redeem 100% of our public shares if we do not complete a business combination by May 15, 2015. If, nevertheless, such an amendment is approved by our stockholders, we will provide our public stockholders with the opportunity to convert their shares of common stock upon such approval at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including interest but net of franchise and income taxes payable, divided by the number of then outstanding public shares.

Under the Delaware General Corporation Law, stockholders may be held liable for claims by third parties against a corporation to the extent of distributions received by them in a dissolution. The pro rata portion of our trust account distributed to our public stockholders upon the redemption of 100% of our outstanding public shares in the event we do not complete our initial business combination within the required time period may be considered a liquidation distribution under Delaware law. If the corporation complies with certain procedures set forth in Section 280 of the Delaware General Corporation Law intended to ensure that it makes reasonable provision for all claims against it, including a 60-day notice period during which any third-party claims can be brought against the corporation, a 90-day period during which the corporation may reject any claims brought, and an additional 150-day waiting period before any liquidating distributions are made to stockholders, any liability of stockholders with respect to a liquidating distribution is limited to the lesser of such stockholder's pro rata share of the claim or the amount distributed to the stockholder, and any liability of the stockholder would be barred after the third anniversary of the dissolution.

Furthermore, if the pro rata portion of our trust account distributed to our public stockholders upon the redemption of 100% of our public shares in the event we do not complete our initial business combination within the required time period is not considered a liquidation distribution under Delaware law and such redemption distribution is deemed to be unlawful, then pursuant to Section 174 of the Delaware General Corporation Law, the statute of limitations for claims of creditors could then be six years after the unlawful redemption distribution, instead of three years, as in the case of a liquidation distribution. If we are unable to complete a business combination within the prescribed time frame, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the trust account, including any interest but net of franchise and income taxes payable, divided by the number of then outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate, subject (in the case of (ii) and (iii) above) to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. Accordingly, it is our intention to redeem our public shares as soon as reasonably possible following May 15, 2015 and, therefore, we do not intend to comply with those procedures. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of such date.

Because we will not be complying with Section 280 of the Delaware General Corporation Law, Section 281(b) of the Delaware General Corporation Law requires us to adopt a plan, based on facts known to us at such time that will provide for our payment of all existing and pending claims or claims that may be potentially brought against us within the subsequent ten years. However, because we are a blank check company, rather than an operating company, and our operations have been limited to searching for prospective target businesses to acquire, the only likely claims to arise would be from our vendors (such as lawyers, investment bankers, etc.) or prospective target businesses.

We are required to have all third parties (including any vendors or other entities we engage) and any prospective target businesses enter into valid and enforceable agreements with us waiving any right, title, interest or claim of any kind they may have in or to any monies held in the trust account. As a result, the claims that could be made against us will be limited, thereby lessening the likelihood that any claim would result in any liability extending to the trust. We therefore believe that any necessary provision for creditors will be reduced and should not have a significant impact on our ability to distribute the funds in the trust account to our public stockholders. Nevertheless, we cannot assure you of this fact as there is no guarantee that vendors, service providers and prospective target businesses will execute such agreements. Nor is there any guarantee that, even if they execute such agreements with us, they will not seek recourse against the trust account. Our executive officers have agreed that they will be personally liable to pay debts and obligations to target businesses or vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us, but we cannot assure you that they will be able to satisfy their indemnification obligations if they are required to do so. Additionally the agreement they entered into by our executive officers specifically provides for two exceptions to the personal indemnity they have given: they will have no personal liability (1) as to any claimed amounts owed to a target business or vendor or other entity who has executed a valid and enforceable agreement with us waiving any right, title, interest or claim of any kind they may have in or to any monies held in the trust account, or (2) as to any claims under our indemnity with the underwriters of our Offering against certain liabilities, including liabilities under the Securities Act. As a result, if we liquidate, the per-share distribution from the trust account could be less than \$10.00 due to claims or potential claims of creditors. We will distribute to all of our public stockholders, in proportion to their respective equity interests, an aggregate sum equal to the amount in the trust account, inclusive of any interest, plus any remaining net assets (subject to our obligations under Delaware law to provide for claims of creditors as described below).

We anticipate notifying the trustee of the trust account to begin liquidating such assets promptly after such date and anticipate it will take no more than 10 business days to effectuate such distribution. Our sponsor has waived its rights to participate in any liquidation distribution with respect to its founder's shares. There will be no distribution from the trust account with respect to our warrants, which will expire worthless. We will pay the costs of any subsequent liquidation from our remaining assets outside of the trust account and from interest income on the balance of the trust account (net income and other tax obligations) that may be released to us to fund our working capital requirements. If such funds are insufficient, our executive officers have agreed to pay the funds necessary to complete such liquidation (currently anticipated to be no more than approximately \$15,000) and have agreed not to seek repayment of such expenses.

If we are unable to complete an initial business combination and expend all of the net proceeds of our Offering, other than the proceeds deposited in the trust account, and without taking into account interest, if any, earned on the trust account, the initial per-share redemption price would be \$10.00. The per share redemption price includes the deferred commissions that would also be distributable to our public stockholders. The proceeds deposited in the trust account could, however, become subject to claims of our creditors that are in preference to the claims of public stockholders.

Our public stockholders shall be entitled to receive funds from the trust account only in the event of our failure to complete a business combination within the required time period or if the stockholders seek to have us convert or purchase their respective shares upon a business combination which is actually completed by us. In no other circumstances shall a stockholder have any right or interest of any kind to or in the trust account.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, we cannot assure you we will be able to return to our public stockholders at least \$10.00 per share.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a “preferential transfer” or a “fraudulent conveyance.” As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. Furthermore, because we intend to distribute the proceeds held in the trust account to our public stockholders promptly after twenty four months from the date of our Offering, this may be viewed or interpreted as giving preference to our public stockholders over any potential creditors with respect to access to or distributions from our assets.

Furthermore, our board may be viewed as having breached their fiduciary duties to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons

Competition

If we succeed in effecting a business combination with Lindblad, there will be, in all likelihood, significant competition from its competitors. We cannot assure you that, subsequent to a business combination, we will have the resources or ability to compete effectively. Information regarding Lindblad’s competition will be set forth in the proxy statement for the meeting to be called to approve the business combination and in other future filings.

Prior to completion of a business combination, we may encounter intense competition from other entities having a business objective similar to ours. Many of these entities are well established and have extensive experience identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than us and our financial resources will be relatively limited when contrasted with those of many of these competitors.

Employees

We have two executive officers. These individuals are not obligated to devote any specific number of hours to our matters and devote only as much time as they deem necessary to our affairs. We do not have any full time employees as of the date of this Form 10-K and we do not plan to have any full time employees prior to the consummation of the business combination with Lindblad.

Item 1A. Risk Factors.

An investment in our securities involves a high degree of risk. You should consider carefully the material risks described below, which we believe represent the material risks related to our business and our securities, together with the other information contained in this Form 10-K, before making a decision to invest in our securities. This Form 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of specific factors, including the risks described below.

In addition to the risks and uncertainties set forth below, we face certain material risks and uncertainties related to the business combination with Lindblad. In addition, if we succeed in effecting the business combination, we will face additional and different risks and uncertainties related to the business of Lindblad. Such material risks will be set forth in the proxy statement that we will file with the SEC in connection with the meeting to be called to approve the business combination.

We are a blank check company with no operating history, and, accordingly, you will not have any basis on which to evaluate our ability to achieve our business objective.

We are a blank check company with no operating results to date. Our business objective is to acquire an operating business; however, until such time as Lindblad is acquired you will have no basis of evaluating the value of your investment. We will not generate any revenues until, at the earliest, after the consummation of a business combination.

If we are unable to consummate a business combination, our public stockholders may be forced to wait until May 15, 2015 or later before receiving distributions from the trust account.

We have until May 15, 2015 to complete an initial business combination. We have no obligation to return funds to investors prior to such date unless we consummate a business combination prior thereto and only then in cases where investors have sought to tender or convert their shares. Only after the expiration of this full time period will public stockholders be entitled to distributions from the trust account if we are unable to complete a business combination. Accordingly, investors' funds may be unavailable to them until after such date.

If we are found to have violated the Securities Act, we could be required to repurchase securities sold in our initial public offering.

We issued a press release on May 9, 2013 which contained certain statements in connection with our pricing of our initial public offering. We do not believe that the statements included in the press release result in our having violated Section 5 of the Securities Act. However, if it were held by a court that we did so violate the Securities Act, we could be required to repurchase the units sold to purchasers in the initial public offering at the original purchase price, plus statutory interest from the date of purchase, until May 9, 2014. We would contest vigorously any claim that a violation of the Securities Act occurred.

In connection with the business combination with Lindblad, we will issue shares of common stock which would reduce the equity interest of our stockholders.

Our amended and restated certificate of incorporation authorizes the issuance of up to 200,000,000 shares of common stock, par value \$.0001 per share, and 1,000,000 shares of preferred stock, par value \$.0001 per share. There are 159,400,000 authorized but unissued shares of common stock available for issuance (after appropriate reservation for the issuance of the shares upon full exercise of our outstanding warrants). Upon consummation of the business combination with Lindblad, we have agreed to issue an aggregate of 24,000,000 shares of common stock. Accordingly, your equity interest in our company will be significantly reduced.

The funds held in the trust account may not earn significant interest and, as a result, we may be limited to the funds held outside of the trust account and loans made available to us by our officers, directors or affiliates to fund our search for target businesses, to pay our tax obligations and to complete our initial business combination.

We have \$38,632 available to us outside the trust account and \$22,421 of interest income held in the trust account available to fund our working capital requirements. We will depend on sufficient interest being earned on the proceeds held in the trust account to provide us with additional working capital we will need to complete our initial business combination with Lindblad, as well as to pay any tax obligations that we may owe. Interest rates on permissible investments for us have been less than 1% over the last several months. Accordingly, if we do not earn a sufficient amount of interest on the funds held in the trust account and use all of the funds held outside of the trust account, we may not have sufficient funds available with which to close an initial business combination. In such event, we would need to borrow funds from our initial stockholders to operate or may be forced to cease operations. As of December 31, 2014, our Chief Executive Officer, Mark D. Ein, and our Chief Financial Officer, L. Dyson Dryden (the "Lenders"), had loaned us an aggregate of \$470,000. On January 27, 2015, the Lenders loaned the Company an additional \$191,329. On March 3, 2015, the Lenders loaned us an additional \$425,000, which is not convertible. These loans, and any future loans, are evidenced by notes and would either be repaid upon the consummation of a business combination or up to \$500,000 of the notes may be converted into warrants at a price of \$1.00 per warrant, which warrants would be identical to the sponsor's warrants. The Lenders have committed to providing us additional loans of up to \$375,000. Based on the foregoing, we believe we have sufficient cash to meet our needs through at least May 15, 2015. Our sponsor, officers and directors or their affiliates may, but are not required to, loan us additional funds in any amount they deem reasonable at their discretion.

If third parties bring claims against us, the proceeds held in trust could be reduced and the per-share redemption price received by stockholders may be less than \$10.00.

Our placing of funds in trust may not protect those funds from third party claims against us. Although we will seek to have all vendors and service providers we engage and prospective target businesses we negotiate with execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, they may not execute such agreements. Furthermore, even if such entities execute such agreements with us, they may seek recourse against the trust account. A court may not uphold the validity of such agreements. Accordingly, the proceeds held in trust could be subject to claims which could take priority over those of our public stockholders. If we are unable to complete a business combination within the required time period, our executive officers have agreed that they will be personally liable to ensure that the proceeds in the trust account are not reduced by the claims of target businesses or claims of vendors or other entities that are owed money by us for services rendered or contracted for or products sold to us. However, they may not be able to meet such obligation. Therefore, the per-share distribution from the trust account in such a situation may be less than the \$10.00 per share held in the trust account as of December 31, 2014, plus any additional interest, due to such claims.

Additionally, if we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, or if we otherwise enter compulsory or court supervised liquidation, the proceeds held in the trust account could be subject to applicable bankruptcy law, and may be included in our bankruptcy estate and subject to the claims of third parties with priority over the claims of our stockholders. To the extent any bankruptcy claims deplete the trust account, we may not be able to return to our public stockholders at least the \$10.00 per share held in the trust account as of December 31, 2014.

Our stockholders may be held liable for claims by third parties against us to the extent of distributions received by them.

Our amended and restated certificate of incorporation provides that we will continue in existence only until May 15, 2015. If we have not completed a business combination by such date, we will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem 100% of the outstanding public shares, which redemption will completely extinguish public stockholders' rights as stockholders (including the right to receive further liquidation distributions, if any), subject to applicable law, and (iii) as promptly as reasonably possible following such redemption, subject to the approval of our remaining stockholders and our board of directors, dissolve and liquidate, subject (in the case of (ii) and (iii) above) to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law. We cannot assure you that we will properly assess all claims that may be potentially brought against us. As such, our stockholders could potentially be liable for any claims to the extent of distributions received by them (but no more) and any liability of our stockholders may extend well beyond the third anniversary of the date of distribution. Accordingly, we cannot assure you that third parties will not seek to recover from our stockholders amounts owed to them by us.

If we are forced to file a bankruptcy case or an involuntary bankruptcy case is filed against us which is not dismissed, any distributions received by stockholders could be viewed under applicable debtor/creditor and/or bankruptcy laws as either a "preferential transfer" or a "fraudulent conveyance." As a result, a bankruptcy court could seek to recover all amounts received by our stockholders. Furthermore, because we intend to distribute the proceeds held in the trust account to our public stockholders promptly after expiration of the deadlines set forth above, this may be viewed or interpreted as giving preference to our public stockholders over any potential creditors with respect to access to or distributions from our assets. Furthermore, our board may be viewed as having breached their fiduciary duties to our creditors and/or may have acted in bad faith, and thereby exposing itself and our company to claims of punitive damages, by paying public stockholders from the trust account prior to addressing the claims of creditors. We cannot assure you that claims will not be brought against us for these reasons.

Our directors may decide not to enforce our executive officers' indemnification obligations, resulting in a reduction in the amount of funds in the trust account available for distribution to our public stockholders.

In the event that the proceeds in the trust account are reduced below \$10.00 per public share and our executive officers assert that they are unable to satisfy their obligations or that they have no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our executive officers to enforce such indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our executive officers to enforce such indemnification obligations to us, it is possible that our independent directors in exercising their business judgment may choose not to do so in any particular instance. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the trust account available for distribution to our public stockholders may be reduced below \$10.00 per share.

If we do not file and maintain a current and effective prospectus relating to the shares of common stock issuable upon exercise of the warrants, public holders will only be able to exercise such warrants on a "cashless basis."

If we do not file and maintain a current and effective prospectus relating to the shares of common stock issuable upon exercise of the public warrant at the time that holders wish to exercise such warrants, they will only be able to exercise them on a "cashless basis" pursuant to the exemption provided by Section 3(a)(9) of the Securities Act of 1933. As a result, the number of shares of common stock that holders will receive upon exercise of the public warrants will be fewer than it would have been had such holder exercised his warrant for cash. Further, if an exemption from registration is not available, holders would not be able to exercise on a cashless basis and would only be able to exercise their warrants for cash if a current and effective prospectus relating to the common stock issuable upon exercise of the warrants is available. Under the terms of the warrant agreement, we have agreed to use our best efforts to meet these conditions and to maintain a current and effective prospectus relating to the shares of common stock issuable upon exercise of the warrants until the expiration of the warrants. However, we cannot assure you that we will be able to do so. If we are unable to do so, the potential "upside" of the holder's investment in our company may be reduced or the warrants may expire worthless.

An investor will only be able to exercise a warrant if the issuance of shares of common stock upon such exercise has been registered or qualified or is deemed exempt under the securities laws of the state of residence of the holder of the warrants.

