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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2018

OR

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: 001-37979

GORES HOLDINGS II, INC.

(Exact name of registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

81-3563824
(I.R.S. Employer
Identification No.)

9800 Wilshire Blvd.
Beverly Hills, CA
(Address of principal executive offices)

90212
(Zip Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements 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 (§232.405 of this chapter) 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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The registrant was not a public company as of June 30, 2016 and therefore it cannot calculate the aggregate market value of its voting and non-voting common equity held by non-affiliates as of such date.

As of August 10, 2018, there were 40,000,000 shares of the Company's Class A common stock, par value \$0.0001 per share, and 10,000,000 shares of the Company's Class F common stock, par value \$0.0001 per share, issued and outstanding.

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GORES HOLDINGS II, INC.
BALANCE SHEETS

	June 30, 2018	December 31, 2017
	(unaudited)	(audited)
CURRENT ASSETS:		
Cash and cash equivalents	\$ 168,794	\$ 826,201
Prepaid assets & deferred costs	263,841	135,581
Total current assets	432,635	961,782
Investments and cash held in Trust Account	404,611,945	402,735,815
Total assets	\$ 405,044,580	\$ 403,697,597
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses, formation and offering costs	3,077,932	66,191
State franchise tax accrual	20,000	131,928
Total current liabilities	3,097,932	198,119
Deferred underwriting compensation	14,000,000	14,000,000
Income tax payable	—	806,445
Net deferred income tax	4,480	4,481
Total liabilities	17,102,412	15,009,045
Commitments and Contingencies:		
Class A subject to possible redemption, 38,294,216 and 38,368,855 shares at June 30, 2018 and December 31, 2017, respectively (at redemption value of \$10 per share)	382,942,160	383,688,550
Stockholders' equity:		
Preferred stock, \$0.0001 par value; 1,000,000 shares authorized, none issued or outstanding	—	—
Common stock		
Class A common stock, \$0.0001 par value; 200,000,000 shares authorized, 1,705,784 and 1,631,145 shares issued and outstanding (excluding 38,294,216 and 38,368,855 shares subject to possible redemption) at June 30, 2018 and December, 31, 2017, respectively	171	163
Class F common stock, \$0.0001 par value; 20,000,000 shares authorized, 10,000,000 shares issued and outstanding	1,000	1,000
Additional paid-in-capital	4,361,675	3,615,292
Retained earnings	637,162	1,383,547
Total stockholders' equity	5,000,008	5,000,002
Total liabilities and stockholders' equity	\$ 405,044,580	\$ 403,697,597

See accompanying notes to the unaudited, interim financial statements.

GORES HOLDINGS II, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenues	\$ —	\$ —	\$ —	\$ —
Professional fees and other expenses	(3,410,899)	(140,899)	(3,625,443)	(280,870)
State franchise taxes, other than income tax	(50,000)	(45,000)	(100,000)	(90,000)
Net loss from operations	(3,460,899)	(185,899)	(3,725,443)	(370,870)
Other income - interest income	1,668,661	727,843	2,997,552	1,064,410
Net income/(loss) before income taxes	\$ (1,792,238)	\$ 541,944	\$ (727,891)	\$ 693,540
Provision for income tax	243,949	—	(18,494)	—
Net income/(loss) attributable to common shares	<u>\$ (1,548,289)</u>	<u>\$ 541,944</u>	<u>\$ (746,385)</u>	<u>\$ 693,540</u>
Net Income/(Loss) per ordinary share:				
Class A ordinary shares - basic and diluted	<u>\$ (0.02)</u>	<u>\$ 0.01</u>	<u>\$ 0.00</u>	<u>\$ 0.02</u>
Class F ordinary shares - basic and diluted	<u>\$ (0.06)</u>	<u>\$ (0.00)</u>	<u>\$ (0.07)</u>	<u>\$ (0.01)</u>

See accompanying notes to the unaudited, interim financial statements.

GORES HOLDINGS II, INC.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Six Months Ended June 30, 2018
(Unaudited)

	<u>Class A Ordinary Shares</u>		<u>Class F Ordinary Shares</u>		<u>Additional Paid- In Capital</u>	<u>Retained Earnings</u>	<u>Shareholder's Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance at December 31, 2017	1,631,145	\$ 163	10,000,000	\$ 1,000	\$3,615,292	\$1,383,547	\$ 5,000,002
Change in proceeds subject to possible redemption to 38,294,216 shares at redemption value	74,639	8	-	-	746,383	-	746,391
Net income/(loss)	-	-	-	-	-	(746,385)	(746,385)
Balance at June 30, 2018	<u>1,705,784</u>	<u>\$ 171</u>	<u>10,000,000</u>	<u>\$ 1,000</u>	<u>\$4,361,675</u>	<u>\$ 637,162</u>	<u>\$ 5,000,008</u>

See accompanying notes to the unaudited, interim financial statements.

GORES HOLDINGS II, INC.
STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Cash flows from operating activities:		
Net income/(loss)	\$ (746,385)	\$ 693,540
Changes in receivable - related party	—	436
Changes in state franchise tax accrual	(111,928)	20,488
Changes in prepaid assets	(128,259)	(254,952)
Changes in deferred offering costs associated with public offering	—	414,606
Changes in income taxes payable	(806,446)	—
Changes in accrued expenses, formation and offering costs	3,011,741	138,074
Net cash provided by operating activities	1,218,723	1,012,192
Cash flows from investing activities:		
Cash deposited in Trust Account	—	(400,000,000)
Interest reinvested in Trust Account	(1,876,130)	(1,061,237)
Net cash used in investing activities	(1,876,130)	(401,061,237)
Cash flows from financing activities:		
Proceeds from sale of Units in initial public offering	—	400,000,000
Proceeds from sale of Private Placement Warrants to Sponsor	—	10,000,000
Repayment of notes and advances payable – related party	—	(150,000)
Payment of underwriter's discounts and commissions	—	(8,000,000)
Payment of accrued offering costs	—	(721,646)
Net cash provided by financing activities	—	401,128,354
Increase/(decrease) in cash	(657,407)	1,079,309
Cash at beginning of period	826,201	3,185
Cash at end of period	\$ 168,794	\$ 1,082,494
Supplemental disclosure of non-cash financing activities:		
Deferred underwriting compensation	\$ —	\$ 14,000,000
Offering costs included in accrued expenses	\$ —	\$ 380,670
Cash paid for income and state franchise taxes	\$ 211,928	\$ —

See accompanying notes to the unaudited, interim financial statements.

GORES HOLDINGS II, INC.

NOTES TO THE UNAUDITED, INTERIM FINANCIAL STATEMENTS

1. Organization and Business Operations

Organization and General

Gores Holdings II, Inc. (the “Company”) was incorporated in Delaware on August 15, 2016. The Company was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar Business Combination with one or more businesses (the “Business Combination”). The Company has neither engaged in any operations nor generated any operating revenue to date. The Company’s management has broad discretion with respect to the Business Combination. The Company’s Sponsor is Gores Sponsor II, LLC, a Delaware limited liability company (the “Sponsor”). The Company has selected December 31st as its fiscal year-end.

At June 30, 2018, the Company had not commenced any operations. All activity for the period from August 15, 2016 (inception) through June 30, 2018 relates to the Company’s formation and initial public offering (“Public Offering”) described below. The Company completed the Public Offering on January 19, 2017 (the “IPO Closing Date”). The Company will not generate any operating revenues until after the completion of its Business Combination, at the earliest. Subsequent to the Public Offering, the Company will generate non-operating income in the form of interest income on cash and cash equivalents from the proceeds derived from the Public Offering and the sale of the Private Placement Warrants (as defined below) held in the Trust Account (as defined below).

Proposed Verra Mobility Business Combination

On June 21, 2018, the Company, AM Merger Sub I, Inc., a Delaware corporation and a direct, wholly-owned subsidiary of the Company (“First Merger Sub”), AM Merger Sub II, LLC, a Delaware limited liability company and a direct, wholly-owned subsidiary of the Company (“Second Merger Sub”), Greenlight Holding II Corporation (“Greenlight”) and PE Greenlight Holdings, LLC (the “Platinum Stockholder” or, in its capacity as the Stockholder Representative, the “Stockholder Representative”) entered into an Agreement and Plan of Merger Agreement (as it may be amended from time to time, the “Merger Agreement”), which provides for, among other things, (i) the merger of First Merger Sub with and into Greenlight, with Greenlight continuing as the surviving corporation (the “First Merger”) and (ii) immediately following the First Merger and as part of the same overall transaction as the First Merger, the merger of Greenlight with and into Second Merger Sub with Second Merger Sub continuing as the surviving entity (the “Second Merger” and, together with the First Merger, the “Mergers” and, together with the other transactions contemplated by the Merger Agreement, the “Proposed Business Combination”). As a result of the First Merger, the Company will own 100% of the outstanding common stock of Greenlight and each share of common stock of Greenlight will be cancelled and converted into the right to receive a portion of the consideration. As a result of the Second Merger, the Company will own 100% of the outstanding interests in the Second Merger Sub. Following the closing of the Proposed Business Combination, the Company will own, directly or indirectly, all the stock of Greenlight and its subsidiaries and the stockholders of Greenlight as of immediately prior to the effective time of the First Merger (the “Greenlight Stockholders”) will hold a portion of the Company’s Class A common stock.

The Merger Agreement

The consideration to be paid to the Greenlight Stockholders will be a combination of cash and stock, as calculated pursuant to the terms of the Merger Agreement and certain other transaction documents contemplated thereby. Pursuant to the Merger Agreement, the aggregate consideration payable to the Greenlight Stockholders will consist of (i) an amount in cash equal to the Closing Cash Payment Amount (as defined in the Merger Agreement), and (ii) shares of newly-issued Class A common stock equal to the Closing Number of Securities (as defined in the Merger Agreement). The merger consideration payable to the Greenlight Stockholders is also subject to adjustment based on Greenlight’s working capital, cash and indebtedness as of the closing date, among other adjustments contemplated by the Merger Agreement. Based upon assumed net indebtedness of approximately \$852 million (after giving effect to the partial repayment of existing indebtedness), the aggregate merger consideration to be paid by the Company is expected to be approximately \$2.3 billion.

In addition to the consideration to be paid at the closing of the transaction contemplated by the Merger Agreement, certain of the Greenlight Stockholders will be entitled to receive additional earn-out payments from the Company of up to an aggregate of 10 million shares of Class A common stock, if the price of Class A common stock trading on the Nasdaq exceeds certain thresholds during the five-year period following the closing of the Mergers.

Consummation of the Transactions contemplated by the Merger Agreement is subject to customary closing conditions as well as specified cash availability conditions. The Merger Agreement also contains customary representations and warranties and may be terminated by the parties thereto as specified therein.

In order to facilitate the Proposed Business Combination, the Sponsor has agreed to the cancellation of 3,478,261 of its Founder Shares and the Company has agreed to the purchase of shares of Class A common stock by the participants in the Private Placement (as defined below) (pursuant to the subscription agreements entered into in connection therewith) at a discounted price of \$9.20.

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Private Placement Subscription Agreements

On June 21, 2018, the Company entered into subscription agreements with certain investors, including the Sponsor, pursuant to which the investors have agreed to purchase in the aggregate 43,478,261 shares of Class A common stock in a private placement for \$9.20 per share (the "Private Placement"). The anticipated gross proceeds from the Private Placement of approximately \$400,000,000 will be used to partially fund the cash consideration to be paid to the Greenlight Stockholders. The Private Placement is conditioned on, among other things, the closing of the Proposed Business Combination.

Tax Receivable Agreement

At the closing of the Proposed Business Combination, the Company will enter into a Tax Receivable Agreement with the Platinum Stockholder and the Stockholder Representative. The Tax Receivable Agreement will generally provide for the payment by the Company to the Platinum Stockholder of 50% of the net cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes (or is deemed to realize in certain circumstances) in periods after the closing of the Proposed Business Combination, as a result of the increase in tax basis of the intangible assets of Highway Toll Administration LLC ("HTA") resulting from the acquisition of HTA by Verra Mobility Corporation prior to the Proposed Business Combination. The Company generally will retain benefit of the remaining 50% of these cash savings.

Financing

Upon the IPO Closing Date and the sale of the Private Placement Warrants, an aggregate of \$400,000,000 was placed in a Trust Account with Continental Stock Transfer & Trust Company acting as trustee (the "Trust Account").

Trust Account

Funds held in the Trust Account can be invested only in U.S. government treasury bills with a maturity of one hundred and eighty (180) days or less or in money market funds meeting certain conditions under Rule 2a-7 under the Investment Company Act of 1940, as amended, that invest only in direct U.S. government obligations. As of June 30, 2018, the Trust Account consisted of cash and treasury bills compliant with Rule 2a-7.

The Company's amended and restated certificate of incorporation provides that, other than the withdrawal of interest to pay income taxes, if any, none of the funds held in trust will be released until the earliest of: (i) the completion of the Business Combination; or (ii) the redemption of any public shares of common stock properly tendered in connection with a stockholder vote to amend the Company's amended and restated certificate of incorporation to modify the substance or timing of the Company's obligation to redeem 100% of such public shares of common stock if the Company does not complete the Business Combination within 24 months from the IPO Closing Date; or (iii) the redemption of 100% of the public shares of common stock if the Company is unable to complete a Business Combination within 24 months from the IPO Closing Date, subject to the requirements of law and stock exchange rules.