No warrants will be exercisable for cash and we will not be obligated to issue shares of common stock unless the shares of common stock issuable upon such exercise has been registered or qualified or deemed to be exempt under the securities laws of the state of residence of the holder of the warrants. If the shares of common stock issuable upon exercise of the warrants are not qualified or exempt from qualification in the jurisdictions in which the holders of the warrants reside, the warrants may be deprived of any value, the market for the warrants may be limited and they may expire worthless if they cannot be sold.

We may amend the terms of the warrants in a way that may be adverse to holders with the approval by the holders of a majority of the then outstanding warrants.

Our warrants are issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and us. The warrant agreement provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision. The warrant agreement requires the approval by the holders of a majority of the then outstanding warrants (including the sponsor's warrants) in order to make any change that adversely affects the interests of the registered holders. Accordingly, we may amend the terms of the warrants in a manner adverse to a holder if the holders of a majority of the warrants approve of such amendment.

Our ability to successfully effect a business combination and to be successful thereafter will be totally dependent upon the efforts of our key personnel, some of whom will join us following a business combination. While we intend to closely scrutinize any individuals we engage after a business combination, we cannot assure you that our assessment of these individuals will prove to be correct.

Our ability to successfully effect a business combination is dependent upon the efforts of our key personnel. We believe that our success depends on the continued service of our key personnel, at least until we have consummated our initial business combination. We cannot assure you that any of our key personnel will remain with us for the immediate or foreseeable future. We do not have employment agreements with, or key-man insurance on the life of, any of our officers. The unexpected loss of the services of our key personnel could have a detrimental effect on us.

Our officers and directors may not have significant experience or knowledge regarding the industry in which Lindblad operates.

We cannot assure you that our officers and directors have enough experience or have sufficient knowledge relating to the travel services and cruise industries to make an informed decision regarding a business combination with Lindblad.

Our officers and directors will allocate their time to other businesses thereby potentially limiting the amount of time they devote to our affairs.

Our officers and directors are not required to commit their full time to our affairs, which could create a conflict of interest when allocating their time between our operations and their other commitments. We presently expect each of our employees to devote such amount of time as they reasonably believe is necessary to our business. We do not intend to have any full time employees prior to the consummation of our initial business combination. All of our officers and directors are engaged in several other business endeavors and are not obligated to devote any specific number of hours to our affairs. If our officers' and directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to our affairs and could have a negative impact on our ability to consummate our initial business combination. We cannot assure you that these conflicts will be resolved in our favor.

Our officers' and directors' personal and financial interests may have influenced their motivation in determining whether Lindblad is appropriate for a business combination.

All of our officers and directors own founder shares. Such individuals have waived their right to receive distributions from the trust account with respect to their founder shares if we are unable to consummate a business combination. Accordingly, the founder shares, as well as the sponsor's warrants, and any warrants purchased by our officers or directors in the aftermarket will be worthless if we do not consummate a business combination. The personal and financial interests of our directors and officers may have influenced their motivation in identifying and selecting Lindblad with which to complete a business combination.

NASDAQ may delist our securities from quotation on its exchange which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

Our securities are listed on the NASDAQ Stock Market LLC ("NASDAQ"), a national securities exchange. On January 2, 2015, we received a notice from the NASDAQ Listing Qualifications Department stating that we failed to solicit proxies and hold an annual meeting of stockholders within 12 months after our fiscal year ended December 31, 2013, as required by NASDAQ Listing Rules 5620(a) and (b) and were therefore subject to delisting. We appealed this determination and on February 9, 2015, we received notice that NASDAQ had granted our request for continued listing, subject to certain conditions, including without limitation, that on or before May 15, 2015, we complete an initial business combination. Failure to comply with the conditions could result in the delisting of our securities from NASDAQ. Additionally, in connection with our initial business combination, it is likely that NASDAQ will require us to file a new initial listing application and meet its initial listing requirements as opposed to its more lenient continued listing requirements. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If NASDAQ delists our securities from trading on its exchange, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
- reduced liquidity with respect to our securities;
- a determination that our shares of common stock are “penny stock” which will require brokers trading in our shares of common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our shares of common stock;
- a limited amount of news and analyst coverage for our company; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

The National Securities Markets Improvement Act of 1996, which is a federal statute, prevents or preempts the states from regulating the sale of certain securities, which are referred to as “covered securities.” Because our units, common stock and warrants are listed on NASDAQ, our securities are covered securities. Although the states are preempted from regulating the sale of our securities, the federal statute does allow the states to investigate companies if there is a suspicion of fraud, and, if there is a finding of fraudulent activity, then the states can regulate or bar the sale of covered securities in a particular case. While we are not aware of a state having used these powers to prohibit or restrict the sale of securities issued by blank check companies, certain state securities regulators view blank check companies unfavorably and might use these powers, or threaten to use these powers, to hinder the sale of securities of blank check companies in their states. Further, if we were no longer listed on NASDAQ, our securities would not be covered securities and we would be subject to regulation in each state in which we offer our securities.

We are an “emerging growth company” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our shares of common stock less attractive to investors.

We are an “emerging growth company,” as defined in the JOBS Act. We will remain an “emerging growth company” for up to five years. However, if our non-convertible debt issued within a three year period or revenues exceeds \$1 billion, or the market value of our shares of common stock that are held by non-affiliates exceeds \$700 million on the last day of the second fiscal quarter of any given fiscal year, we would cease to be an emerging growth company as of the following fiscal year. As an emerging growth company, we are not required to comply with the auditor attestation requirements of section 404 of the Sarbanes-Oxley Act, we have reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and we are exempt from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Additionally, as an emerging growth company, we have elected to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. As such, our financial statements may not be comparable to companies that comply with public company effective dates. We cannot predict if investors will find our shares of common stock less attractive because we may rely on these provisions. If some investors find our shares of common stock less attractive as a result, there may be a less active trading market for our shares and our share price may be more volatile.

We will only be able to complete one business combination with the proceeds of our initial public offering, which will cause us to be solely dependent on a single business which may have a limited number of products or services.

We will only be able to complete one business combination with the proceeds of our initial public offering. By consummating a business combination with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments. Further, we would not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several business combinations in different industries or different areas of a single industry. Accordingly, the prospects for our success may be solely dependent on the performance of Lindblad.

This lack of diversification may subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to a business combination.

The ability of our stockholders to exercise their conversion rights may not allow us to complete the business combination with Lindblad.

Pursuant to the Merger Agreement, we are obligated to pay Lindblad's shareholders \$90,000,000 in cash. If, because of payments made to converting stockholders and other transaction costs, there are insufficient funds to pay the \$90,000,000 cash portion of the merger consideration, we may need to raise additional financing in order to consummate the business combination. There can be no assurance that we will be able to raise such additional financing on favorable terms or at all.

In connection with the vote to approve the business combination with Lindblad, we will offer each public stockholder the option to vote in favor of the proposed business combination and still seek conversion of his, her or its shares.

In connection with the vote to approve the business combination with Lindblad, we will offer each public stockholder (but not our sponsor, officers or directors) the right to have his, her or its shares of common stock converted to cash (subject to the limitations described in the prospectus for our Offering and in this Form 10-K) regardless of whether such stockholder votes for or against such proposed business combination. We will consummate the business combination with Lindblad only if we have net tangible assets of at least \$5 million upon such consummation and a majority of the outstanding shares of common stock voted are voted in favor of the business combination.

Public stockholders, together with any affiliates of theirs or any other person with whom they are acting in concert or as a "group," will be restricted from seeking conversion rights with respect to more than 10% of the public shares.

In connection with the vote to approve the proposed business combination with Lindblad, we will offer each public stockholder (but not holders of our founder shares) the right to have his, her, or its shares of common stock converted into cash. Notwithstanding the foregoing, a public stockholder, together with any affiliate of his or any other person with whom he is acting in concert or as a "group" will be restricted from seeking conversion rights with respect to more than 10% of the public shares. Accordingly, if you hold more than 10% of the public shares and the proposed business combination is approved, you will not be able to seek conversion rights with respect to the full amount of your shares and may be forced to hold the shares in excess of 10% or sell them in the open market. We cannot assure you that the value of such excess shares will appreciate over time following the business combination or that the market price of our shares of common stock will exceed the per-share conversion price.

We may require stockholders who wish to convert their shares in connection with the proposed business combination with Lindblad to comply with specific requirements for conversion that may make it more difficult for them to exercise their conversion rights prior to the deadline for exercising their rights.

We may require public stockholders who wish to convert their shares in connection with the proposed business combination with Lindblad to either tender their certificates to our transfer agent at any time prior to the vote taken at the stockholder meeting relating to such business combination or to deliver their shares to the transfer agent electronically using the Depository Trust Company's DWAC (Deposit/Withdrawal At Custodian) System. In order to obtain a physical stock certificate, a stockholder's broker and/or clearing broker, DTC and our transfer agent will need to act to facilitate this request. It is our understanding that stockholders should generally allot at least two weeks to obtain physical certificates from the transfer agent. However, because we do not have any control over this process or over the brokers or DTC, it may take significantly longer than two weeks to obtain a physical stock certificate. While we have been advised that it takes a short time to deliver shares through the DWAC System, we cannot assure you of this fact. Accordingly, if it takes longer than we anticipate for stockholders to deliver their shares, stockholders who wish to convert may be unable to meet the deadline for exercising their conversion rights and thus may be unable to convert their shares.

If we require public stockholders who wish to convert their shares to comply with specific requirements for conversion, such converting stockholders may be unable to sell their securities when they wish to in the event that the proposed business combination is not approved.

If we require public stockholders who wish to convert their shares to comply with specific requirements for conversion and such proposed business combination is not consummated, we will promptly return such certificates to the tendering public stockholders. Accordingly, investors who attempted to convert their shares in such a circumstance will be unable to sell their securities after the failed acquisition until we have returned their securities to them. The market price for our shares of common stock may decline during this time and you may not be able to sell your securities when you wish to, even while other stockholders that did not seek conversion may be able to sell their securities.

Our sponsor, officers and directors control a substantial interest in us and thus may influence certain actions requiring a stockholder vote.

Our sponsor, officers and directors collectively own 20% of our issued and outstanding shares of common stock. In connection with the vote for the proposed business combination with Lindblad, our sponsor, as well as all of our officers and directors, have agreed to vote their founder shares as well as any shares of common stock acquired in the aftermarket in favor of such proposed business combination.

Our board of directors is and will be divided into three classes, each of which will generally serve for a term of three years with only one class of directors being elected in each year. As a consequence of our "staggered" board of directors, only a minority of the board of directors will be considered for election.

Our outstanding warrants may have an adverse effect on the market price of shares of common stock.

We have issued the warrants to purchase 10,000,000 shares of common stock as part of the units sold in our initial public offering and the sponsor's warrants to purchase 5,600,000 shares of common stock. We may also issue additional warrants to our officers, directors, sponsor or their affiliates upon conversion of promissory notes issued to such persons or entities for loans made to supplement our working capital requirements, as described elsewhere in this Form 10-K and the prospectus for our initial public offering. The sale, or even the possibility of sale, of the shares underlying the warrants could have an adverse effect on the market price for our securities or on our ability to obtain future financing. If and to the extent these warrants are exercised, you may experience dilution to your holdings.

We may redeem the warrants at a time that is not beneficial to public investors.

We may call the public warrants for redemption at any time after the redemption criteria described in the prospectus for our initial public offering have been satisfied. If we call the public warrants for redemption, public stockholders may be forced to accept a nominal redemption price or sell or exercise the warrants when they may not wish to do so.

Our management's ability to require holders of our warrants to exercise such warrants on a cashless basis will cause holders to receive fewer shares of common stock upon their exercise of the warrants than they would have received had they been able to exercise their warrants for cash.

If we call our public warrants for redemption after the redemption criteria described in the prospectus for our initial public offering have been satisfied, our management will have the option to require any holder that wishes to exercise its warrant (including any warrants held by our initial stockholders or their permitted transferees) to do so on a "cashless basis." If our management chooses to require holders to exercise their warrants on a cashless basis, the number of shares of common stock received by a holder upon exercise will be fewer than it would have been had such holder exercised his warrant for cash. This will have the effect of reducing the potential "upside" of the holder's investment in our company.

If our stockholders exercise their registration rights with respect to their securities, it may have an adverse effect on the market price of our shares of common stock and the existence of these rights may make it more difficult to effect a business combination.

Our sponsor, officers and directors are entitled to make a demand that we register the resale of their founder shares at any time commencing three months prior to the date on which their shares may be released from escrow. Additionally, the purchasers of the sponsor warrants are entitled to demand that we register the resale of their warrants and any other warrants we issue to them (and the underlying shares of common stock) at any time after we consummate a business combination. The presence of these additional shares of common stock trading in the public market may have an adverse effect on the market price of our securities.

If we are deemed to be an investment company, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete a business combination.

A company that, among other things, is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, owning, trading or holding certain types of securities would be deemed an investment company under the Investment Company Act of 1940, as amended (“Investment Company Act”). Since we will invest the proceeds held in the trust account, it is possible that we could be deemed an investment company. Notwithstanding the foregoing, we do not believe that our anticipated principal activities will subject us to the Investment Company Act. To this end, the proceeds held in trust may be invested by the trustee only in United States treasuries. By restricting the investment of the proceeds to these instruments, we intend to meet the requirements for the exemption provided in Rule 3a-1 promulgated under the Investment Company Act.

If we are nevertheless deemed to be an investment company under the Investment Company Act, we may be subject to certain restrictions that may make it more difficult for us to complete a business combination, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities.

In addition, we may have imposed upon us certain burdensome requirements, including:

- registration as an investment company;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy, compliance policies and procedures and disclosure requirements and other rules and regulations.

Compliance with these additional regulatory burdens would require additional expense for which we have not allotted.

Lindblad is privately held, which may present certain challenges to us, including the lack of available information on its operations.

Lindblad is privately held. We are relying on the ability of our management team to obtain adequate information to evaluate the potential returns from investing in Lindblad. If we are unable to uncover all material information about Lindblad, we may not make a fully informed investment decision, and you may lose money on your investments.

Compliance with the Sarbanes-Oxley Act of 2002 will require substantial financial and management resources and may increase the time and costs of completing an acquisition.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that we evaluate and report on our system of internal controls. If we fail to maintain the adequacy of our internal controls, we could be subject to regulatory scrutiny, civil or criminal penalties and/or stockholder litigation. Any inability to provide reliable financial reports could harm our business. Lindblad may also not be in compliance with the provisions of the Sarbanes-Oxley Act regarding the adequacy of internal controls. The development of the internal controls of Lindblad to achieve compliance with the Sarbanes-Oxley Act may increase the time and costs necessary to complete the proposed business combination. Furthermore, any failure to implement required new or improved controls, or difficulties encountered in the implementation of adequate controls over our financial processes and reporting in the future, could harm our operating results or cause us to fail to meet our reporting obligations. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our securities.

We do not intend to pay any dividends until our consummation of a business combination at the earliest.

We have not paid any cash dividends on our shares of common stock to date and do not intend to pay cash dividends prior to the completion of an initial business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of a business combination. The payment of any dividends subsequent to a business combination will be within the discretion of our board of directors at such time. It is the present intention of our board of directors to retain all earnings, if any, for use in our business operations and, accordingly, our board of directors does not anticipate declaring any dividends in the foreseeable future. As a result, any gain you will realize on our securities will result solely from the appreciation of such securities.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We maintain our principal executive offices at 509 7th Street, N.W., Washington, D.C. 20004. The cost for this office is included in the aggregate \$7,500 per-month fee Venturehouse Group, LLC, an affiliate of Mark D. Ein, our chief executive officer, commenced charging us for office space, utilities and administrative services on consummation of our Offering. We believe, based on rents and fees for similar services in the Washington, D.C. area that the fee charged by Venturehouse Group, LLC is at least as favorable as we could have obtained from an unaffiliated person. Upon consummation of the business combination with Lindblad, this arrangement would cease.

The Company has a month to month agreement for office space and support services in New York, New York. The agreement calls for monthly rent of \$4,050 plus additional fees for administrative.