Business Combination

The Company's management has broad discretion with respect to the specific application of the net proceeds of the Public Offering, although substantially all of the net proceeds of the Public Offering are intended to be generally applied toward consummating a Business Combination. The Business Combination must be with one or more target businesses that together have an aggregate fair market value of at least 80% of the assets held in the Trust Account (less any deferred underwriting commissions and taxes payable on interest income earned) at the time of the Company signing a definitive agreement in connection with the Business Combination. Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination, including the Proposed Business Combination.

The Company, after signing a definitive agreement for a Business Combination, is required to either (i) seek stockholder approval of the Business Combination at a meeting called for such purpose in connection with which stockholders may seek to redeem their shares, regardless of whether they vote for or against the Business Combination, for cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Business Combination, including interest income but less taxes payable, or (ii) provide stockholders with the opportunity to sell their shares to the Company by means of a tender offer (and thereby avoid the need for a stockholder vote) for an amount in cash equal to their pro rata share of the aggregate amount then on deposit in the Trust Account as of two business days prior to the consummation of the Business Combination, including interest income but less taxes payable. The decision as to whether the Company will seek stockholder approval of the Business Combination or will allow stockholders to sell their shares in a tender offer will be made by the Company, solely in its discretion, and will be based on a variety of factors such as the timing of the transaction and whether the terms of the transaction would otherwise require the Company to seek stockholder approval, unless a vote is required by law or under NASDAQ rules. If the Company seeks stockholder approval, it will complete its Business Combination only if a majority of the outstanding shares of common stock voted are voted in favor of the Business Combination. Currently, the Company will not redeem its public shares of common stock in an amount that would cause its net tangible assets to be less than \$5,000,001. In such case, the Company would not proceed with the redemption of its public shares of common stock and the related Business Combination, and instead may search for an alternate Business Combination. For business and other reasons, the Company has elected to provide its stockholders with the opportunity to have their public shares redeemed in connection with a stockholder vote to approve the Proposed Business Combination rather than a tender offer.

As a result of the foregoing redemption provisions, the public shares of common stock will be recorded at the redemption amount and classified as temporary equity, in accordance with ASC 480, "*Distinguishing Liabilities from Equity*" ("ASC 480") in subsequent periods.

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The Company will have 24 months from the IPO Closing Date to complete its Business Combination. If the Company does not complete a Business Combination within this period of time, it shall (i) cease all operations except for the purposes of winding up; (ii) as promptly as reasonably possible, but not more than ten business days thereafter, redeem the public shares of common stock for a per share pro rata portion of the Trust Account, including interest income, but less taxes payable (less up to \$100,000 of such net interest income to pay dissolution expenses) and (iii) as promptly as possible following such redemption, dissolve and liquidate the balance of the Company's net assets to its remaining stockholders, as part of its plan of dissolution and liquidation. The Sponsor and the Company's officers and directors have entered into a letter agreement with the Company, pursuant to which they waived their rights to participate in any redemption with respect to their Founder Shares (as defined below); however, if the Sponsor or any of the Company's officers, directors or affiliates acquire public shares of common stock, they will be entitled to a pro rata share of the Trust Account in the event the Company does not complete a Business Combination within the required time period.

In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per Unit in the Public Offering.

Emerging Growth Company

Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard.

2. Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the accounting and disclosure rules and regulations of the Securities and Exchange Commission ("SEC"), and reflect all adjustments, consisting only of normal recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the financial position as of June 30, 2018 and the results of operations and cash flows for the period presented. Operating results for the six months ended June 30, 2018 are not necessarily indicative of results that may be expected for the full year or any other period. The accompanying unaudited financial statements should be read in conjunction with the audited financial statements included in the Company's Annual Report on Form 10-K filed with the SEC on March 14, 2018.

Net Income/(Loss) Per Common Share

The Company has two classes of shares, which are referred to as Class A common stock and Class F common stocks. Net income/(loss) per common share is computed utilizing the two-class method. The two-class method is an earnings allocation formula that determines earnings per share separately for each class of common stock based on an allocation of undistributed earnings per the rights of each class. At June 30, 2018, the Company did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company under the treasury stock method. As a result, diluted net income/(loss) per common share is the same as basic net income/(loss) per common share for the period. The table below presents a reconciliation of the numerator and denominator used to compute basic and diluted net income/(loss) per share for each class of common stock:

	For the Three Months Ended June 30, 2018		For the Six Months Ended June 30, 2018	
	Class A	Class F	Class A	Class F
Basic and diluted net income/(loss) per share:				
Numerator:				
Allocation of net income/(loss)	\$ (905,293)	\$ (642,996)	\$ 1,595	\$ (747,980)
Denominator:				
Weighted-average shares outstanding	40,000,000	10,000,000	40,000,000	10,000,000
Basic and diluted net income/(loss) per share	\$ (0.02)	\$ (0.06)	\$ 0.00	\$ (0.07)

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash accounts in a financial institution and the Trust Account, which at times, may exceed the Federal depository insurance coverage of \$250,000. The Company has not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

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Financial Instruments

The fair value of the Company's assets and liabilities, which qualify as financial instruments under FASB ASC 820, "Fair Value Measurements and Disclosures," approximates the carrying amounts represented in the balance sheet.

Offering Costs

The Company complies with the requirements of the ASC 340-10-S99-1 and SEC Staff Accounting Bulletin (SAB) Topic 5A — "Expenses of Offering." Offering costs consist principally of professional and registration fees incurred through the IPO Closing Date that were related to the Public Offering, totaling approximately \$22,719,995, (including \$22,000,000 in underwriter's fees), were charged to stockholders' equity upon completion of our Public Offering.

Redeemable Common Stock

As discussed in Note 3, all of the 40,000,000 shares of class A common stock sold as part of the Units in the Public Offering contain a redemption feature which allows for the redemption of such public shares in connection with the Company's liquidation, if there is a stockholder vote or tender offer in connection with the Business Combination and in connection with certain amendments to the Company's charter. In accordance with ASC 480, redemption provisions not solely within the control of the Company require common stock subject to redemption to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity's equity instruments, are excluded from the provisions of ASC 480. Although the Company did not specify a maximum redemption threshold, its charter provides that currently, the Company will not redeem its public shares in an amount that would cause its net tangible assets (stockholders' equity) to be less than \$5,000,001.

The Company recognizes changes in redemption value immediately as they occur and adjusts the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by charges against additional paid in capital.