We consider our current office space adequate for our current operations.

Item 3. Legal Proceedings.

None.

Item 4. Mine Safety Disclosures.

Not Applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our units, warrants and common stock are traded on the NASDAQ Stock Market LLC under the symbols CLACU, CLACW and CLAC, respectively. The following table sets forth the high and low sales prices for our units, warrants and common stock for the periods indicated since our units commenced public trading on May 10, 2013, and since our warrants and common stock commenced separate trading on July 1, 2013.

Period	Common Stock		Warrants		Units	
	High	Low	High	Low	High	Low
2015:						
First Quarter*	\$ 10.00	\$ 9.80	\$ 1.10	\$ 0.26	\$ 10.44	\$ 9.95
2014:						
Fourth Quarter	\$ 9.88	\$ 7.86	\$ 0.54	\$ 0.32	\$ 10.37	\$ 9.90
Third Quarter	\$ 10.05	\$ 8.90	\$ 0.55	\$ 0.28	\$ 10.60	\$ 9.97
Second Quarter	10.53	9.66	0.69	0.49	\$ 12.21	\$ 9.90
First Quarter	\$ 9.89	\$ 9.62	\$ 0.65	\$ 0.49	\$ 10.95	\$ 10.05
2013:						
Fourth Quarter	\$ 9.75	\$ 9.61	\$ 0.79	\$ 0.60	\$ 12.95	\$ 10.15
Third Quarter**	\$ 10.10	\$ 9.50	\$ 1.05	\$ 0.40	\$ 10.24	\$ 10.02
Second Quarter**	--	--	--	--	\$ 10.15	\$ 10.00

* Through March 11, 2015.

** Trading commenced May 10, 2013 for our units and July 1, 2013 for our warrants and common stock.

Holders

As of March 11, 2015, there was one holder of record of our units, six holders of record of our shares of common stock and six holders of record of our warrants. Management believes we have in excess of 300 beneficial holders of our securities.

Dividends

We have not paid any cash dividends on our common stock to date and do not intend to pay cash dividends prior to the completion of our initial business combination. The payment of cash dividends in the future will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition subsequent to completion of our initial business combination. The payment of any dividends subsequent to our initial business combination will be within the discretion of our board of directors at such time. It is the present intention of our board of directors to retain all earnings, if any, for use in our business operations and, accordingly, our board of directors does not anticipate declaring any dividends in the foreseeable future. In addition, our board of directors is not currently contemplating and does not anticipate declaring any stock dividends in the foreseeable future.

Use of Proceeds

On May 15, 2013, we consummated the Offering of 20,000,000 units, including 2,000,000 units under the underwriters' over-allotment option, with each unit consisting of one share of common stock and one half of one warrant, each whole warrant to purchase one share of common stock. The shares of common stock and the warrants included in the units traded as a unit until July 1, 2013 when separate trading of common stock and warrants began. No fractional warrants will be issued and only whole warrants will trade. Holders now have the option to continue to hold units or separate their units into the component pieces. Each whole warrant entitles its holder, upon exercise, to purchase one share of common stock for \$11.50 subject to certain adjustments, during the period commencing on the later of thirty days after the completion by us of our initial business combination or twelve months from the date of the consummation of the Offering and terminating on the five-year anniversary of the completion by us of our initial business combination or earlier upon redemption or liquidation of the Trust Account. The units were sold at an offering price of \$10.00 per unit, generating gross proceeds of \$200,000,000. Citigroup Global Markets Inc. and Deutsche Bank Securities Inc. acted as the joint book-running managers of the Offering. Ladenburg Thalmann & Co. Inc. and Imperial Capital LLC served as co-managers. The units sold in the offering were registered under the Securities Act of 1933 on registration statements on Form S-1 (Nos. 333-187519 and 333-188503). The Securities and Exchange Commission declared the registration statement effective on May 9, 2013.

Simultaneously with the consummation of the Offering, we consummated the Private Placement of 5,600,000 sponsor's warrants at a price of \$1.00 per warrant, generating total proceeds of \$5,600,000. The sponsor's warrants are identical to the warrants included in the units sold in the Offering except that the sponsor's warrants: (i) will not be redeemable by us and (ii) may be exercised for cash or on a cashless basis, in each case so long as they are held by the initial purchasers or any of their permitted transferees. The purchasers of the sponsor's warrants have also agreed not to transfer, assign or sell any of the sponsor's warrants, including the common stock issuable upon exercise of the sponsor's warrants (except to certain permitted transferees), until 30 days after the completion of an initial business combination.

We incurred a total of \$4,000,000 in underwriting discounts and commissions (not including deferred fees) and \$666,300 for other costs and expenses related to the offering.

After deducting the underwriting discounts and commissions and the offering expenses, the total net proceeds to us from the Offering were \$200,933,700. Of this amount, \$200,000,000 we received from the sale of units in the Offering and the Private Placement of sponsor's warrants was deposited into a trust account.

Generally, the proceeds held in the trust account will not be released to us until the earlier of the completion of an initial business combination and our liquidation upon our failure to consummate a business combination within the required time period. Notwithstanding the foregoing, there can be released to us from the trust account (i) any interest earned on the funds in the trust account that we need to pay our income or other tax obligations and (ii) any remaining interest, up to a maximum of approximately \$1.75 million, earned on the funds in the trust account that we need for our working capital requirements.

Since our Offering and through March 10, 2015, we have withdrawn \$120,000 from the interest income earned on the trust account for our working capital and tax obligations.

Subject to the foregoing, our management has broad discretion with respect to the specific application of the net proceeds of the offering and the Private Placement, although substantially all of the net proceeds are intended to be generally applied toward consummating a business combination with one or more businesses or entities. To the extent that our capital stock is used in whole or in part as consideration to effect a business combination, the remaining proceeds held in the trust account as well as any other net proceeds not expended will be used as working capital to finance the operations of the target business.

Purchases of Equity Securities by Issuer and Affiliates

No purchases of our equity securities have been made by us or affiliated purchasers within the fourth quarter of the fiscal year ended December 31, 2014.

Item 6. Selected Financial Data.

The selected financial data set forth below is derived from our audited financial statements. This selected financial data should be read in conjunction with the section under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K:

	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012	For the year ended December 31, 2011
Income Statement Data:				
Revenue	\$ --	\$ --	\$ --	\$ --
Loss from operations	(1,052,701)	(748,654)	(4,768)	(2,477)
Interest income	82,082	37,894	--	--
Interest expense	(41,689)	(10,260)	--	--
Net loss attributable to common shareholders	(1,012,308)	(721,020)	(4,768)	(2,477)
Basic and diluted net income per share	(.16)	(.12)	--	--
Weighted average shares outstanding excluding shares subject to possible conversion – basic and diluted	6,201,785	5,824,828	5,175,000	5,175,000
	As of December 31, 2014	As of December 31, 2013	As of December 31, 2012	As of December 31, 2011
Balance Sheet Data:				
Working capital	\$ (781,844)	\$ 217,039	\$ (147,443)	\$ (115,175)
Trust account, restricted	\$ 200,000,000	\$ 200,000,000	\$ --	\$ --
Total assets	\$ 200,129,715	\$ 200,427,482	\$ 167,775	\$ 167,775
Total liabilities	\$ 911,559	\$ 197,043	\$ 150,020	\$ 150,020
Value of common stock which may be redeemed for cash (\$10.00 per share)	\$ 187,982,148	\$ 187,982,148	\$ --	\$ --
Stockholders’ equity	\$ 11,236,008	\$ 12,248,291	\$ 17,755	\$ 22,523

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with our Financial Statements and footnotes thereto contained in this report.

Forward Looking Statements

All statements other than statements of historical fact included in this Form 10-K including, without limitation, statements under "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding our financial position, business strategy and the plans and objectives of management for future operations, are forward looking statements. When used in this Form 10-K, words such "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions, as they relate to us or our management, identify forward looking statements. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other Securities and Exchange Commission ("SEC") filings. References to "we", "us", "our" or the "Company" are to Capitol Acquisition Corp. II, except where the context requires otherwise. Such forward looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, our management. No assurance can be given that results in any forward-looking statement will be achieved and actual results could be affected by one or more factors, which could cause them to differ materially. The cautionary statements made in this Annual Report on Form 10-K should be read as being applicable to all forward-looking statements whenever they appear in this Annual Report. For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act. Actual results could differ materially from those contemplated by the forward looking statements as a result of certain factors detailed in our filings with the Securities and Exchange Commission. All subsequent written or oral forward looking statements attributable to us or persons acting on our behalf are qualified in their entirety by this paragraph.

Overview

We are a blank check company in the development stage, formed on August 9, 2010 to acquire, through a merger, share exchange, asset acquisition, stock purchase, plan of arrangement, recapitalization, reorganization or other similar business combination, one or more businesses or entities.

We presently have no revenue, have had losses since inception from incurring formation costs and have had no other operations other than the active solicitation of a target business with which to complete a business combination. We have relied upon the sale of our securities and loans from our officers and directors to fund our operations.

The registration statement for our Offering was declared effective on May 9, 2013. On May 10, 2013, we filed a new registration statement to increase the size of the Offering by 20% pursuant to Rule 462(b) under the Securities Act of 1933, as amended. On May 15, 2013, we consummated the Offering and received proceeds net of the underwriter's discount and other offering expenses of \$195,333,700 and simultaneously received \$5,600,000 from the issuance of 5,600,000 sponsor's warrants in the Private Placement. From the net proceeds, \$933,700 was available for working capital and tax purposes. Our management has broad discretion with respect to the specific application of the net proceeds of the Offering and the Private Placement, although substantially all of the net proceeds are intended to be applied generally towards consummating a business combination successfully.

Results of Operations

Our entire activity since inception up to the closing of our initial public offering on May 15, 2013 was in preparation for that event. Since the offering, our activity has been limited to the evaluation of business combination candidates and the negotiation of the Merger Agreement with Lindblad, and we will not generate any operating revenues until the closing and completion of our initial business combination. We expect to generate small amounts of non-operating income in the form of interest income on cash and cash equivalents. Interest income is not expected to be significant in view of current low interest rates on risk-free investments (treasury securities). We currently incur increased expenses as a result of being a public company (for legal, financial reporting, accounting and auditing compliance), as well as for due diligence expenses.

For the years ended December 31, 2014, 2013, and 2012 we had net losses of \$1,012,308, \$721,020, and \$4,768, respectively. We incurred operating expenses for the years ended December 31, 2014, 2013, and 2012 of \$1,052,701, \$748,654 and \$4,768, respectively. These costs consist mainly of professional and consulting fees, rent, office administrative costs and Delaware franchise tax. We incurred offering costs of \$666,300 with regard to the offering, which were netted against additional paid-in capital upon the consummation of the offering.

Liquidity and Capital Resources

As of December 31, 2014, we had cash of \$28,634 and marketable securities of \$9,998. In addition, we had \$200,022,421 in cash and equivalents held in trust, of which \$22,421 represents interest income earned to be used for working capital and tax purposes and \$200,000,000 of restricted funds to be used for a business combination or to convert our common shares, in certain circumstances. Our activity from August 9, 2010 (inception) through May 15, 2013 was to prepare for our initial public offering. Since May 15, 2013 our efforts have been devoted to identifying an acquisition candidate and the negotiation of the Merger Agreement with Lindblad. We intend to use the proceeds not held in the trust account plus the interest earned on the funds held in the trust account that may be released to us to fund our working capital requirements. We are allowed to have released to us up to \$1,750,000 of the interest earned in the Trust Account (net of applicable taxes, if any) for working capital purposes during our search for an initial business combination. However, there is no assurance that we will be able to successfully effect a business combination. As of December 31, 2014, \$91,000 of interest that can be utilized for working capital purposes had been released to us.

We will depend on sufficient interest being earned on the proceeds held in the Trust Account to provide us with additional working capital that we may need to identify one or more target businesses, conduct due diligence and complete a Business Combination, as well as to pay any franchise and income taxes that we may owe. The amounts in the Trust Account may be invested only in U.S. government treasury bills with a maturity of 180 days or less or money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act which invest only in direct U.S. government treasury obligations. The current low interest rate environment may make it more difficult for such investments to generate sufficient funds, together with the amounts available outside the Trust Account, to locate, conduct due diligence, structure, negotiate and close a Business Combination.

We have experienced significant recurring net operating losses as well as negative cash flows from operations. Our main source of liquidity was from the Offering and the Private Placement, proceeds from which have been used to fund the search for a prospective target business. We currently have a cash position of approximately \$61,000, which includes approximately \$22,000 held in the trust account available to us and approximately \$10,000 invested in U.S. Treasury Bills.

Our Chief Executive Officer, Mark D. Ein, and our Chief Financial Officer, L. Dyson Dryden, have provided certain loans to us to fund our operations. On September 22, 2014 and May 20, 2014, Capitol Acquisition Management 2 LLC, an entity controlled by Mr. Ein, and Mr. Dryden (collectively, the "Lenders"), loaned the Company \$220,000 and \$250,000, respectively. On January 27, 2015, the Lenders loaned the Company an aggregate of an additional \$191,329 which is not convertible. On March 3, 2015, the Lenders loaned the Company an additional \$425,000, which is not convertible. These loans are evidenced by unsecured promissory notes issued to the Lenders. The loans are non interest bearing and are payable at the consummation of a business combination. Upon consummation of a business combination, \$470,000 of the principal balance of the notes may be converted, at the holders' option to warrants at a price of \$1.00 per warrant. The terms of the warrants will be identical to the warrants issued in our initial public offering except that such warrants will be non-redeemable by us and will be exercisable for cash or on a "cashless" basis, in each case, if held by the initial holders or their permitted transferees. Furthermore, the Lenders have committed to providing additional loans to us of up to \$375,000. Based on the foregoing, we believe we have sufficient cash to meet our needs through May 15, 2015.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2014.

Contractual Obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities.

Critical Accounting Policies

Our financial statements and the notes to our financial statements contain information that is pertinent to management's discussion and analysis. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. On a continual basis, management reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results may vary from these estimates and assumptions under different and/or future circumstances. Management considers an accounting estimate to be critical if:

- a. it requires assumptions to be made that were uncertain at the time the estimate was made; and
- b. changes in the estimate, or the use of different estimating methods that could have been selected, could have a material impact on the Company's results of operations or financial condition.

The following critical accounting policies have been identified that affect the more significant judgments and estimates used in the preparation of the financial statements. We believe that the following are some of the more critical judgment areas in the application of our accounting policies that affect our financial condition and results of operations. We have discussed the application of these critical accounting policies with our Audit Committee. The following critical accounting policies are not intended to be a comprehensive list of all of the Company's accounting policies or estimates.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company accounts for income taxes under Accounting Standards Codification ("ASC") 740, "Income Taxes" ("ASC 740"). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Recently Issued Accounting Pronouncements

In June 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, including an Amendment to Variable Interest Entities Guidance in Topic 810 Consolidation. The objective of the amendments in ASU No. 2014-10 is to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements for development stage entities by eliminating certain disclosures. ASU No. 2014-10 is effective as of the first annual period beginning after December 15, 2014, at which time the presentation and disclosure requirements in Topic 915 will no longer be required. The revised consolidation standards are effective one year later, in annual periods beginning after December 15, 2015. Early adoption of these new standards is permitted. The Company has elected to early adopt this ASU; therefore references to development stage entity and inception to date information have been eliminated from the financial statements. The adoption of ASU 2014-10 did not have any material effect on the Company’s operations, financial condition or liquidity.

In August 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. The objective of the ASU is to require an entity’s management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

Management does not believe that any recently issued accounting standards would have a material effect on future financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

From our inception through December 31, 2014, our efforts were limited to organizational activities, activities relating to our initial public offering and the search for an acquisition candidate; we had neither engaged in any operations nor generated any revenues.

Market risk is a broad term for the risk of economic loss due to adverse changes in the fair value of a financial instrument. These changes may be the result of various factors, including interest rates, foreign exchange rates, commodity prices and/or equity prices. Net proceeds from our initial public offering of \$200.0 million (which includes \$8.0 million of the proceeds attributable to the Underwriters’ deferred discount from the initial public offering) have been placed in a trust account at J. P. Morgan Securities, with Continental Stock Transfer & Trust Company acting as trustee. As of December 31, 2014, the balance of the trust account was \$200.0 million. We are allowed to use \$1.75 million (net of applicable tax obligations, if any) of the interest and dividends earned on the money in the Trust Account for working capital purposes. The proceeds held in trust are invested in United States Treasury Bills with a maturity of 180 days or less. As of December 31, 2014, the effective annualized interest rate payable on our Treasury Bills was approximately 0.01%. Due to the short-term nature of these investments and the low interest rates related to these types of investments, we believe there will be no material exposure related to interest rate risk. We do not believe that the effect of other changes, such as foreign exchange rates, commodity prices and/or equity prices currently pose significant market risk for us.

We have not engaged in any hedging activities since our inception. We do not currently expect to engage in any hedging activities.

Item 8. Financial Statements and Supplementary Data.

This information appears following Item 15 of this Report and is included herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.

None.

Item 9A. Controls and Procedures.**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures. Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our principal executive officer and principal financial and accounting officer, evaluated the effectiveness of our disclosure controls and procedures, as of December 31, 2014. Based on this evaluation, our principal executive, financial and accounting officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) were effective as of December 31, 2014.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended. Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)*. Based on our evaluation under that framework, management concluded that our internal control over financial reporting was effective as of December 31, 2014.

The JOBS Act permits an emerging growth company such as us to take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. Among these provisions is an exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. We have elected to rely on this exemption and are not providing such an attestation from our auditors.

Changes in Internal Control Over Financial Reporting

For the quarter ended December 31, 2014, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Directors and Executive Officers

Our current directors and executive officers are set forth below. Information about the individuals who will serve as our directors and executive officers upon completion of the business combination with Lindblad, as well as the composition of our audit, nominating and compensation committees, will be set forth in the proxy statement for the meeting to be called to approve such business combination.

Name	Age	Position
Mark D. Ein	50	Chairman, Chief Executive Officer, Treasurer, Secretary and Director
L. Dyson Dryden	39	Chief Financial Officer and Director
Lawrence Calcano	51	Director
Richard C. Donaldson	55	Director
Piyush Sodha	56	Director

Mark D. Ein has served as our Chairman, Chief Executive Officer, Treasurer, Secretary and Director since our inception. Mr. Ein is an investor, entrepreneur and philanthropist, who has created, acquired, invested in and built a series of growth companies across a diverse set of industries over the course of his 22 year career. From June 2007 to October 2009, Mr. Ein was the Chief Executive Officer and Director of Capitol I, a blank check company formed for substantially similar purposes as our company. Capitol I completed its business combination with Two Harbors Investment Corp., a Maryland real estate investment trust, in October 2009. Since October 2009, Mr. Ein has served as the Non-Executive Vice Chairman of Two Harbor's board of directors. Mr. Ein is the Founder of Venturehouse Group, LLC, a holding company that creates, invests in and builds companies, and has served as its Chief Executive Officer since 1999. Venturehouse's portfolio includes or has included the seed investment in Matrics Technologies in August 2000 (sold to Symbol Technologies in September 2004), the lead investment in the buyout of Cibernet Corporation from the CTIA in March 2003 (sold to MACH S.à.r.l. in April 2007), the acquisition of VSGi from Net2000 Communications, and an early investment in XM Satellite Radio. He has also been the President of Leland Investments Inc., a private investment firm, since 2005. An entity owned by Mr. Ein is also the majority owner and managing member, and Mr. Ein is Co-Chairman, of Kastle Holding Company LLC, which through its subsidiaries conducts the business of Kastle Systems, LLC, a provider of building and office security systems that was acquired in January 2007. Mr. Ein also founded, and is the owner of, the Washington Kastles, the World Team Tennis franchise in Washington, D.C., in 2008. From 1992 to 1999, Mr. Ein was a Principal with The Carlyle Group, a global private equity firm. Mr. Ein worked for Brentwood Associates, a West Coast growth-focused private equity firm, from 1989 to 1990 and for Goldman, Sachs & Co. in the real estate and mortgage finance group from 1986 to 1989. Mr. Ein is the chairman of the board of VSGi, a video conferencing, telepresence, and audio-visual integration company. Mr. Ein is the Chairman of the Board of the District of Columbia Public Education Fund, a non-profit organization that catalyzes private sector support for the Washington, D.C. public school system. He also serves on the board of directors of The District of Columbia College Access Program (DC-CAP), a non-profit organization supporting the academic success of Washington, D.C. area public high school students, the United States Tennis Association and the International Tennis Hall of Fame. He was appointed by Mayor Vincent Gray to be a member of the D.C. Tax Revision Commission and also serves on the Executive Committee of the Federal City Council. He previously served on the Boards of Directors of The Foundation for the National Institutes of Health (NIH), the SEED Foundation, The Economic Club of Washington, D.C., The Washington Tennis & Education Foundation and The Wolf Trap Center for the Performing Art as well as the Advisory Board of The Tennis Center at College Park (TCCP), the Steering Committee for the Business Executives for National Security (BENS) DC, the selection Committee for the George J. Mitchell Scholarship program, the Trustees Council of The National Gallery of Art and the Donor Advisory Group for the FasterCures Philanthropy Advisory Service. Mr. Ein received a B.S. in Economics with a concentration in Finance from the University of Pennsylvania's Wharton School of Finance and an M.B.A. from the Harvard Business School. We believe Mr. Ein is well-qualified to serve as a member of the board due to his public company experience, business leadership, operational experience, and experience in prior blank check offerings, such as Capitol I.

L. Dyson Dryden has served as our Chief Financial Officer and a member of the Board of Directors since March 2013. Mr. Dryden is the founder of Dryden Capital Management, LLC, a private investment firm that invests in and builds private companies, and has served as its President since March 2013. From August 2005 to February 2013, Mr. Dryden held the role of Managing Director in Citigroup's Investment Banking division in New York where he led the coverage effort for a number of the firm's Global Technology, Media and Telecommunications clients. From 2000 to 2005, Mr. Dryden held the titles of Associate and Vice President at Jefferies & Company, a middle market investment banking firm. From 1998 to 2000, Mr. Dryden worked in the investment banking group at BB&T Corporation. Mr. Dryden received a Bachelor of Science in Business Administration with a dual concentration in finance and management from the University of Richmond in 1998. We believe Mr. Dryden is well-qualified to serve as a member of the board due to his capital markets experience, including experience assisting blank check companies like our company in completing their initial public offerings and business combinations.

Lawrence Calcano has served as a member of our Board of Directors since March 2013. Mr. Calcano is one of the Managing Partners of iCapital Network where he is responsible for the Company's Investor Network and business development. Prior to iCapital Network, Mr. Calcano co-founded i1 Biometrics, a privately held information and technology company developing protection and performance products for the sports and military markets, in June 2012 and served as the company's Chief Executive Officer from June 2012 to September 2013. From January 2010 to June 2012, Mr. Calcano served as Chairman and Chief Executive Officer of Bite Tech, Inc., a maker of protective and performance oriented oral devices for the athletic marketplace. He continues to serve on the Board of Directors of Bite Tech, Inc. From October 2007 until its merger with Two Harbors in October 2009, Mr. Calcano served as a member of the Board of Directors of Capitol I. From 1990 to June 2007, Mr. Calcano was affiliated with Goldman, Sachs & Co., most recently serving as the co-head of the Global Technology Banking Group of the Investment Banking Division, prior to which he headed the firm's east coast technology group and was the co-Chief Operating Officer of the High Technology Department. From 1985 to 1988, Mr. Calcano was an analyst at Morgan Stanley. Mr. Calcano is a director of 1-800-FLOWERS.COM, Inc., a Nasdaq listed provider of flowers and plants, gift baskets, gourmet foods and confections. Mr. Calcano was named to the Forbes Midas List of the most influential people in venture capital in 2001 (the inaugural year), 2002, 2004, 2005 and 2006. Mr. Calcano received a B.A. from Holy Cross College, and attended the Amos Tuck School of Business at Dartmouth from 1988 to 1990, and graduated as a Tuck Scholar. We believe Mr. Calcano is well-qualified to serve as a member of the board due to his public company experience, business leadership, operational experience, and experience in Capitol I.

Richard C. Donaldson has served as a member of our Board of Directors since March 2013. Mr. Donaldson has been with Pillsbury Winthrop Shaw Pittman LLP, a global law firm, as an attorney since 1985, where he is a Partner, and has served as Pillsbury's Chief Operating Officer since June 2006. As Chief Operating Officer, Mr. Donaldson oversees the finances, capital structure and operations of Pillsbury, with nearly 650 lawyers, \$560 million in 2014 revenues and 15 offices across the United States and overseas. Mr. Donaldson serves on the Pillsbury Executive Team and has been a member of Pillsbury's Board of Directors since 2006. From September 2007 until its merger with Two Harbors in October 2009, Mr. Donaldson served as a member of the Board of Directors of Capitol I. Mr. Donaldson also serves on the Board of Directors of Arizona Cardinals Holdings, Inc. From June 2000 to August 2001, Mr. Donaldson served as Managing Director of Venturehouse Group and he has served as a member of its Board of Directors since June 2000. He previously served on the Board of Directors of Greater DC Cares and the Board of Directors of the Woolly Mammoth Theatre Company in Washington, D.C. Mr. Donaldson received a B.A. from Cornell University in 1982 and a J.D. from The University of Chicago Law School in 1985. We believe Mr. Donaldson is well-qualified to serve as a member of the board due to his public company experience, business leadership, operational experience, and experience in Capitol I.

Piyush Sodha has served as a member of our Board of Directors since March 2013. Mr. Sodha has served as the Chief Executive Officer and Co-Chairman of Kastle Systems, LLC since April 2008. Prior to joining Kastle Systems, Mr. Sodha was Chief Technical Officer and head of the Americas Region for MACH S.à.r.l., a leading global provider of clearing and settlement services for the mobile phone industry. He previously served as the Chairman and Chief Executive Officer of Cibernet Corporation which merged into MACH S. à.r.l. in April 2007. Prior to that, he was a General Manager and Vice President of Symbol Technologies, Inc., a company which acquired Matrics, Inc. Mr. Sodha had served as the Chairman and Chief Executive Officer of Matrics, Inc., which was a leading provider of RFID technology solutions and infrastructure products. From June 2007 until its merger with Two Harbors in October 2009, Mr. Sodha served as a member of the Board of Directors of Capitol I. Earlier in his career, Mr. Sodha had served as Chief Executive Officers of WirelessHome, NextLinx Corp and LCC International, a Nasdaq listed provider of integrated network design, implementation and optimization solutions for wireless voice and data communication networks which went public under his leadership in 1996. Mr. Sodha is currently a director of Orchestro, a data analytics company serving the retail industry. Mr. Sodha received a Bachelor of Science in Electrical Engineering from India Institute of Technology in New Delhi, India, a Master of Science in Electrical Engineering from Drexel University and an M.B.A. from Wharton Business School. We believe Mr. Sodha is well-qualified to serve as a member of the board due to his public company experience, business leadership, operational experience, and experience in Capitol I.

Our board of directors is divided into three classes with only one class of directors being elected in each year and each class serving a three-year term. The term of office of the first class of directors, consisting of Lawrence Calcano and Richard C. Donaldson, will expire at our first annual meeting of stockholders. The term of office of the second class of directors, consisting of L. Dyson Dryden and Piyush Sodha, will expire at the second annual meeting. The term of office of the third class of directors, consisting of Mark D. Ein, will expire at the third annual meeting.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires our officers, directors and persons who own more than ten percent of a registered class of our equity securities to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and ten percent shareholders are required by regulation to furnish us with copies of all Section 16(a) reports they file. Based solely on a review of such reports received by us and written representations from certain reporting persons that no Form 5s were required for those persons, we believe that, during the fiscal year ended December 31, 2014, all reports required to be filed by our officers, directors and persons who own more than ten percent of a registered class of our equity securities were filed on a timely basis.

Code of Ethics

In May 2013, we adopted a code of ethics that applies to all of our executive officers, directors and employees. The code of ethics codifies the business and ethical principles that govern all aspects of our business. We will provide, without charge, upon request, copies of our code of ethics. Requests for copies of our code of ethics should be sent in writing to Capitol Acquisition Corp. II, 509 7th Street, N.W., Washington, D.C. 20004.

Corporate Governance

Audit Committee

Our audit committee consists of Messrs. Calcano, Donaldson and Sodha, each of whom is an independent director. The audit committee's duties, which are specified in our Audit Committee Charter, include, but are not limited to:

- reviewing and discussing with management and the independent auditor the annual audited financial statements, and recommending to the board whether the audited financial statements should be included in our Form 10-K;
- discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of our financial statements;
- discussing with management major risk assessment and risk management policies;
- monitoring the independence of the independent auditor;
- verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law;
- reviewing and approving all related-party transactions;
- inquiring and discussing with management our compliance with applicable laws and regulations;

- pre-approving all audit services and permitted non-audit services to be performed by our independent auditor, including the fees and terms of the services to be performed;
- appointing or replacing the independent auditor;
- determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies; and
- approving reimbursement of expenses incurred by our management team in identifying potential target businesses.

Financial Experts on Audit Committee

The audit committee is composed exclusively of “independent directors” who are “financially literate” as defined under the NASDAQ Stock Market LLC listing standards. The NASDAQ Stock Market LLC listing standards define “financially literate” as being able to read and understand fundamental financial statements, including a company’s balance sheet, income statement and cash flow statement.

In addition, we must certify to the NASDAQ Stock Market LLC that the committee has, and will continue to have, at least one member who has past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background that results in the individual’s financial sophistication. The board of directors has determined that each of Mr. Calcano and Mr. Sodha qualifies as an “audit committee financial expert,” as defined under rules and regulations of the SEC.

Nominating Committee

Our nominating committee consists of Messrs. Calcano, Donaldson and Sodha, each of whom is an independent director. The nominating committee is responsible for overseeing the selection of persons to be nominated to serve on our board of directors. The nominating committee considers persons identified by its members, management, shareholders, investment bankers and others.

Guidelines for Selecting Director Nominees

The guidelines for selecting nominees, which are specified in the Nominating Committee Charter, generally provide that persons to be nominated:

- should have demonstrated notable or significant achievements in business, education or public service;
- should possess the requisite intelligence, education and experience to make a significant contribution to the board of directors and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and
- should have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the shareholders.

The Nominating Committee will consider a number of qualifications relating to management and leadership experience, background and integrity and professionalism in evaluating a person's candidacy for membership on the board of directors. The nominating committee may require certain skills or attributes, such as financial or accounting experience, to meet specific board needs that arise from time to time and will also consider the overall experience and makeup of its members to obtain a broad and diverse mix of board members. The nominating committee does not distinguish among nominees recommended by shareholders and other persons.

There have been no material changes to the procedures by which security holders may recommend nominees to our board of directors.

Compensation Committee

Our compensation committee consists of Messrs. Calcano, Donaldson and Sodha, each of whom is an independent director. The compensation committee's duties, which are specified in our Compensation Committee Charter, include, but are not limited to:

- reviewing and approving on an annual basis the corporate goals and objectives relevant to our Chief Executive Officer's compensation, evaluating our Chief Executive Officer's performance in light of such goals and objectives and determining and approving the remuneration (if any) of our Chief Executive Officer's based on such evaluation;
- reviewing and approving the compensation of all of our other executive officers;
- reviewing our executive compensation policies and plans;
- implementing and administering our incentive compensation equity-based remuneration plans;
- assisting management in complying with our proxy statement and annual report disclosure requirements;
- approving all special perquisites, special cash payments and other special compensation and benefit arrangements for our executive officers and employees;
- if required, producing a report on executive compensation to be included in our annual proxy statement; and
- reviewing, evaluating and recommending changes, if appropriate, to the remuneration for directors.