Accordingly, at June 30, 2018, 38,294,216 of the 40,000,000 public shares are classified outside of permanent equity at their redemption value.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires the Company's 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company accounts for uncertainty in income taxes by recognizing the tax benefit from an uncertain tax position only if it is more than likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Company measures the tax benefits recognized in the financial statements from such a position based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The application of income tax law is inherently complex. Laws and regulations in this area are voluminous and are often ambiguous. As such, the Company is required to make many subjective assumptions and judgments regarding income tax exposures. Interpretations of and guidance surrounding income tax law and regulations change over time and may result in changes to the Company's subjective assumptions and judgments, which can materially affect amounts recognized in the balance sheets and statements of income and comprehensive income. The Company recognizes accrued interest and penalties related to unrecognized tax liabilities as income tax expense. The Company incurred \$18,494 for the payment of interest and penalties through June 30, 2018.

The Company may be subject to potential examination by U.S. federal, states or foreign jurisdiction authorities in the areas of income taxes. These potential examinations may include questioning the timing and amount of deductions, the nexus of income amounts in various tax jurisdictions and compliance with U.S. federal, states or foreign tax laws.

The Company is incorporated in the State of Delaware and is required to pay franchise taxes to the State of Delaware on an annual basis.

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Cash and Cash Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of six months or less to be cash equivalents. The Company continually monitors its positions with and the credit quality of the financial institutions with which it invests. As of the balance sheet date, and periodically throughout the year, the Company has maintained balances in various operating accounts in excess of federally insured limits.

Investments and Cash Held in Trust Account

At June 30, 2018, the Company had \$404,611,945 in the Trust Account which may be utilized for Business Combinations. At June 30, 2018, the Trust Account consisted of both cash and treasury bills.

The Company's amended and restated certificate of incorporation provides that, other than the withdrawal of interest to pay taxes, if any, none of the funds held in trust will be released until the earlier of: (i) the completion of the Business Combination; (ii) the redemption of any public shares of common stock properly tendered in connection with a stockholder vote to amend the Company's amended and restated certificate of incorporation to modify the substance or timing of the Company's obligation to redeem 100% of such public shares of common stock if the Company does not complete the Business Combination within 24 months from the IPO Closing Date; or (iii) the redemption of 100% of the public shares of common stock if the Company is unable to complete a Business Combination within 24 months from the IPO Closing Date, subject to the requirements of law and stock exchange rules.

Going Concern Consideration

If the Company does not complete its Business Combination by January 19, 2019, the Company 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 common stock sold as part of the units in the Public Offering, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest (which interest shall be net of franchise and income taxes payable and less up to \$100,000 of such net interest which may be distributed to the Company to pay dissolution expenses), 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 the Company's remaining stockholders and the Company's Board of Directors, dissolve and liquidate, subject in each case to the Company's obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be less than the initial public offering price per unit in the Public Offering. In addition if the Company fails to complete its Business Combination by January 19, 2019, there will be no redemption rights or liquidating distributions with respect to the warrants, which will expire worthless.

In addition, at June 30, 2018 and December 31, 2017, the Company had current liabilities of \$3,097,932 and \$198,119, respectively, largely due to amounts owed to professionals, consultants, advisors and others who are working on seeking a Business Combination as described in Note 1. Such work is continuing after June 30, 2018 and amounts are continuing to accrue. On June 30, 2018 and December 31, 2017, the Company had working capital of (\$2,665,297) and \$763,663, respectively. Additionally, interest earned on the funds held in the Trust Account may be released to the Company to fund its Regulatory Withdrawals (subject to an annual limit of \$750,000, for a maximum of 24 months) and/or to pay its franchise and income taxes.

3. Public Offering

Public Units

On January 19, 2017, the Company sold 40,000,000 units at a price of \$10.00 per unit (the "Units"), including 2,500,000 Units as a result of the underwriter's partial exercise of its over-allotment option, generating gross proceeds of \$400,000,000. Each Unit consists of one share of the Company's Class A common stock, \$0.0001 par value, and one-third of one redeemable Class A common stock purchase warrant (the "Warrants"). Each whole warrant entitles the holder to purchase one share of Class A common stock for \$11.50 per share. Each Warrant will become exercisable on the later of 30 days after the completion of the Business Combination or 12 months from the IPO Closing Date and will expire five years after the completion of the Business Combination or earlier upon redemption or liquidation. However, if the Company does not complete the Business Combination on or prior to the 24-month period allotted to complete the Business Combination, the Warrants will expire at the end of such period. The Warrants were issued in registered form under a warrant agreement between Continental Stock Transfer & Trust Company, as warrant agent, and the Company. The Company did not register the shares of common stock issuable upon exercise of the Warrants under the Securities Act of 1933, as amended (the "Securities Act") or any state securities law. Under the terms of the warrant agreement, the Company has agreed to use its best efforts to file a registration statement under the Securities Act following the completion of the Business Combination covering the shares of common stock issuable upon exercise of the Warrants. The Company paid an upfront underwriting discount of 2.00% (\$8,000,000) of the per Unit offering price to the underwriter at the IPO Closing Date, with an additional fee (the "Deferred Discount") of 3.50% of the per Unit offering price payable upon the Company's completion of a Business Combination. The Deferred Discount will become payable to the underwriter from the amounts held in the Trust Account solely in the event the Company completes a Business Combination.

4. Related Party Transactions

Founder Shares

On August 19, 2016, the Sponsor purchased 10,781,250 shares of the Company's Class F common stock (the "Founder Shares") for an aggregate purchase price of \$25,000, or approximately \$0.002 per share. Subsequently, the Sponsor transferred an aggregate of 75,000 Founder Shares to the Company's independent directors (together with the Sponsor, the "Initial Stockholders"). On February 27, 2017, the Sponsor forfeited 781,250 Founder Shares following the expiration of the unexercised portion of underwriter's over-allotment option, so that the Founder Shares held by the Initial Stockholders would represent 20.0% of the outstanding shares of common stock following completion of the Public Offering. The Founder Shares are identical to the common stock included in the Units sold in the Public Offering except that the Founder Shares will automatically convert into shares of Class A common stock at the time of the Business Combination on a one-for-one basis, subject to adjustment as described in the Company's amended and restated certificate of incorporation.

Private Placement Warrants

The Sponsor purchased from the Company an aggregate of 6,666,666 warrants at a price of \$1.50 per warrant (a purchase price of \$10,000,000) in a private placement that occurred simultaneously with the Public Offering (the "Private Placement Warrants"). Each Private Placement Warrant entitles the holder to purchase one share of Class A common stock at \$11.50 per share. A portion of the purchase price of the Private Placement Warrants was added to the proceeds from the Public Offering to be held in the Trust Account pending completion of the Business Combination.

The Private Placement Warrants have terms and provisions that are identical to those of the Warrants sold as part of the Units in the Public Offering, except that the Private Placement Warrants may be net cash settled and are not redeemable so long as they are held by the Sponsor or its permitted transferees.

If the Company does not complete a Business Combination, then the Private Placement Warrants proceeds will be part of the liquidation distribution to the public stockholders and the Private Placement Warrants will expire worthless.