Notwithstanding the foregoing, as indicated below, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our sponsor, officers and directors, or any of their respective affiliates, prior to, or for any services they render in order to effectuate, the consummation of a business combination. Accordingly, prior to the consummation of our initial business combination with Lindblad, the compensation committee will only be responsible for the review and recommendation of the compensation arrangements to be entered into in connection with such initial business combination.

Item 11. Executive Compensation.

To date, no executive officer or director has received any cash compensation for services rendered to us. Commencing on May 10, 2013 through the consummation of a business combination, we will pay Venturehouse Group, LLC, an affiliate of Mr. Ein, a fee of \$7,500 per month for providing us with office space and certain office and secretarial services. However, this arrangement is solely for our benefit and is not intended to provide Mr. Ein compensation in lieu of a salary. Other than the \$7,500 per month administrative fee, no compensation of any kind, including finders, consulting or other similar fees, will be paid to any of our sponsor, officers and directors, or any of their respective affiliates, prior to, or for any services they render in order to effectuate, the consummation of a business combination. However, such individuals will be reimbursed for any out-of-pocket expenses incurred in connection with activities on our behalf such as identifying potential target businesses and performing due diligence on suitable business combinations. There is no limit on the amount of these out-of-pocket expenses.

The Merger Agreement contemplates that Messrs. Ein and Dryden will remain directors of our company following consummation of our business combination with Lindblad. Any compensation paid to them as directors will be publicly disclosed at the time of its determination in a Current Report on Form 8-K, as required by the SEC.

Since our formation, we have not granted any stock options or stock appreciation rights or any other awards under long-term incentive plans to any of our executive officers or directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information regarding the beneficial ownership of our ordinary shares as of March 11, 2015 by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
- each of our officers and directors; and
- all of our officers and directors as a group.

Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Approximate Percentage of Outstanding Shares of Common Stock
Mark D. Ein	3,736,667(2)	14.9%
L. Dyson Dryden	1,130,001(3)	4.5%
Lawrence Calcano	44,444(4)	*
Richard C. Donaldson	44,444(4)	*
Piyush Sodha	44,444(4)	*
Capitol Acquisition Management 2 LLC	3,736,667(5)	14.9%
T. Rowe Price Associates, Inc.	1,799,790(6)	7.2%
Fir Tree Inc.	1,782,000(7)	7.1%
BlueMountain Capital Management, LLC	1,250,772(8)	5.0%
AQR Capital Management, LLC	1,781,900(9)	7.1%
Pentwater Capital Management LP	1,350,150(10)	5.3%
TD Asset Management Inc.	1,250,000(11)	5.0%
All directors and executive officers as a group (five individuals)	5,000,000(12)	20.0%

- (1) Unless otherwise indicated, the business address of each of the individuals is 509 7th Street, N.W., Washington, D.C. 20004.
- (2) Represents shares held by Capitol Acquisition Management 2 LLC, of which Leland Investments Inc., an entity controlled by Mr. Ein, is the sole member. Does not include 3,652,175 shares issuable upon exercise of sponsor's warrants held by Capitol Acquisition Management 2 LLC that are not exercisable. Does not include promissory notes convertible to 352,500 warrants at a price of \$1.00 per warrant.

- (3) Does not include 1,217,391 shares issuable upon exercise of sponsor's warrants that are not exercisable. Does not include promissory notes convertible to 117,500 warrants at a price of \$1.00 per warrant.
- (4) Does not include 243,478 shares issuable upon exercise of sponsor's warrants that are not exercisable.
- (5) Does not include 3,652,175 shares issuable upon exercise of sponsor's warrants held by Capitol Acquisition Management 2 LLC that are not exercisable.
- (6) The business address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202. Information derived from a Schedule 13G/A filed on February 10, 2015.
- (7) The business address of Fir Tree Inc. is 505 Fifth Avenue, 23rd Floor, New York, New York 10017. Information derived from a Schedule 13G filed on February 13, 2014.
- (8) The business address of BlueMountain Capital Management LLC is 280 Park Avenue, 5th Floor East, New York, New York 10017. Represents shares held by entities which BlueMountain Capital Management LLC acts as investment manager to, and exercises investment discretion over. Information derived from a Schedule 13G/A filed on February 5, 2015.
- (9) The business address of AQR Capital Management, LLC is Two Greenwich Plaza, 3rd Floor, Greenwich, Connecticut 06830. Information derived from a Schedule 13G/A filed on February 17, 2015.
- (10) The business address of Pentwater Capital Management LP is 614 Davis Street, Evanston, Illinois 60201. Information derived from a Schedule 13G/A filed on February 10, 2015.
- (11) The business address of TD Asset Management Inc. is Canada Trust Tower, BCE Place, 161 Bay Street, 35th Floor, Toronto, Ontario, M5J 2T2. Information derived from a Schedule 13G filed on February 12, 2015.
- (12) Does not include 5,600,000 shares issuable upon exercise of sponsor's warrants that are not exercisable.

Our initial shareholders beneficially own 20% of our issued and outstanding shares of common stock. Because of the ownership block held by our initial stockholders, such individuals may be able to effectively exercise influence over all matters requiring approval by our shareholders, including the election of directors and approval of significant corporate transactions other than approval of our initial business combination.

All of the founder shares outstanding prior to the date of our Offering were placed in escrow with Continental Stock Transfer & Trust Company, as escrow agent, to be held until one year after the date of the consummation of our initial business combination or earlier if, subsequent to our business combination, (i) the last sales price of our common stock equals or exceeds \$12.00 per share for any 20 trading days within any 30-trading day period after our initial business combination or (ii) we consummate a subsequent liquidation, merger, share exchange or other similar transaction which results in all of our shareholders having the right to exchange their ordinary shares for cash, securities or other property. In addition, a portion of the shares (equal to 5.0% of our issued and outstanding shares after the Offering) (the “founder forfeiture shares”) will be subject to forfeiture in the event the last sales price of our stock does not equal or exceed \$13.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period within four years following the closing of our initial business combination. Such shares will be released from escrow at the same time as the other founder’s shares to the extent they have been earned at such time.

During the escrow period, the holders of the founder shares are not able to sell or transfer their securities except (i) for transfers to an entity’s members upon its liquidation, (ii) to relatives and trusts for estate planning purposes, (iii) by virtue of the laws of descent and distribution upon death, (iv) pursuant to a qualified domestic relations order, (v) by certain pledges to secure obligations incurred in connection with purchases of our securities or (vi) by private sales made at or prior to the consummation of a business combination at prices no greater than the price at which the shares were originally purchased, in each case where the transferee agrees to the terms of the escrow agreement, but will retain all other rights as our shareholders, including, without limitation, the right to vote their ordinary shares and the right to receive cash dividends, if declared. If dividends are declared and payable in ordinary shares, such dividends will also be placed in escrow. If we are unable to effect a business combination and liquidate the trust account, none of our initial shareholders will receive any portion of the liquidation proceeds with respect to their founder shares.

In connection with the proposed business combination with Lindblad, our sponsor, officers and directors have agreed to make a charitable contribution of 500,000 founder shares, including 125,000 founder forfeiture shares, to the Lindblad Expeditions-National Geographic Joint Fund for Exploration and Conservation. Such shares will continue to be subject to the terms of the escrow agreement described above.

Our sponsor, officers and directors purchased an aggregate of 5,600,000 sponsor’s warrants for an aggregate purchase price of \$5,600,000. The sponsor’s warrants are identical to the warrants held by the public shareholders except that the sponsor’s warrants are exercisable for cash or on a cashless basis, at the holder’s option, and are not redeemable by us, in each case so long as such warrants are held by the initial purchasers or their affiliates. The purchases agreed not to not sell or transfer the sponsor’s warrants (except to certain permitted transferees) until after we have completed a business combination.

If necessary to meet our working capital needs, our officers, directors, initial shareholders or their affiliates may, but are not obligated to, loan us funds, from time to time or at any time, in their sole discretion. As of December 31, 2014, our officers, directors and initial shareholders have loaned us an aggregate of \$470,000. Subsequent to December 31, 2014, our officers, directors and initial shareholders lent us an additional \$616,329 in the aggregate. Each loan is evidenced by a promissory note. The notes will either be paid upon consummation of our initial business combination, without interest, or, at the holder’s discretion, up to \$470,000 of the notes may be converted into warrants at a price of \$1.00 per warrant. The warrants would be identical to the sponsor’s warrants. If we do not complete a business combination, the loans will be forgiven.

Equity Compensation Plans

As of December 31, 2014, we had no compensation plans (including individual compensation arrangements) under which equity securities of the registrant were authorized for issuance.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

In February 2011, we issued 4,417,684 shares of common stock to Capitol Acquisition Management 2 LLC for \$25,000 in cash, at a purchase price of approximately \$0.006 share, in connection with our organization. In March 2013, our sponsor contributed an aggregate of 105,184 shares of our common stock to our capital, resulting in our sponsor owning an aggregate of 4,312,500 founder's shares. The sponsor received no consideration for this contribution. Such contribution was made solely to maintain the sponsor's collective 20% ownership interest in our shares of common stock based on the current size of our initial public offering. Thereafter, also in March 2013, our sponsor transferred an aggregate of 1,078,126 founder's shares to our executive officers and directors. In April 2013, our sponsor and Mr. Dryden transferred an aggregate of 22,998 founder's shares to Messrs. Calcano, Donaldson and Sodha, resulting in our sponsor owning an aggregate of 3,222,875 founder's shares and Mr. Dryden owning an aggregate of 974,626 founder's shares. The sponsor received no consideration for these transfers. In May 2013, we effected a stock dividend of 0.2 shares for each outstanding share of common stock, resulting in our sponsor and officers and directors holding an aggregate of 5,175,000 founder's shares, of which 175,000 shares were subsequently forfeited.

Our sponsor, officers and directors purchased an aggregate of 5,600,000 sponsor's warrants (for a total purchase price of \$5,600,000) from us on a private placement basis simultaneously with the consummation of our Offering. The sponsor's warrants are identical to the warrants included in the units sold in the offering except that the sponsor's warrants: (i) will not be redeemable by us and (ii) may be exercised for cash or on a cashless basis, as described in the prospectus for our initial public offering, so long as they are held by the initial purchasers or any of their permitted transferees. If the sponsor's warrants are held by holders other than the initial purchasers or any of their permitted transferees, the sponsor's warrants will be redeemable by us and exercisable by the holders on the same basis as the warrants included in the units being sold in the Offering. The initial purchasers of the sponsor's warrants have agreed not to transfer, assign or sell any of the sponsor's warrants, including the common stock issuable upon exercise of the sponsor's warrants (except to certain permitted transferees), until 30 days after the completion of our initial business combination.

In order to meet our working capital needs, our Chief Executive Officer, Mark D. Ein, and our Chief Financial Officer, L. Dyson Dryden, have provided certain loans to us. On September 22, 2014 and May 20, 2014, Capitol Acquisition Management 2 LLC, an entity controlled by Mr. Ein, and Mr. Dryden (collectively, the "Lenders"), loaned the Company \$220,000 and \$250,000, respectively. On January 27, 2015, the Lenders loaned the Company as additional \$191,329 in the aggregate. On March 3, 2015, the Lenders loaned the Company an additional \$425,000, which is not convertible. These loans are evidenced by unsecured promissory notes issued to the Lenders. The loans are non interest bearing and are payable at the consummation of a business combination. Upon consummation of a business combination, \$470,000 of the principal balance of the outstanding notes may be converted, at the holders' option to warrants at a price of \$1.00 per warrant. The terms of the warrants will be identical to the warrants issued in our initial public offering except that such warrants will be non-redeemable by us and will be exercisable for cash or on a "cashless" basis, in each case, if held by the initial holders or their permitted transferees. Furthermore, the Lenders have committed to providing us additional loans of up to \$375,000. Our sponsor, officers and directors or their affiliates may, but are not required to, loan us additional funds in any amount they deem reasonable at their discretion.

The holders of our founder's shares, as well as the holders of the sponsor's warrants and any warrants our sponsor, officers, directors or their affiliates may be issued in payment of working capital loans made to us (and all underlying securities), are entitled to registration rights pursuant to an agreement signed on the effective date of the Offering. The holders of a majority of these securities are entitled to make up to two demands that we register such securities. The holders of the majority of the founder's shares can elect to exercise these registration rights at any time commencing three months prior to the date on which these shares of common stock are to be released from escrow. The holders of a majority of the sponsor's warrants or warrants issued in payment of working capital loans made to us (or underlying securities) can elect to exercise these registration rights at any time after we consummate a business combination. In addition, the holders have certain "piggy-back" registration rights with respect to registration statements filed subsequent to our consummation of a business combination. We will bear the expenses incurred in connection with the filing of any such registration statements.

Venturehouse Group, LLC, an affiliate of Mark D. Ein, has agreed that, commencing on May 10, 2013 through the earlier of our consummation of our initial business combination or our liquidation, it will make available to us certain general and administrative services, including office space, utilities and administrative support, as we may require from time to time. We have agreed to pay Venturehouse Group, LLC \$7,500 per month for these services. Mr. Ein is the Chief Executive Officer of Venturehouse Group, LLC. Accordingly, Mr. Ein will benefit from the transaction to the extent of his interest in Venturehouse Group, LLC. However, this arrangement is solely for our benefit and is not intended to provide Mr. Ein compensation in lieu of a salary. We believe, based on rents and fees for similar services in the D.C. metropolitan area, that the fee charged by Venturehouse Group, LLC is at least as favorable as we could have obtained from an unaffiliated person. Other than this \$7,500 per month fee, no compensation or fees of any kind, including finder's fees, consulting fees or other similar compensation, will be paid to any of our sponsor, officers, directors or their respective affiliates, for services rendered to us prior to, or in connection with the consummation of our initial business combination (regardless of the type of transaction that it is). However, such individuals will receive reimbursement for any out-of-pocket expenses incurred by them in connection with activities on our behalf, such as identifying potential target businesses, performing business due diligence on suitable target businesses and business combinations as well as traveling to and from the offices, plants or similar locations of prospective target businesses to examine their operations. There is no limit on the amount of out-of-pocket expenses reimbursable by us.

After our initial business combination, Messrs. Ein or Dryden may be paid director compensation for continuing to serve as directors of our company. In this event, such compensation will be publicly disclosed at the time of its determination in a Current Report on Form 8-K, as required by the SEC.

All ongoing and future transactions between us and any of our officers and directors or their respective affiliates will be on terms believed by us to be no less favorable to us than are available from unaffiliated third parties. Such transactions will require prior approval by a majority of our uninterested “independent” directors or the members of our board who do not have an interest in the transaction, in either case who had access, at our expense, to our attorneys or independent legal counsel. We will not enter into any such transaction unless our disinterested “independent” directors determine that the terms of such transaction are no less favorable to us than those that would be available to us with respect to such a transaction from unaffiliated third parties.

Related Party Policy

In May 2013, we adopted a Code of Ethics, which requires us to avoid, wherever possible, all related party transactions that could result in actual or potential conflicts of interests, except under guidelines approved by the board of directors (or the audit committee). Related-party transactions are defined as transactions in which (1) the aggregate amount involved will or may be expected to exceed \$120,000 in any calendar year, (2) we or any of our subsidiaries is a participant, and (3) any (a) executive officer, director or nominee for election as a director, (b) greater than 5% beneficial owner of our ordinary shares, or (c) immediate family member, of the persons referred to in clauses (a) and (b), has or will have a direct or indirect material interest (other than solely as a result of being a director or a less than 10% beneficial owner of another entity). A conflict of interest situation can arise when a person takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise if a person, or a member of his or her family, receives improper personal benefits as a result of his or her position.

We will also require each of our directors and executive officers to annually complete a directors’ and officers’ questionnaire that elicits information about related party transactions. All ongoing and future transactions between us and any of our officers and directors or their respective affiliates will be on terms believed by us to be no less favorable to us than are available from unaffiliated third parties. Such transactions will require prior approval by a majority of our uninterested “independent” directors (to the extent we have any) or the members of our board who do not have an interest in the transaction, in either case who had access, at our expense, to our attorneys or independent legal counsel. We will not enter into any such transaction unless our disinterested “independent” directors (or, if there are no “independent” directors, our disinterested directors) determine that the terms of such transaction are no less favorable to us than those that would be available to us with respect to such a transaction from unaffiliated third parties.

These procedures are intended to determine whether any such related party transaction impairs the independence of a director or presents a conflict of interest on the part of a director, employee or officer.

To further minimize potential conflicts of interest, we have agreed not to consummate a business combination with an entity which is affiliated with any of our initial shareholders unless we obtain an opinion from an independent investment banking firm that the business combination is fair to our unaffiliated shareholders from a financial point of view. We currently do not anticipate entering into a business combination with an entity affiliated with any of our initial shareholders. We do not intend to pursue a business combination with any company that is a portfolio company of, or otherwise affiliated with, or has received financial investment from, an entity with which our existing shareholders, executive officers or directors are affiliated. However, if circumstances change and we decide to acquire such an entity, we are required to obtain an opinion from an independent investment banking firm that is a member of FINRA that the business combination is fair to our unaffiliated shareholders from a financial point of view. Furthermore, in no event will any of our sponsor, existing officers, directors or any entity with which they are affiliated, be paid any finder's fee, consulting fee or other compensation prior to, or for any services they render in order to effectuate, the consummation of a business combination.

Director Independence

Currently, Messrs. Calcano, Donaldson and Sodha would each be considered an "independent director" under the listing rules of the NASDAQ Stock Market LLC, which is defined generally as a person other than an officer or employee of the company or its subsidiaries or any other individual having a relationship, which, in the opinion of the company's board of directors would interfere with the director's exercise of independent judgment in carrying out the responsibilities of a director. Our independent directors will have regularly scheduled meetings at which only independent directors are present.

Any affiliated transactions will be on terms no less favorable to us than could be obtained from independent parties. Any affiliated transactions must be approved by a majority of our independent and disinterested directors.

Item 14. Principal Accounting Fees and Services.

The firm of Marcum LLP acts as our independent registered public accounting firm. The following is a summary of fees paid to Marcum LLP for services rendered.

Audit Fees

During the year ended December 31, 2014 and 2013 audit fees for our independent registered public accounting firm were \$48,960 and \$68,150, respectively.

Audit-Related Fees

During the year ended December 31, 2014 and 2013, audit related fees from our independent registered public accounting firm were \$0 and \$0, respectively.

Tax Fees

During the year ended December 31, 2014 and 2013, fees for tax services were \$0 and \$0, respectively.

All Other Fees

During the year ended December 31, 2014 and 2013, fees for other services were \$0 and \$0, respectively.

Audit Committee Approval

Since our audit committee was not formed until May 2013, the audit committee did not pre-approve any of the foregoing services prior to such date, although any services rendered prior to the formation of our audit committee were reviewed and ratified by our board of directors. Our audit committee pre-approved all the foregoing services subsequent to such date. In accordance with Section 10A(i) of the Securities Exchange Act of 1934, before we engage our independent accountant to render audit or non-audit services on a going-forward basis, the engagement will be approved by our audit committee.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) The following documents are filed as part of this Form 10-K:

(1) Financial Statements:

	Page
Report of Independent Registered Public Accounting Firm	F-2
Balance Sheets	F-3
Statements of Operations	F-4
Statements of Changes in Shareholders' Equity	F-6-F-7
Statements of Cash Flows	F-8-F-9
Notes to Financial Statements	F-10-F-18

(2) Financial Statement Schedules:

None.

(3) The following exhibits are filed as part of this Form 10-K:

Exhibit	Description	Included	Form	Filing Date
3.1	Amended and Restated Certificate of Incorporation.	By Reference	8-K	May 15, 2013
3.2	Bylaws.	By Reference	S-1	February 15, 2011
4.1	Specimen Unit Certificate.	By Reference	S-1/A	April 15, 2013
4.2	Specimen Common Stock Certificate.	By Reference	S-1/A	April 15, 2013
4.3	Specimen Warrant Certificate.	By Reference	S-1/A	April 29, 2013
4.4	Warrant Agreement.	By Reference	8-K	May 15, 2013
10.1	Letter Agreement signed by each of Capitol Acquisition Management 2 LLC and Mark D. Ein.	By Reference	8-K	May 15, 2013
10.2	Letter Agreement signed by L. Dyson Dryden.	By Reference	8-K	May 15, 2013
10.3	Form of Letter Agreement signed by each of Lawrence Calcano, Piyush Soda and Richard C. Donaldson.	By Reference	8-K	May 15, 2013
10.4	Investment Management Trust Agreement between Continental Stock Transfer & Trust Company and the Company.	By Reference	8-K	May 15, 2013
10.5	Stock Escrow Agreement between the Company, Continental Stock Transfer & Trust Company and each of Capitol Acquisition Management 2 LLC, Lawrence Calcano, Richard C. Donaldson, Piyush Sodha and L. Dyson Dryden.	By Reference	8-K	May 15, 2013
10.6	Registration Rights Agreement among the Company and each of Capitol Acquisition Management 2 LLC, Lawrence Calcano, Richard C. Donaldson, Piyush Sodha and L. Dyson Dryden	By Reference	8-K	May 15, 2013
10.7	Sponsor Warrants Purchase Agreement among the Company, Graubard Miller and each of Capitol Acquisition Management 2 LLC, Lawrence Calcano, Richard C. Donaldson, Piyush Sodha and L. Dyson Dryden.	By Reference	8-K	May 15, 2013

Exhibit No.	Description	Included	Form	Filing Date
10.8	Form of Administrative Services Agent between the Registrant and Venturehouse Group, LLC.	By Reference	S-1/A	April 29, 2013
10.9	Promissory Note issued to Leland Investments Inc.	By Reference	S-1	February 15, 2011
10.10	Form of Convertible Promissory Note	By Reference	10-Q	August 6, 2014
10.11	Loan Commitment Letter	By Reference	10-Q	August 6, 2014
31.1	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Herewith		
31.2	Certification of Principal Financial and Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Herewith		
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Herewith		
32.2	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Herewith		
99.1	Form of Audit Committee Charter.	By Reference	S-1/A	October 3, 2013
99.2	Form of Nominating Committee Charter.	By Reference	S-1/A	October 3, 2013
101.INS	XBRL Instance Document	Herewith		
101.SCH	XBRL Taxonomy Extension Schema	Herewith		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	Herewith		
101.DEF	XBRL Taxonomy Extension Definition Linkbase	Herewith		
101.LAB	XBRL Taxonomy Extension Label Linkbase	Herewith		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	Herewith		

SIGNATURES

Pursuant to the requirements of the Section 13 or 15 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 13th day of March, 2015.

CAPITOL ACQUISITION CORP. II

By: /s/ Mark D. Ein
Mark D. Ein
Chief Executive Officer
(Principal executive officer)

By: /s/ L. Dyson Dryden
L. Dyson Dryden
Chief Financial Officer
(Principal financial and accounting officer)

POWER OF ATTORNEY

The undersigned directors and officers of Capitol Acquisition Corp. II hereby constitute and appoint Mark D. Ein and L. Dyson Dryden with full power to act as our true and lawful attorney-in-fact with full power to execute in our name and behalf in the capacities indicated below, this annual report on Form 10-K and any and all amendments thereto and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, and hereby ratify and confirm all that such attorneys-in-fact, or any of them, or their substitutes shall lawfully do or cause to be done by virtue hereof.

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Mark D. Ein</u> Mark D. Ein	Chairman, Chief Executive Officer, Treasurer, Secretary and Director (Principal Executive Officer)	March 13, 2015
<u>/s/ L. Dyson Dryden</u> L. Dyson Dryden	Chief Financial Officer (Principal Financial and Accounting Officer)	March 13, 2015
<u>/s/ Lawrence Calcano</u> Lawrence Calcano	Director	March 13, 2015
<u>/s/ Richard C. Donaldson</u> Richard C. Donaldson	Director	March 13, 2015
<u>/s/ Piyush Sodha</u> Piyush Sodha	Director	March 13, 2015

Capitol Acquisition Corp. II
INDEX TO FINANCIAL STATEMENTS

	<u>Page</u>
Audited Financial Statements	
Report of Independent Registered Public Accounting Firm	F-2
Financial Statements	
Balance Sheets as of December 31, 2014 and 2013	F-3
Statements of Operations for the years ended December 31, 2014, 2013 and 2012	F-4
Statements of Comprehensive Loss for the years ended December 31, 2014, 2013 and 2012	F-5
Statements of Changes in Stockholders' Equity for the years ended December 31, 2014, 2013 and 2012	F-6
Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012	F-7
Notes to Financial Statements	F-8 – F-18

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee of the
Board of Directors and Stockholders
of Capitol Acquisition Corp. II

We have audited the accompanying balance sheets of Capitol Acquisition Corp. II (the "Company") as of December 31, 2014 and 2013, and the related statements of operations, comprehensive loss, changes in stockholders' equity and cash flows for the years ended December 31, 2014, 2013 and 2012. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capitol Acquisition Corp. II as of December 31, 2014 and 2013 and results of its operations and its cash flows for the years ended December 31, 2014, 2013 and 2012 in conformity with accounting principles generally accepted in the United States of America.

/s/ Marcum LLP
Marcum LLP
Melville, NY

March 13, 2015

Capitol Acquisition Corp. II

Balance Sheets

	December 31,	December 31,
	2014	2013
	<u> </u>	<u> </u>
ASSETS		
Current assets		
Cash	\$ 28,634	\$ 312,298
Investment in marketable securities	9,998	9,973
Cash and cash equivalents held in trust account, interest income available for working capital and taxes	22,421	33,561
Accrued interest receivable	6,530	4,333
Prepaid expenses and other current assets	62,132	53,917
Total current assets	<u>129,715</u>	<u>414,082</u>
Cash and cash equivalents held in trust account, restricted	200,000,000	200,000,000
Other assets	-	13,400
Total current assets	<u>\$ 200,129,715</u>	<u>\$ 200,427,482</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 81,559	\$ 13,023
Accrued franchise tax payable	360,000	180,000
Due to related parties	470,000	-
Deferred rent	-	4,020
Total current liabilities	<u>911,559</u>	<u>197,043</u>
Commitments and contingencies		
Common stock, subject to possible redemption, 18,798,215 shares at redemption value	<u>187,982,148</u>	<u>187,982,148</u>
Stockholders' equity		
Preferred, \$0.0001 per share, 1,000,000 shares authorized, none issued or outstanding	-	-
Common stock, \$0.0001 par value, 200,000,000 shares authorized; 25,000,000 shares issued and outstanding	620	620
(1)(2)	620	620
Additional paid-in-capital	12,975,932	12,975,932
Accumulated deficit	(1,740,573)	(728,265)
Accumulated other comprehensive income	29	4
Total stockholders' equity	<u>11,236,008</u>	<u>12,248,291</u>
Total liabilities and stockholders' equity	<u>\$ 200,129,715</u>	<u>\$ 200,427,482</u>

(1) Share amounts include 1,250,000 shares that are subject to forfeiture if the last sales price of the Company's stock does not equal or exceed \$13.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period within four years following the closing of the Company's initial business combination.

(2) 175,000 of initial stockholders' shares were forfeited in 2013 due to a partial exercise of the underwriters' over-allotment.

The accompanying notes are an integral part of these financial statements

Capitol Acquisition Corp. II

Statements of Operations

	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Revenue	\$ -	\$ -	\$ -
Operating Expenses	<u>1,052,701</u>	<u>748,654</u>	<u>4,768</u>
Loss from operations	<u>(1,052,701)</u>	<u>(748,654)</u>	<u>(4,768)</u>
Other income and (expense)			
Interest expense	(41,689)	(10,260)	-
Interest income	<u>82,082</u>	<u>37,894</u>	<u>-</u>
Total other income	<u>40,393</u>	<u>27,634</u>	<u>-</u>
Net loss	<u>\$ (1,012,308)</u>	<u>\$ (721,020)</u>	<u>\$ (4,768)</u>
Weighted average number of common shares outstanding, basic and diluted (1)(2)	<u>6,201,785</u>	<u>5,824,828</u>	<u>5,175,000</u>
Basic and diluted net loss per share	<u>\$ (0.16)</u>	<u>\$ (0.12)</u>	<u>\$ -</u>

- (1) Share amounts include 1,250,000 shares that are subject to forfeiture if the last sales price of the Company's stock does not equal or exceed \$13.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period within four years following the closing of the Company's initial business combination.
- (2) Share amounts for 2012 have been retroactively restated to reflect the contribution to the Company of 105,184 shares by the Company's Sponsor on March 25, 2013 and a stock dividend of 0.2 shares for each outstanding share of common stock on May 9, 2013

The accompanying notes are an integral part of these financial statements.

Capitol Acquisition Corp. II
Statements of Comprehensive Loss

	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Net loss	\$ (1,012,308)	\$ (721,020)	\$ (4,768)
Other comprehensive income, net of tax:			
Unrealized gain on securities	<u>25</u>	<u>4</u>	<u>-</u>
Comprehensive loss	<u>\$ (1,012,283)</u>	<u>\$ (721,016)</u>	<u>\$ (4,768)</u>

The accompanying notes are an integral part of these financial statements.

Capitol Acquisition Corp. II

**Statement of Changes in Stockholders' Equity
For the years ended December 31, 2014, 2013 and 2012**

	<u>Common Stock</u>		<u>Additional paid –in capital</u>	<u>Deficit accumulated during development stage</u>	<u>Accumulated other comprehensive income</u>	<u>Total stockholders' equity</u>
	<u>Shares</u>	<u>Amount</u>				
Balance, January 1, 2012	5,175,000	\$ 517	\$ 24,483	\$ (2,477)	\$ -	\$ 22,523
Net loss for the year ended December 31, 2012	-	-	-	(4,768)	-	(4,768)
Balance, December 31, 2012	5,175,000	517	24,483	(7,245)	-	17,755
Sale of 20,000,000 units, net of underwriters' discount and offering expenses (includes 18,798,215 shares subject to possible conversion) on May 15, 2013	20,000,000	2,000	195,331,700	-	-	195,333,700
Forfeiture of initial stockholders' shares pursuant to partial exercise of underwriters' over-allotment	(175,000)	(17)	17	-	-	-
Proceeds subject to possible conversion of 18,798,215 shares	-	(1,880)	(187,980,268)	-	-	(187,982,148)
Proceeds from issuance of sponsor's warrants, at \$1 per warrant	-	-	5,600,000	-	-	5,600,000
Net loss for the year ended December 31, 2013	-	-	-	(721,020)	-	(721,020)
Other comprehensive income	-	-	-	-	4	4
Balance, December 31, 2013	25,000,000	620	12,975,932	(728,265)	4	12,248,291
Net loss for the year ended December 31, 2014	-	-	-	(1,012,308)	-	(1,012,308)
Other comprehensive income	-	-	-	-	25	25
Balance, December 31, 2014	25,000,000	\$ 620	\$ 12,975,932	\$ (1,740,573)	\$ 29	\$ 11,236,008

- (1) Share amounts include 1,250,000 shares that are subject to forfeiture if the last sales price of the Company's stock does not equal or exceed \$13.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period within four years following the closing of the Company's initial business combination.
- (2) Share amounts for 2012 have been retroactively restated to reflect the contribution to the Company of 105,184 shares by the Company's Sponsor on March 25, 2013 and a stock dividend of 0.2 shares for each outstanding share of common stock on May 9, 2013

The accompanying notes are an integral part of these financial statements.