Registration Rights

The holders of Founder Shares, Private Placement Warrants and warrants issued upon conversion of working capital loans, if any, have registration rights (in the case of the Founder Shares, only after conversion of such shares to common shares) pursuant to a registration rights agreement entered into by the Company, the Sponsor and the other security holders named therein on January 12, 2017. These holders will also have certain demand and "piggy back" registration rights. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Sponsor Loan

On August 19, 2016, the Sponsor loaned the Company an aggregate of \$150,000 by the issuance of an unsecured promissory note for \$150,000 to cover expenses related to the Public Offering, and on January 11, 2017, the Sponsor loaned the Company an additional \$150,000 by the issuance of a second unsecured promissory note for \$150,000 to cover expenses related to the Public Offering (collectively, the "Notes"). These Notes were non-interest bearing and payable on the earlier of January 31, 2017 or the completion of the Public Offering. These Notes were repaid in full upon the completion of the Public Offering.

Administrative Services Agreement

The Company entered into an administrative services agreement on January 12, 2017, pursuant to which it agreed to pay to an affiliate of the Sponsor \$20,000 a month for office space, utilities and secretarial support. Services commenced on the date the securities were first listed on the NASDAQ Capital Market and will terminate upon the earlier of the consummation by the Company of a Business Combination or the liquidation of the Company.

For the period commencing January 12, 2017 through June 30, 2018 the Company has paid the affiliate \$352,258.

5. Deferred Underwriting Compensation

The Company is committed to pay a deferred underwriting discount totaling \$14,000,000 or 3.50% of the gross offering proceeds of the Public Offering, to the underwriter upon the Company's consummation of a Business Combination. The underwriter is not entitled to any interest accrued on the Deferred Discount, and no Deferred Discount is payable to the underwriter if there is no Business Combination.

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6. Income Taxes

Income tax expense during interim periods is based on applying an estimated annual effective income tax rate to year-to-date income, plus any significant unusual or infrequently occurring items which are recorded in the interim period. The Company's effective tax rate is estimated at 24.66%. The provision for income taxes for the six months ended June 30, 2018 differs from the amount that would be provided by applying the statutory U.S. federal income tax rate of 21% to pre-tax income primarily because of state income taxes.

The computation of the annual estimated effective tax rate at each interim period requires certain estimates and significant judgment including, but not limited to, the expected operating income for the year, projections of the proportion of income earned and taxed in various jurisdictions, permanent and temporary differences, and the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, more experience is obtained, additional information becomes known or as the tax environment changes.

The Company has evaluated tax positions taken or expected to be taken in the course of preparing the financial statements to determine if the tax positions are "more likely than not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the "more likely than not" threshold would be recorded as a tax benefit or expense in the current year. The Company has concluded that there was no impact related to uncertain tax positions on the results of its operations for the period ended June 30, 2018. At June 30, 2018, the Company has no accrued interest or penalties related to uncertain tax positions. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position. The Company's conclusions regarding tax positions will be subject to review and may be adjusted at a later date based on factors including, but not limited to, ongoing analyses of tax laws, regulations, and interpretations thereof.

7. Investments and cash held in Trust

At June 30, 2018, investment securities in the Company's Trust Account consist of \$404,609,948 in United States Treasury Bills and \$1,997 in cash. The Company classifies its United States Treasury and equivalent securities as held-to-maturity in accordance with FASB ASC 320, "Investments - Debt and Equity Securities." Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. Held-to-maturity treasury securities are recorded at amortized cost on the accompanying balance sheet and adjusted for the amortization or accretion of premiums or discounts.

8. Fair Value Measurement

The Company complies with FASB ASC 820, Fair Value Measurements, for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. ASC 820 determines fair value to be the price that would be received to sell an asset or would be paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at June 30, 2018, and indicates the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset or liability, and includes situations where there is little, if any, market activity for the asset or liability:

Description	June 30, 2018	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Investments and cash held in Trust Account	404,611,945	404,611,945	—	—
Total	\$ 404,611,945	\$ 404,611,945	\$ —	\$ —

9. Stockholders' Equity

Common Stock

The Company is authorized to issue 220,000,000 shares of common stock, consisting of 200,000,000 shares of Class A common stock, par value \$0.0001 per share and 20,000,000 shares of Class F common stock, par value \$0.0001 per share. Holders of the Company's common stock are entitled to one vote for each share of common stock and vote together as a single class. At June 30, 2018, there were 40,000,000 shares of Class A common stock (inclusive of the 38,294,216 shares subject to redemption) and 10,000,000 shares of Class F common stock issued and outstanding.

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Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock, par value \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors. At June 30, 2018, there were no shares of preferred stock issued and outstanding.

10. Subsequent Events

Management has performed an evaluation of subsequent events through the date of issuance of the financial statements, noting no items which require adjustment or disclosure other than those set forth in the preceding notes to the financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with our unaudited financial statements and the notes related thereto which are included in "Item 1. Financial Statements" of this Quarterly Report on Form 10-Q.

Cautionary note regarding forward-looking statements

All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q including, without limitation, statements under this "Management's Discussion and Analysis of Financial Condition and Results of Operations" regarding the Company's financial position, business strategy and the plans and objectives of management for future operations, are forward-looking statements. When used in this Quarterly Report on Form 10-Q, words such as "anticipate," "believe," "estimate," "expect," "intend" and similar expressions, as they relate to us or the Company's management, identify forward-looking statements. Such forward-looking statements are based on the beliefs of management, as well as assumptions made by, and information currently available to, the Company's management. 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 SEC. All subsequent written or oral forward-looking statements attributable to us or persons acting on the Company's behalf are qualified in their entirety by this paragraph.

Overview

We are a blank check company incorporated on August 15, 2016 as a Delaware corporation and formed for the purpose of effecting a Business Combination with one or more target businesses. We completed our Public Offering on January 19, 2017.

We intend to effectuate our Business Combination using cash from the proceeds of our Public Offering and the sale of the Private Placement Warrants, our capital stock, debt, or a combination of cash, stock and debt.

Recent Developments

Proposed Verra Mobility Business Combination

On June 21, 2018, the Company, First Merger Sub, Second Merger Sub, Greenlight and the Stockholder Representative entered into the Merger Agreement, which provides for, among other things, (i) the merger of First Merger Sub with and into Greenlight, with Greenlight continuing as the surviving corporation (the "First Merger") and (ii) immediately following the First Merger and as part of the same overall transaction as the First Merger, the merger of Greenlight with and into Second Merger Sub with Second Merger Sub continuing as the surviving entity (the "Second Merger" and, together with the First Merger, the "Mergers" and, together with the other transactions contemplated by the Merger Agreement, the "Proposed Business Combination"). As a result of the First Merger, the Company will own 100% of the outstanding common stock of Greenlight and each share of common stock of Greenlight will be cancelled and converted into the right to receive a portion of the consideration. As a result of the Second Merger, the Company will own 100% of the outstanding interests in the Second Merger Sub. Following the closing of the Proposed Business Combination, the Company will own, directly or indirectly, all the stock of Greenlight and its subsidiaries and the Greenlight Stockholders will hold a portion of the Company's Class A common stock.