Capitol Acquisition Corp. II

Statements of Cash Flows

	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
	<u> </u>	<u> </u>	<u> </u>
Cash Flows from Operating Activities			
Net loss	\$ (1,012,308)	\$ (721,020)	\$ (4,768)
Adjustments to reconcile net loss to net cash used in operating activities			
Deferred rent	(4,020)	4,020	-
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(8,215)	(53,917)	-
Accrued interest receivable	(2,197)	(4,333)	-
Other assets	13,400	(13,400)	1,256
Accounts payable and accrued expenses	68,536	193,003	-
Accrued franchise tax payable	180,000	-	-
Net cash used in operating activities	<u>(764,804)</u>	<u>(595,647)</u>	<u>(3,512)</u>
Cash Flows from Investing Activities			
Trust Account, restricted	-	(200,000,000)	-
Trust Account, interest income available for working capital and taxes	11,140	(33,561)	-
Purchase of marketable securities	-	(9,969)	-
Net cash provided by (used in) investing activities	<u>11,140</u>	<u>(200,043,530)</u>	<u>-</u>
Cash Flows from Financing Activities			
Gross proceeds from initial public offering	-	200,000,000	-
Proceeds from notes payable, related party	470,000	-	-
Repayment of notes payable, related party	-	(150,000)	-
Proceeds from issuance of sponsor's warrants	-	5,600,000	-
Payment of underwriting discount and offering expenses	-	(4,501,102)	(27,500)
Net cash provided by (used in) financing activities	<u>470,000</u>	<u>200,948,898</u>	<u>(27,500)</u>
Net (decrease) increase in cash	(283,664)	309,721	(31,012)
Net cash beginning of period	312,298	2,577	33,589
Net cash end of period	<u>\$ 28,634</u>	<u>\$ 312,298</u>	<u>\$ 2,577</u>
Supplemental Disclosure of Cash Flow Information:			
Cash paid for taxes	\$ 633	\$ -	\$ -
Cash paid for interest	\$ 60	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 1 - Organization, Plan of Business Operations and Liquidity

Capitol Acquisition Corp. II (the “Company”) was incorporated in Delaware on August 9, 2010 as a blank check company whose objective is to acquire, through a merger, share exchange, asset acquisition, stock purchase, plan of arrangement, recapitalization, reorganization or other similar business combination, one or more businesses or entities (a “Business Combination”).

All activity through December 31, 2014 relates to the Company’s formation, initial public offering (“Offering”) and identifying and investigating prospective target businesses with which to consummate a Business Combination. The Company has selected December 31 as its fiscal year-end.

The Company’s activities are subject to significant risks and uncertainties, including failing to identify a prospective target business and consummate a Business Combination by May 15, 2015.

The registration statement for the Offering was declared effective on May 9, 2013. On May 10, 2013, the Company filed a new registration statement to increase the size of the Offering by 20% pursuant to Rule 462(b) under the Securities Act of 1933, as amended. On May 15, 2013, the Company consummated the Offering and received proceeds net of the underwriter’s discount and other offering expenses of \$195,333,700 and simultaneously received \$5,600,000 from the issuance of 5,600,000 warrants (“sponsor’s warrants”) in a private placement (the “Private Placement”). From the proceeds, \$933,700 was available for working capital and tax purposes. The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Offering and the Private Placement, although substantially all of the net proceeds are intended to be applied generally towards consummating a Business Combination successfully. Furthermore, there is no assurance that the Company will be able to affect a Business Combination successfully.

Upon the closing of the Offering, \$200,000,000 (\$10.00 per share sold in the Offering), including the proceeds from the Private Placement, is held in a trust account (the “Trust Account”) and may be invested only in United States government securities having a maturity of 180 days or less, or in money market funds meeting certain conditions under Rule 2a-7 promulgated under the Investment Company Act of 1940, as amended, that solely invests in U.S. government treasury obligations until the earlier of the consummation of a Business Combination or the Company’s redemption of 100% of the outstanding public shares if the Company has not consummated a Business Combination in the required time period.

The Company’s common stock, units and warrants are listed on the NASDAQ Capital Markets (“NASDAQ”). Pursuant to NASDAQ listing rules, the target business or businesses with which the Company completes a Business Combination must collectively have a fair market value equal to at least 80% of the balance of the funds in the Trust Account (less taxes payable) at the time of the execution of the definitive agreement for the initial Business Combination, although the Company may acquire a target business whose fair value significantly exceeds 80% of the Trust Account balance.

The Company, after signing a definitive agreement for the acquisition of a target business, is required to provide shareholders who acquired shares in the Public Offering (“Public Shareholders”) with the opportunity to redeem their public shares for a pro rata share of the Trust Account by means of conducting redemptions in conjunction with a proxy solicitation pursuant to the proxy rules. Each Public Shareholder will be entitled to receive a full pro rata portion of the amount then in the Trust Account (\$10.00 per share, plus any pro rata interest earned on the funds held in the Trust Account and not previously released by the Company or necessary to pay taxes).

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 1 - Organization, Plan of Business Operations and Liquidity (continued)

The Company will consummate an initial Business Combination only if the Company has net tangible assets of at least \$5 million upon consummation of the Business Combination and a majority of the outstanding public shares voted are voted in favor of the Business Combination.

In connection with any stockholder vote required to approve any Business Combination, the Company's sponsor and the other initial stockholders of the Company (collectively, the "Initial Stockholders") have agreed (i) to vote any of their respective shares in favor of the initial Business Combination and (ii) not to convert any of their respective shares. Public stockholders who convert their stock will continue to have the right to exercise any warrants they may hold if the Business Combination is consummated.

On January 7, 2015, the Company executed a non-binding letter of intent with a target business for a business combination. Pursuant to the provisions of the Company's Amended and Restated Certificate of Incorporation, the Company now has until May 15, 2015 to complete a business combination.

On March 9, 2015, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Argo Expeditions, LLC, a Delaware limited liability company and the Company's wholly-owned subsidiary ("LLC Sub"), Argo Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of LLC Sub ("Merger Sub"), and Lindblad Expeditions, Inc., a New York corporation ("Lindblad").

If the Company is unable to complete a Business Combination within the allotted time, the Company will automatically dissolve and as promptly as practicable liquidate the Trust Account and release only to Public Shareholders a pro rata share of the Trust Account (initially \$10.00 per share), plus any remaining net assets. The Initial Stockholders have agreed to waive the right to participate in any distribution from the Trust Account, but not with respect to any units they acquire in the aftermarket.

Placing funds in the Trust Account may not protect those funds from third party claims against the Company. Although the Company will seek to have all vendors, service providers, prospective target businesses or other entities it engages, execute agreements with the Company waiving any claim of any kind in or to any monies held in the Trust Account, there is no guarantee that such persons will execute such agreements. If the Company is unable to complete a Business Combination and is forced to dissolve and liquidate, the Company's executive officers, by agreement, have agreed that they will be liable under certain circumstances to ensure that the proceeds in the Trust Account are not reduced by the claims of target businesses or vendors or other entities that are owed money by the Company for services rendered, contracted for or products sold to the Company. However, there can be no assurance that it will be able to satisfy those obligations should they arise.

The Company has experienced significant recurring net operating losses as well as negative cash flows from operations. The Company's main source of liquidity was from the Offering and the Private Placement, proceeds from which have been used to fund the search for a prospective target business. The Company currently has a cash position of approximately \$61,000, which includes approximately \$22,000 held in the trust account that is available to the Company and approximately \$10,000 invested in U.S. Treasury Bills. The Company has also received certain loans from its Chief Executive Officer, Mark D. Ein, and its Chief Financial Officer, L. Dyson Dryden, to fund operations. In May 2014 and September 2014, Mr. Ein and Mr. Dryden loaned an aggregate of \$470,000 to the company. On January 27, 2015, the same parties loaned the Company an additional \$191,329 in the aggregate, which is not convertible. On March 3, 2015, the same parties loaned the Company an additional \$425,000 in the aggregate, which is not convertible. These loans are evidenced by non-interest bearing notes and will either be repaid upon the consummation of a Business Combination or the initial \$470,000 of the notes may be converted into warrants. Furthermore, Mr. Ein and Mr. Dryden have also committed to providing additional loans to the company of up to \$375,000. Based on the foregoing, the Company believes it has sufficient cash to meet its needs through May 15, 2015. Since the Company has executed a letter of intent with respect to a Business Combination, as discussed above, the Company has until May 15, 2015 to complete the Business Combination. The Company's sponsor, officers and directors or their affiliates may, but are not required to, loan the Company additional funds in any amount they deem reasonable at their discretion in the event the Company requires additional funds to complete a Business Combination.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 2 - Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents except for the cash held in the Trust Account which due to the restrictions on its use, is treated as a non-current asset.

Cash and Cash Equivalents Held in Trust Account – Restricted

The Company considers the restricted portion of the funds held in the Trust Account as being a non-current asset. A current asset is one that is reasonably expected to be used to pay current liabilities, such as accounts payable or short-term debt or to pay current operating expenses, or will be used to acquire other current assets. Since the acquisition of a business is principally considered to be a long-term purpose, with long-term assets such as property and intangibles, typically being a major part of the acquired assets, the Company has reported the funds anticipated to be used in the acquisition as a non-current asset.

Investment in Marketable Securities

Marketable securities consist of government obligations. The Company has classified its investment as available for sale. Accordingly, such investment is reported at fair value with the unrealized gain or loss reported as a separate component of stockholders' equity.

Fair Value Measurements and Disclosure

The Company applies ASC 820, "Fair Value Measurements and Disclosures," which expands disclosures for assets and liabilities that are measured and reported at fair value on a recurring basis. ASC 820 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 established a fair value hierarchy that prioritizes the inputs to valuation techniques utilized to measure fair value into three broad levels as follows:

Level 1 - Quoted market prices (unadjusted) in active markets for the identical assets or liability that the reporting entity has the ability to access at measurement date.

Level 2 - Quoted market prices for identical assets or liabilities in markets that are not active, quoted market prices for similar assets or liabilities in active markets, and where fair value is determined through the use of models or other valuation methodologies.

Level 3 - Unobserved inputs for the asset or liability. Fair value is determined by the reporting entity's own assumptions utilizing the best information available, and includes situations where there is little market activity for the investment.

Fair Value of Financial Instruments:

The Company's financial instruments are cash, cash held in trusts and accounts payable. The recorded values of cash, cash held in trust and accounts payable approximate their fair values based on their short term maturities.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 2 - Significant Accounting Policies (continued)

Income Taxes

The Company accounts for income taxes under Accounting Standards Codification (“ASC”) 740, “Income Taxes” (“ASC 740”). ASC 740 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and tax basis of assets and liabilities and for the expected future tax benefit to be derived from tax loss and tax credit carry forwards. ASC 740 additionally requires a valuation allowance to be established when it is more likely than not that all or a portion of deferred tax assets will not be realized.

ASC 740 also clarifies the accounting for uncertainty in income taxes recognized in an enterprise’s financial statements and prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. ASC 740 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The Company is required to file income tax returns in the United States (federal) jurisdiction. Based on the Company’s evaluation, it has been concluded that there are no significant uncertain tax positions requiring recognition in the Company’s financial statements. The Company believes that its income tax positions and deductions would be sustained on audit and does not anticipate any adjustments that would result in a material change to its financial position.

The Company’s conclusions regarding uncertain tax positions may be subject to review and adjusted at a later date based upon ongoing analyses of tax laws, regulations, and interpretations thereof as well as other factors. Generally, federal and state authorities may examine the tax returns for three years from the date of filing; therefore the years ended December 31, 2014, 2013, 2012 and 2011 remain subject to examination as of December 31, 2014. There are currently no ongoing income tax examinations.

The Company’s policy for recording interest and penalties associated with audits is to record such expense as a component of income tax expense. There were no amounts accrued for penalties or interest for the years ended December 31, 2014 and 2013. Management is currently unaware of any issues under review that could result in significant payments, accruals or material deviations from its position.

Loss per Share

Basic loss per share is calculated using the weighted-average number of shares of common stock and diluted loss per share is computed on the basis of the average number of common stock outstanding plus the effect of outstanding warrants using the “treasury stock method.”

Common shares subject to possible conversion of 18,798,215 have been excluded from the calculation of basic and diluted earnings per share since such shares, if converted, only participate in their pro rata shares of the trust earnings.

Diluted loss per common share amounts, assuming dilution, gives the effect to dilutive options, warrants, and other potential common stock outstanding during the period. The Company has not considered the effect of its outstanding warrants in the calculation of diluted loss per share since they are anti-dilutive.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 2 - Significant Accounting Policies (continued)

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution, which at times, may exceed the Federal depository insurance coverage. At December 31, 2014, the Company had not experienced losses on these accounts and management believes the Company was not exposed to significant risks on such accounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements

In June 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-10, Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, including an Amendment to Variable Interest Entities Guidance in Topic 810 Consolidation. The objective of the amendments in ASU No. 2014-10 is to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements for development stage entities by eliminating certain disclosures. ASU No. 2014-10 is effective as of the first annual period beginning after December 15, 2014, at which time the presentation and disclosure requirements in Topic 915 will no longer be required. The revised consolidation standards are effective one year later, in annual periods beginning after December 15, 2015. Early adoption of these new standards is permitted. The Company has elected to early adopt this ASU; therefore references to development stage entity and inception to date information have been eliminated from the financial statements. The adoption of ASU 2014-10 did not have any material effect of the Company’s operations, financial condition or liquidity.

In August 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-15, Presentation of Financial Statements – Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern. The objective of the ASU is to require an entity’s management to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable).

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

Subsequent Events

On January 7, 2015, the Company executed a non-binding letter of intent with a target business for a business combination. Pursuant to the provisions of the Company’s Amended and Restated Certificate of Incorporation, the Company now has until May 15, 2015 to complete a business combination.

On January 27, 2015, Messrs. Ein and Dryden loaned the Company an additional \$191,329 in the aggregate, which is not convertible. On March 3, 2015, the same parties loaned the Company an additional \$425,000 in the aggregate, which is also not convertible, and was used to pay the Delaware Franchise taxes due of approximately \$407,000.

On March 9, 2015, the Company entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Argo Expeditions, LLC, a Delaware limited liability company and the Company’s wholly-owned subsidiary (“LLC Sub”), Argo Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of LLC Sub (“Merger Sub”), and Lindblad Expeditions, Inc., a New York corporation (“Lindblad”).

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 2 - Significant Accounting Policies (continued)

Subsequent Events (continued)

Pursuant to the Merger Agreement, Merger Sub will be merged with and into Lindblad to form an interim corporation (“Interim Corporation”), and such Interim Corporation shall immediately thereafter be merged with and into LLC Sub to form the surviving company as our wholly-owned subsidiary. In connection with the transaction, the stockholders of Lindblad will receive merger consideration having an aggregate value of approximately \$330,000,000, comprised of approximately \$90,000,000 in cash and approximately 24,000,000 shares of the Company’s common stock, including options to purchase shares of the Company’s common stock.

Lindblad is an expedition travel company that works in partnership with National Geographic to inspire people to explore and care about the planet. The organizations work in tandem to produce innovative marine expedition programs and to promote conservation and sustainable tourism around the world. The partnership’s educationally oriented voyages allow guests to interact with leading scientists, naturalists and researchers while discovering stunning natural environments, above and below the sea, through state-of-the-art exploration tools

The proposed transaction is expected to be consummated by May 15, 2015, after the required approval by the Company’s stockholders and the fulfillment of certain other conditions, as described in the Company’s Current Report on Form 8-K filed on March 10, 2015 (the “Merger Form 8-K”) and in the Merger Agreement.

Management of the Company evaluated events that have occurred after the balance sheet date of December 31, 2014 but before the financial statements were issued. Except as disclosed above, management did not identify any recognized or non-recognized subsequent event that would have required adjustment or disclosure in the financial statements.