The Merger Agreement

The consideration to be paid to the Greenlight Stockholders will be a combination of cash and stock, as calculated pursuant to the terms of the Merger Agreement and certain other transaction documents contemplated thereby. Pursuant to the Merger Agreement, the aggregate consideration payable to the Greenlight Stockholders will consist of (i) an amount in cash equal to the Closing Cash Payment Amount (as defined in the Merger Agreement), and (ii) shares of newly-issued Class A common stock equal to the Closing Number of Securities (as defined in the Merger Agreement). The merger consideration payable to the Greenlight Stockholders is also subject to adjustment based on Greenlight's working capital, cash and indebtedness as of the closing date, among other adjustments contemplated by the Merger Agreement. Based upon assumed net indebtedness of approximately \$852 million (after giving effect to the partial repayment of existing indebtedness), the aggregate merger consideration to be paid by the Company is expected to be approximately \$2.3 billion.

In addition to the consideration to be paid at the closing of the transaction contemplated by the Merger Agreement, certain of the Greenlight Stockholders will be entitled to receive additional earn-out payments from the Company of up to an aggregate of 10 million shares of Class A common stock, if the price of Class A common stock trading on the Nasdaq exceeds certain thresholds during the five-year period following the closing of the Mergers.

Consummation of the Transactions contemplated by the Merger Agreement is subject to customary closing conditions as well as specified cash availability conditions. The Merger Agreement also contains customary representations and warranties and may be terminated by the parties thereto as specified therein.

In order to facilitate the Proposed Business Combination, the Sponsor has agreed to the cancellation of 3,478,261 of its Founder Shares and the Company has agreed to the purchase of shares of Class A common stock by the participants in the Private Placement (as defined below) (pursuant to the subscription agreements entered into in connection therewith) at a discounted price of \$9.20.

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Private Placement Subscription Agreements

On June 21, 2018, the Company entered into subscription agreements with certain investors, including the Sponsor, pursuant to which the investors have agreed to purchase in the aggregate 43,478,261 shares of Class A common stock in a private placement for \$9.20 per share (the "Private Placement"). The anticipated gross proceeds from the Private Placement of approximately \$400,000,000 will be used to partially fund the cash consideration to be paid to the Greenlight Stockholders. The Private Placement is conditioned on, among other things, the closing of the Proposed Business Combination.

Tax Receivable Agreement

At the closing of the Proposed Business Combination, the Company will enter into a Tax Receivable Agreement with the Platinum Stockholder and the Stockholder Representative. The Tax Receivable Agreement will generally provide for the payment by the Company to the Platinum Stockholder of 50% of the net cash savings, if any, in U.S. federal, state and local income tax that the Company actually realizes (or is deemed to realize in certain circumstances) in periods after the closing of the Proposed Business Combination, as a result of the increase in tax basis of the intangible assets of HTA resulting from the acquisition of HTA by Verra Mobility Corporation prior to the Proposed Business Combination. The Company generally will retain benefit of the remaining 50% of these cash savings.

Results of Operations

For the six months ended June 30, 2018, we had a net loss of (\$746,385). Our business activities during the quarter mainly consisted of identifying and evaluating prospective acquisition candidates for a Business Combination. We believe that we have sufficient funds available to complete our efforts to effect a Business Combination with an operating business by January 19, 2019. However, if our estimates of the costs of identifying a target business, undertaking in-depth due diligence and negotiating a Business Combination are less than the actual amount necessary to do so, we may have insufficient funds available to operate our business prior to a Business Combination.

As indicated in the accompanying unaudited consolidated financial statements, at June 30, 2018, we had approximately \$168,794 in cash and deferred offering costs of \$14,000,000. Further, we expect to continue to incur significant costs in the pursuit of our acquisition plans. We cannot assure you that our plans to complete our Business Combination, including the Proposed Business Combination, will be successful.

Liquidity and Capital Resources

In August 2016, our Sponsor purchased an aggregate of 10,781,250 Founder Shares for an aggregate purchase price of \$25,000, or approximately \$0.002 per share. Subsequently, our Sponsor transferred an aggregate of 75,000 Founder Shares to our independent directors. On February 27, 2017, following the expiration of the unexercised portion of the underwriter's over-allotment option, our Sponsor forfeited 781,250 Founder Shares so that the remaining Founder Shares held by our Initial Stockholders represented 20.0% of the outstanding shares upon completion of our Public Offering.

On January 19, 2017, we consummated our Public Offering of 40,000,000 Units at a price of \$10.00 per Unit, including 2,500,000 Units as a result of the underwriter's partial exercise of their over-allotment option, generating gross proceeds of \$400,000,000. On the IPO Closing Date, we completed the private sale of an aggregate of 6,666,666 Private Placement Warrants, each exercisable to purchase one share of Common Stock at \$11.50 per share, to our Sponsor, at a price of \$1.50 per Private Placement Warrant, generating gross proceeds, before expenses, of \$10,000,000. After deducting the underwriting discounts and commissions (excluding the Deferred Discount, which amount will be payable upon consummation of the Business Combination, if consummated) and the estimated offering expenses, the total net proceeds from our Public Offering and the sale of the Private Placement Warrants were \$401,100,000, of which \$400,000,000 (or \$10.00 per share sold in the Public Offering) was placed in the Trust Account. The amount of proceeds not deposited in the Trust Account was \$1,100,000 at the IPO Closing Date. Interest earned on the funds held in the Trust Account may be released to us to fund our Regulatory Withdrawals (subject to an annual limit of \$750,000, for a maximum of 24 months) and/or to pay our franchise and income taxes.

On August 19, 2016, our Sponsor loaned us an aggregate of \$150,000 by the issuance of an unsecured promissory note for \$150,000 to cover expenses related to the Public Offering, and on January 11, 2017, our Sponsor loaned us an additional \$150,000 by the issuance of a second unsecured promissory note for \$150,000 to cover expenses related to the Public Offering. These Notes were non-interest bearing and payable on the earlier of January 31, 2017 or the completion of the Public Offering. These Notes were repaid in full upon the completion of the Public Offering.

As of June 30, 2018 and December 31, 2017, we had cash held outside of the Trust Account of approximately \$168,794 and \$826,201, respectively, which is available to fund our working capital requirements. Additionally, interest earned on the funds held in the Trust Account may be released to us to fund our Regulatory Withdrawals (subject to an annual limit of \$750,000, for a maximum of 24 months) and/or to pay our franchise and income taxes.

At June 30, 2018 and December 31, 2017, the Company had current liabilities of \$3,097,932 and \$198,119, respectively, largely due to amounts owed to professionals, consultants, advisors and others who are working on seeking a Business Combination as described in Note 1. Such work is continuing after June 30, 2018 and amounts are continuing to accrue. On June 30, 2018 and December 31, 2017, the Company had working capital of (\$2,665,297) and \$763,663, respectively.

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We intend to use substantially all of the funds held in the Trust Account, including interest (which interest shall be net of Regulatory Withdrawals and taxes payable) to consummate our Business Combination. Moreover, we may need to obtain additional financing either to complete a Business Combination or because we become obligated to redeem a significant number of shares of our Common Stock upon completion of a Business Combination. See “Recent Developments—Private Placement Subscription Agreements.” Subject to compliance with applicable securities laws, we would only complete such financing simultaneously with the completion of our Business Combination. If we are unable to complete our Business Combination because we do not have sufficient funds available to us, we will be forced to cease operations and liquidate the Trust Account. In addition, following our Business Combination, if cash on hand is insufficient, we may need to obtain additional financing in order to meet our obligations. To the extent that our capital stock or debt is used, in whole or in part, as consideration to consummate our Business Combination, the remaining proceeds held in our Trust Account, if any, will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategy. Following the closing of the Proposed Business Combination, we do not expect there to be remaining proceeds in our Trust Account.

Off-balance sheet financing arrangements

We had no obligations, assets or liabilities which would be considered off-balance sheet arrangements at June 30, 2018. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements.

We had not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or entered into any non-financial agreements involving assets.

Contractual obligations

At June 30, 2018 and December 31, 2017, we did not have any long-term debt obligations, capital lease obligations, operating lease obligations, purchase obligations or long-term liabilities. In connection with the Public Offering, we entered into an administrative services agreement to pay monthly recurring expenses of \$20,000 to The Gores Group for office space, utilities and secretarial support. The administrative services agreement terminates upon the earlier of the completion of a Business Combination or the liquidation of the Company.

The underwriter is entitled to underwriting discounts and commissions of 5.5%, of which 2.0% (\$8,000,000) was paid at the IPO Closing Date, and 3.5% (\$14,000,000) was deferred. The Deferred Discount will become payable to the underwriter from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement. The underwriter is not entitled to any interest accrued on the Deferred Discount.

Critical Accounting Policies

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and income and expenses during the periods reported. Actual results could materially differ from those estimates. We have identified the following as our critical accounting policies:

Offering costs

We comply with the requirements of the Accounting Standards Codification (the “ASC”) 340-10-S99-1 and SEC Staff Accounting Bulletin Topic 5A — “Expenses of Offering.” Offering costs consist principally of professional and registration fees incurred through the IPO Closing Date that were related to the Public Offering, totaling approximately \$22,719,995, (including \$22,000,000 in underwriter’s fees), were charged to stockholders’ equity upon completion of our Public Offering.

Redeemable Common Stock

All of the 40,000,000 shares of Class A common stock sold as part of the Units in our Public Offering contain a redemption feature which allows for the redemption of such shares in connection with our liquidation, if there is a stockholder vote or tender offer in connection with our Business Combination and in connection with certain amendments to our charter. In accordance with ASC 480, “Distinguishing Liabilities from Equity” (“ASC 480”), redemption provisions not solely within our control require common stock subject to redemption to be classified outside of permanent equity. Ordinary liquidation events, which involve the redemption and liquidation of all of the entity’s equity instruments, are excluded from the provisions of ASC 480. Although we did not specify a maximum redemption threshold, our charter provides that the Company will not redeem our public shares in an amount that would cause our net tangible assets (stockholders’ equity) to be less than \$5,000,001.

We recognize changes in redemption value immediately as they occur and adjust the carrying value of redeemable common stock to equal the redemption value at the end of each reporting period. Increases or decreases in the carrying amount of redeemable common stock are affected by charges against accumulated deficit.

Accordingly, at June 30, 2018, 38,294,216 of the 40,000,000 public shares are classified outside of permanent equity at their redemption value.

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Net income/(loss) per common share

The Company has two classes of shares, which are referred to as Class A common stock and Class F common stocks. Net loss per common share is computed utilizing the two-class method. The two-class method is an earnings allocation formula that determines earnings per share separately for each class of common stock based on an allocation of undistributed earnings per the rights of each class. At June 30, 2018, the Company did not have any dilutive securities or other contracts that could, potentially, be exercised or converted into common stock and then share in the earnings of the Company under the treasury stock method. As a result, diluted net income/(loss) per common share is the same as basic net income/(loss) per common share for the period.

Income taxes

Deferred income tax assets and liabilities are computed for differences between the financial statement and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Recently issued accounting pronouncements not yet adopted

In May 2014, the FASB issued Accounting Standards Update No. 2014-09 (Topic 606) "Revenue from Contracts with Customers." Topic 606 supersedes the revenue recognition requirements in Topic 605 "Revenue Recognition" (Topic 605), and requires entities to recognize revenue when control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. We currently anticipate the adoption of ASU 2014-09 will not have a material impact on our financial statements.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02 (Topic 842) "Leases." Topic 842 supersedes the lease recognition requirements in Accounting Standards Codification (ASC) Topic 840, "Leases." Under Topic 842, lessees are required to recognize assets and liabilities on the balance sheet for most leases and provide enhanced disclosures. Leases will continue to be classified as either finance or operating. Topic 842 is effective for annual reporting periods and interim periods within those years beginning after December 15, 2018. Early adoption by public entities is permitted. Entities are required to use a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements, and there are certain optional practical expedients that an entity may elect to apply. We are currently in the process of evaluating the impact of the adoption of ASU 2016-02 on our financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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. Our business activities for the six months ended June 30, 2018 consisted solely of organizational activities and activities relating to our Public Offering and the identification of a target company for a Business Combination. At June 30, 2018, \$404,611,945 (including accrued interest and subject to reduction by the Deferred Discount due at the consummation of the Business Combination) was held in the Trust Account for the purposes of consummating our Business Combination. At June 30, 2018, investment securities in the Company's Trust Account consist of \$404,609,948 and in United States Treasury Bills and \$1,997 in cash. At June 30, 2018, the effective annualized interest rate payable on our investments was approximately 1.45 %.

We have not engaged in any hedging activities during the six months ended June 30, 2018. We do not expect to engage in any hedging activities with respect to the market risk to which we are exposed.

Item 4. 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 filed or submitted under the Exchange Act 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 company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2018. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

During the most recently completed fiscal quarter, 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.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Factors that could cause our actual results to differ materially from those in this report are any of the risks described in our Annual Report on Form 10-K filed with the SEC on March 14, 2018. Any of these factors could result in a significant or material adverse effect on our results of operations or financial condition. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations.