Note 3 - Initial Public Offering and Insider Warrants

In connection with the Offering, on May 15, 2013, the Company sold 20,000,000 units at \$10.00 per unit, including 2,000,000 units under the underwriters’ over-allotment option, generating gross proceeds of \$200,000,000. On May 17, 2013, the underwriters in the Offering indicated to the Company that they would not exercise the remaining portion of the over-allotment option. As a result, on May 20, 2013, the Company’s Initial Stockholders forfeited an aggregate of 175,000 shares of common stock issued to them prior to the Offering. Each unit consists of one share of the Company’s common stock, \$0.0001 par value, and one half of one redeemable warrant to purchase one share of common stock. The shares of common stock and the warrants included in the units traded as a unit from the Offering until July 1, 2013 when separate trading of common stock and warrants began. No fractional warrants will be issued and only whole warrants will trade. Holders now have the option to continue to hold units or separate their units into the component pieces. Each whole warrant entitles its holder, upon exercise, to purchase one share of common stock for \$11.50 subject to certain adjustments, during the period commencing on the later of thirty days after the completion by the Company of its initial Business Combination or twelve months from the date of the consummation of the Offering and terminating on the five-year anniversary of the completion by the Company of its initial Business Combination or earlier upon redemption or liquidation of the Trust Account. At May 15, 2013, December 31, 2013, and December 31, 2014 there were 15,600,000 warrants outstanding, which include 5,600,000 sponsor’s warrants purchased by the Initial Stockholders in the Private Placement and 10,000,000 warrants purchased in connection with the sale of units related to the Offering.

The warrants may be redeemed by the Company, at its option, in whole and not in part, at a price of \$0.01 per warrant at any time the warrants are exercisable, upon a minimum of 30 days’ prior written notice of redemption, if, and only if, the last sales price of the Company’s shares of common stock equals or exceeds \$24.00 per share (as adjusted for stock splits, stock dividends, reorganizations and recapitalizations) for any 20 trading days within a 30 trading day period ending three business days before the Company sends the redemption notice; and if, and only if, there is a current registration statement in effect with respect to the shares of common stock underlying such warrants.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 3 - Initial Public Offering and Insider Warrants (continued)

If the Company calls the warrants for redemption as described above, the Company's management will have the option to require all holders that wish to exercise warrants to do so on a "cashless basis." In such event, each holder would pay the exercise price by surrendering the warrants for that number of shares of common stock equal to the quotient obtained by dividing (x) the product of the number of shares of common stock underlying the warrants, multiplied by the difference between the exercise price of the warrants and the fair market value by (y) the fair market value. The fair market value shall mean the average reported last sale price of the shares of common stock for the 5 trading days ending on the third trading day prior to the date on which the notice of redemption is sent to the holders of warrants.

Simultaneously with the consummation of the Offering, the Company consummated the Private Placement of 5,600,000 sponsor's warrants at a price of \$1.00 per warrant, generating total proceeds of \$5,600,000. The sponsor's warrants are identical to the warrants included in the units sold in the Offering except that the sponsor's warrants: (i) will not be redeemable by the Company and (ii) may be exercised for cash or on a cashless basis, in each case so long as they are held by the initial purchasers or any of their permitted transferees. The purchasers of the sponsor's warrants have also agreed not to transfer, assign or sell any of the sponsor's warrants, including the common stock issuable upon exercise of the sponsor's warrants (except to certain permitted transferees), until 30 days after the completion of an initial Business Combination.

Note 4 - Investment in Marketable Securities and Fair Value of Financial Instruments

The Company accounts for securities owned in accordance with ASC 320, "Investments - Debt and Equity Securities." ASC 320 requires investments in debt and equity securities to be classified as either "held to maturity," "trading," or "available for sale." At December 31, 2014 and 2013, management had classified \$9,998 and \$9,973, respectively, of marketable securities as available for sale, which are reported at fair market value, with unrealized gains and losses reported as a separate component of stockholders' equity. Gains or losses on the sale of securities are recognized on a specific identification basis.

At December 31, 2014, Level 1 marketable securities consist of the following:

	Cost	Fair Value	Unrealized Gain *
United States Treasury Notes (matures in December 2015)	\$ 9,969	\$ 9,998	\$ 29

At December 31, 2013, Level 1 marketable securities consist of the following:

	Cost	Fair Value	Unrealized Gain *
United States Treasury Notes (matures in December 2015)	\$ 9,969	\$ 9,973	\$ 4

*Included in other comprehensive income.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 5 – Due to Related Parties

On May 20, 2014 and September 22, 2014, (i) an entity controlled by the Company's chief executive officer and (ii) the Company's chief financial officer (the "Lenders") loaned the Company an aggregate of \$250,000 and \$220,000, respectively. On January 27, 2015, the Lenders loaned the Company an additional \$191,329 in the aggregate. On March 3, 2015, Messrs. Ein and Dryden loaned the Company an additional \$425,000 in aggregate, which is not convertible. The loans are evidenced by unsecured promissory notes issued to both the chief executive officer and chief financial officer. The loans are non-interest bearing and are payable at the consummation by the Company of a merger, share exchange, asset acquisition, or other similar business combination. Upon consummation of a business combination, \$470,000 of the principal balance of the notes may be converted, at the holders' option, to warrants at a price of \$1.00 per warrant. The terms of the warrants will be identical to the warrants issued by the Company in its initial public offering except that such warrants will be non-redeemable by the Company and will be exercisable for cash or on a "cashless" basis, in each case, if held by the initial holders or their permitted transferees. If the Lenders convert the entire principal balance of the notes, they would receive warrants to purchase an aggregate of 470,000 shares of the Company's common stock. If a business combination is not consummated, the notes will not be repaid by the Company and all amounts owed thereunder by the Company will be forgiven except to the extent that the Company had funds available to it outside of its trust account established in connection with the initial public offering.

Note 6 — Income Taxes

For the years ended December 31, 2014, 2013, and 2012 there are no provisions for income taxes or corporate taxes payable due to the net operating losses of \$1,012,308, \$721,020 and \$4,768, respectively, incurred in each year.

Deferred income taxes, if applicable, are provided for the differences between the basis of assets and liabilities for financial reporting and income tax purposes. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company has approximately \$1,740,000 net operating losses that expire through 2034 and if realized would have a tax benefit of approximately \$760,000. The valuation allowance increased by approximately \$440,000, \$310,000, and \$2,000 for the years ended December 31, 2014, 2013, and 2012, respectively. The Company has recorded a full valuation allowance against this deferred tax benefit since the Company believes it is more likely than not that the Company will not utilize the losses in the future, and accordingly it has not been recorded as a deferred tax asset. The Company also recorded a full valuation allowance against its deferred tax benefit of \$247,000 as of December 31, 2013.

A reconciliation of the provision for income taxes with the amounts computed by applying the statutory Federal income tax rate to income from continuing operations before provision for income taxes is as follows:

	For the year ended December 31, 2014	For the year ended December 31, 2013
Tax provision at statutory rate - federal	(34.0%)	(34.0%)
Tax provision at effective state and local rates	(9.5%)	(9.5%)
Effect of valuation allowance on deferred tax asset	43.5%	43.5%
Effective tax rate	<u>0.0%</u>	<u>0.0%</u>

Note 7 - Commitments and Contingencies and Related Party Transactions

On May 10, 2013, the Company entered into an agreement with the underwriters ("Underwriting Agreement"). Pursuant to the Underwriting Agreement, the Company paid an underwriting discount of 2.0% of the gross proceeds of the Offering, or \$4,000,000. The Company will also pay the underwriters in the Offering an additional deferred underwriting discount of 4.0% of the gross proceeds of the Offering ("Deferred Commissions") which will be placed in the Trust Account and paid only upon consummation of a Business Combination.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 7 - Commitments and Contingencies and Related Party Transactions (continued)

An affiliate of the Company's Chief Executive Officer has agreed that, until the Company consummates a Business Combination, it will make available to the Company certain office space and administrative and support services, as may be required by the Company from time to time. The Company has agreed to pay such affiliate \$7,500 per month for such services commencing on May 9, 2013. Another affiliate of the Company's Chief Executive Officer has agreed to provide certain administrative and support services and is reimbursed for all costs incurred. For the years ended December 31, 2014 and 2013, the total amount paid to these affiliates for office space and administrative and support services was \$90,000 and \$62,446, respectively.

The Company entered into two consulting arrangements for services to help identify and introduce the Company to potential targets and provide assistance with due diligence, deal structuring, documentation and obtaining stockholder approval for a Business Combination. These agreements provide for an aggregate annual fee of \$330,000 and success fee of \$450,000 upon the consummation of a Business Combination. Additionally, the Company may pay a discretionary success fee of \$20,000 upon the closing of a Business Combination.

On May 23, 2013, the Company entered into a fifteen month office lease for office space in New York, New York, commencing on June 1, 2013 and expiring on August 31, 2014. The lease called for monthly rent of \$6,700 plus additional fees for administrative support and included free rent on the first, fifth and ninth month of the lease term. The rent has been straight-lined for financial statement purposes. For the years ended December 31, 2014, 2013, and 2012 rent expense totaled \$54,448, \$47,357, and \$0, respectively.

On September 1, 2014, the Company entered into a month to month agreement for the utilization of office space and support services in New York for \$4,050 per month plus additional fees for administrative items. For the year ended December 31, 2014, the amount paid for utilization of office space totaled \$16,200.

Note 8 - Delinquencies

On January 2, 2015, the Company received a notice from the NASDAQ Listing Qualifications Department stating that the Company failed to solicit proxies and hold an annual meeting of the stockholders within 12 months after its year ended December 31, 2013 as required by Nasdaq Listing Rules 5620(a) and (b). The Company has appealed the Department's determination and a hearing was held before the NASDAQ Hearings Panel on February 5, 2015. On February 9, 2015, the Company received notice that the NASDAQ Hearings Panel had granted the Company's request for continued listing of the Company's securities on the NASDAQ. The NASDAQ Hearings Panel's decision is subject to certain conditions, including without limitation that, on or before May 15, 2015, the Company complete a business combination and receive from the NASDAQ staff a determination that the business combination will meet all initial listing criteria for listing on NASDAQ. Failure to comply with the conditions could result in the delisting of the Company's securities from NASDAQ. There can be no assurance that the Company will be able to satisfy these conditions.

The Company has failed to pay its Delaware franchise tax for the years ended December 31, 2014 and 2013. The calculated tax is \$180,000 per year for a total of \$360,000. The tax plus accrued interest of \$81,559 has been included in the financial statements. On March 3, 2015 the Company paid all of its delinquent Delaware Franchise taxes in full.

Note 9 - Stockholders' Equity

Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock with a par value of \$0.0001 per share with such designation, rights and preferences as may be determined from time to time by the Company's board of directors. As of December 31, 2014 and 2013, there are no shares of preferred stock issued or outstanding.

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 9 - Stockholders' Equity (continued)

Common Stock

The Company is authorized to issue 200,000,000 shares of common stock with a par value of \$0.0001 per share.

In connection with the organization of the Company, on February 3, 2011, a total of 4,417,684 shares of the Company's common stock were sold to Capital Acquisition Management 2 LLC (our "sponsor") at a price of approximately \$0.006 per share for an aggregate of \$25,000. On March 25, 2013, the sponsor contributed an aggregate of 105,184 shares of the Company's common stock to the Company at no cost for cancellation. Effective May 9, 2013, the Company's Board of Directors authorized a stock dividend of 0.2 shares for each outstanding share of common stock, resulting in 5,175,000 shares outstanding. All references in the accompanying financial statements to the number of shares of common stock have been retroactively restated to reflect these transactions.

On May 17, 2013, the underwriters in the Offering indicated to the Company that they would not exercise the remaining portion of the over-allotment option. As a result, on May 20, 2013, the Company's Initial Stockholders forfeited an aggregate of 175,000 shares of Common Stock issued to them prior to the Offering. The shares that continue to be held by the Initial Stockholders includes 1,250,000 shares that are subject to forfeiture if the last sales price of the Company's stock does not equal or exceed \$13.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period within four years following the closing of the Company's initial Business Combination.

Note 10 – Summarized Quarterly Data (Unaudited)

Following is a summary of the quarterly results of operations for the year ended December 31, 2014.

	For the three months ended March 31, 2014	For the three months ended June 30, 2014	For the three months ended September 30, 2014	For the three months ended December 31, 2014
Revenue	\$ -	\$ -	\$ -	\$ -
Loss from operations	(264,978)	(279,005)	(247,524)	(261,194)
Interest income	30,017	24,552	20,148	7,365
Interest expense	(7,020)	(9,180)	(11,989)	(13,500)
Total other income	22,997	15,372	8,159	(6,135)
Net loss	(241,981)	(263,633)	(239,365)	(267,329)
Weighted average number of common shares outstanding, excluding shares subjected to possible conversions-basic and diluted	6,201,785	6,201,785	6,201,785	6,201,785
Basic and diluted net income (loss) per Share	\$ (0.04)	\$ (0.04)	\$ (0.04)	\$ (0.04)

Capitol Acquisition Corp. II

Notes to Financial Statements

Note 10– Summarized Quarterly Data (Unaudited) (continued)

Following is a summary of the quarterly results of operations for the year ended December 31, 2013.

	For the three months ended March 31, 2013	For the three months ended June 30, 2013	For the three months ended September 30, 2013	For the three months ended December 31, 2013
Revenue	\$ -	\$ -	\$ -	\$ -
Loss from operations	(4,400)	(201,678)	(291,762)	(250,814)
Interest income	-	6,053	19,017	12,824
Interest expense	-	-	-	(10,260)
Total other income	-	6,053	19,017	2,564
Net loss	(4,400)	(195,625)	(272,745)	(248,250)
Weighted average number of common shares outstanding, excluding shares subjected to possible conversions-basic and diluted	5,175,000	5,705,318	6,201,785	6,201,785
Basic and diluted net income (loss) per Share	\$ -	\$ (0.03)	\$ (0.04)	\$ (0.04)

Following is a summary of the quarterly results of operations for the year ended December 31, 2012.

	For the three months ended March 31, 2012	For the three months ended June 30, 2012	For the three months ended September 30, 2012	For the three months ended December 31, 2012
Revenue	\$ -	\$ -	\$ -	\$ -
Loss from operations	(568)	-	(1,701)	(2,499)
Interest income	-	-	-	-
Interest expense	-	-	-	-
Net loss	(568)	-	(1,701)	(2,499)
Weighted average number of common shares outstanding, excluding shares subjected to possible conversions-basic and diluted	5,175,000	5,175,000	5,175,000	5,175,000
Basic and diluted net income (loss) per Share	\$ -	\$ -	\$ -	\$ -

**FORM OF CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

CERTIFICATIONS

I, Mark D. Ein, certify that:

1. I have reviewed this annual report on Form 10-K of Capitol Acquisition Corp. II.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The Issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the issuer is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The Issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 13, 2015

/s/ Mark D. Ein

Name: Mark D. Ein

Title: Chief Executive Officer
(Principal Executive Officer)

**FORM OF CERTIFICATION
PURSUANT TO RULE 13a-14 AND 15d-14
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

CERTIFICATIONS

I, L. Dyson Dryden, certify that:

1. I have reviewed this annual report on Form 10-K of Capitol Acquisition Corp. II.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;
4. The Issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the issuer is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the issuer's most recent fiscal quarter (the issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and
5. The Issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 13, 2015

/s/ L. Dyson Dryden

Name: L. Dyson Dryden

Title: Chief Financial Officer

(Principal financial and accounting officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Capitol Acquisition Corp. II (the "Company") on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Mark D. Ein, Chief Executive Officer, certify in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report, to which this certification is attached, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: March 13, 2015

/s/ Mark D. Ein

Name: Mark D. Ein

Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Capitol Acquisition Corp. II (the "Company") on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, L. Dyson Dryden, Chief Financial Officer, certify in accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report, to which this certification is attached, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: March 13, 2015

/s/ L. Dyson Dryden

Name: L. Dyson Dryden

Title: Chief Financial Officer

(Principal financial and accounting officer)