As of the date of this Quarterly Report on Form 10-Q, there have been no material changes to the risk factors disclosed in our Annual Report on Form 10-K filed on March 14, 2018 with the SEC; however, we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC. For further discussion of potential risks or uncertainties related to the Proposed Business Combination, please see “Risk Factors” in our Preliminary Proxy Statement on Schedule 14A filed with the SEC on July 12, 2018 (as amended).

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales

On August 19, 2016, our Sponsor purchased 10,781,250 Founder Shares for an aggregate purchase price of \$25,000, or approximately \$0.002 per share. Subsequently, our Sponsor transferred an aggregate of 75,000 Founder Shares to our independent directors. On February 27, 2017, following the expiration of the unexercised portion of the underwriter’s over-allotment option, our Sponsor forfeited 781,250 Founder Shares, so that the remaining Founder Shares held by the Initial Stockholders would represent 20.0% of the outstanding shares upon the completion of our Public Offering. Our Public Offering was consummated on January 19, 2017.

Prior to the IPO Closing Date, we completed the private sale of an aggregate of 6,666,666 Private Placement Warrants to our Sponsor at a price of \$1.50 per Private Placement Warrant, generating total proceeds, before expenses, of \$10,000,000. The Private Placement Warrants are substantially similar to the Warrants underlying the Units issued in our Public Offering, except that the Private Placement Warrants may be net cash settled and are not redeemable so long as they are held by our Sponsor or its permitted transferees. If the Private Placement Warrants are held by holders other than our Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by us and exercisable by the holders on the same basis as the Warrants.

The sales of the above securities by the Company were exempt from registration in reliance on Section 4(a)(2) of the Securities Act as transactions by an issuer not involving a public offering.

Use of Proceeds

On January 12, 2017, our registration statement on Form S-1 (File No. 333-215033) was declared effective by the SEC for the Public Offering pursuant to which we sold an aggregate of 40,000,000 Units at an offering price to the public of \$10.00 per Unit, including 2,500,000 Units as a result of the underwriter’s partial exercise of its over-allotment option, generating gross proceeds of \$400,000,000.

After deducting the underwriting discounts and commissions (excluding the Deferred Discount, which amount will be payable upon the consummation of our Business Combination, if consummated) and the estimated offering expenses, the total net proceeds from our Public Offering and the sale of the Private Placement Warrants were \$401,100,000, of which \$400,000,000 (or \$10.00 per share sold in the Public Offering) was placed in the Trust Account in the United States maintained by the trustee.

We paid a total of approximately \$8,719,995 in costs and expenses related to the Public Offering. At the IPO Closing Date, we paid a total of \$8,000,000 in underwriting discounts and commissions. In addition, the underwriter agreed to defer \$14,000,000 in underwriting commissions, which amount will be payable upon consummation of our Business Combination, if consummated. There has been no material change in the planned use of proceeds from our Public Offering as described in our final prospectus dated January 12, 2017 which was filed with the SEC.

Our Sponsor, executive officers and directors have agreed, and our amended and restated certificate of incorporation provides, that we will have only 24 months from the IPO Closing Date to complete our Business Combination. If we are unable to complete our Business Combination within such 24-month period, 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 the public shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in our Trust Account, including interest (which interest shall be net of taxes payable, and less up to \$100,000 of interest to pay dissolution expenses) 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, dissolve and liquidate, subject in each case to our obligations under Delaware law to provide for claims of creditors and the requirements of other applicable law.

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At June 30, 2018, after giving effect to our Public Offering and our operations subsequent thereto, approximately \$404,611,945 was held in the Trust Account, and we had approximately \$168,794 of unrestricted cash available to us for our activities in connection with identifying and conducting due diligence of a suitable Business Combination, and for general corporate matters.

Item 3. Defaults Upon Senior Securities

None

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

Exhibit Number	Description
2.1	Merger Agreement, dated as of June 21, 2018, by and among Gores Holdings II, Inc., AM Merger Sub I, Inc., AM Merger Sub II, LLC, Greenlight Holding II Corporation and PE Greenlight Holdings, LLC, in its capacity as the Stockholder Representative (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K filed with the SEC on June 21, 2018).
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the SEC on January 19, 2017).
3.2	By Laws (incorporated by reference to Exhibit 3.3 filed with the Form S-1 filed by the Registrant on December 9, 2016).
4.1	Specimen Unit Certificate (incorporated by reference to Exhibit 4.1 filed with the Form S-1 filed by the Registrant on December 9, 2016).
4.2	Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.2 filed with the Form S-1 filed by the Registrant on December 9, 2016).
4.3	Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 filed with the Form S-1 filed by the Registrant on December 9, 2016).
4.4	Warrant Agreement, dated January 12, 2017, between the Company and Continental Stock Transfer & Trust Company, as warrant agent (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the SEC on January 19, 2017).
10.1	Form of Subscription Agreement (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the SEC on June 21, 2018).
10.2	Form of Tax Receivable Agreement (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the SEC on June 21, 2018).
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
Exhibit 101	The following financial statements from the Quarterly Report on Form 10-Q of Gores Holdings II, Inc. for the quarter ended June 30, 2018, formatted in eXtensible Business Reporting Language (XBRL): (i) Balance Sheets, (ii) Statements of Income, (iii) Statements of Changes in Shareholders' Equity, (iv) Statement of Cash Flows and (v) Notes to Financial Statements.

* Filed herewith.

SIGNATURES

Pursuant to the requirements 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.

GORES HOLDINGS II, INC.

Date: August 10, 2018

By: /s/ Mark Stone
Mark Stone
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES
EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Andrew McBride, certify that:

- 1) I have reviewed this Quarterly Report on Form 10-Q of Gores Holdings II, Inc.;
- 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 registrant as of, and for, the periods presented in this report;
- 4) The registrant's other certifying officer and I have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Omitted];
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our 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 registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- 5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant'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 registrant'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 registrant's internal control over financial reporting.

Date: August 10, 2018

By: /s/ Andrew
McBride

Andrew McBride
Chief Financial Officer
(Principal Financials 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 Quarterly Report of Gores Holdings II, Inc. (the "Registrant") on Form 10-Q for the quarterly period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, in the capacity and on the date indicated below, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: August 10, 2018

By: ___/s/ Mark Stone_____

Mark Stone
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 Quarterly Report of Gores Holdings II, Inc. (the "Registrant") on Form 10-Q for the quarterly period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, in the capacity and on the date indicated below, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- 1) the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

This certificate is being furnished solely for the purposes of 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Date: August 10, 2018

By: /s/ Andrew McBride

Andrew McBride
Chief Financial Officer
(Principal Financial and
Accounting Officer)

