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Office of Mergers and Acquisitions  
Division of Corporation Finance  
Securities and Exchange Commission  
Mail Stop 3628  
100 F Street, N.E.  
Washington, D.C. 20549-3628

Re: Prime Acquisition Corp./Rule 14e-5

Ladies and Gentlemen:

We are writing to you on behalf of Prime Acquisition Corp. (the "Company") in connection with the extension of the Company's corporate existence and related tender offer by the Company to purchase up to 83% of the Company's outstanding ordinary shares. Specifically, we request that the staff (the "Staff") of the Securities and Exchange Commission (the "SEC") grant the Company an exemption from the requirements of Rule 14e-5 (the "Rule") under the Securities Exchange Act of 1934, as amended (the "1934 Act"), with respect to the interplay between the Extension Tender Offer and the Acquisition Tender Offer (each as defined below).

## **Background**

### *Company*

The Company is a blank check company formed on February 4, 2010 to acquire through a merger, capital stock exchange, asset acquisition, stock purchase or similar business combination, or control through contractual arrangements, one or more operating businesses. On March 30, 2011, the Company completed an initial public offering (the "IPO") of equity securities, raising gross proceeds of approximately \$36.5 million (including securities sold upon the partial exercise of the over-allotment option by the underwriters for the IPO). In connection with the IPO, the Company placed approximately \$36.6 million (which includes a portion of the proceeds from a private placement that occurred immediately prior to the IPO) in a trust account with American Stock Transfer & Trust Company, as the trustee.

Like most similarly structured blank check companies, the Company's Articles of Association (the "Articles of Association") provide for the return of the amounts held in the trust account to the holders of ordinary shares sold in the IPO if there is no qualifying business combination

consummated before the termination date specified in the Articles of Association (the “Termination Date”), in the Company's case March 30, 2013, or if public shareholders elect to tender their shares in a tender offer required to be conducted in connection with a business combination. Pursuant to the Company's Articles of Association, the Company must conduct a tender offer prior to completing a business combination pursuant to which the Company offers to buy its shares for a pro-rata portion of certain amounts held in a trust account for the benefit of the Company's shareholders. The business combination may not be completed unless shareholders owning fewer than 83% of the shares issued in the IPO tender their shares.

On February 26, 2013, the Company announced that it had entered into a binding letter of intent for a business combination. Pursuant to the letter of intent (“LOI”) with BHN, Srl. (“BHN”), the Company will acquire a newly formed entity that is not affiliated with BHN which will, directly or indirectly, own a portfolio of real estate properties in southern Europe. In connection with the business combination described in the LOI, the Company will be required to conduct a tender offer (the “Acquisition Tender Offer”), as specified in the Articles of Association.

#### *Proposed Extension*

Since the Company entered into the LOI on February 26, 2013, the Company will not be able to consummate the transaction prior to the Termination Date. Consequently, concurrently with the announcement of the LOI, the Company also announced that it is seeking to have its shareholders approve amendments to the Articles of Association that would permit the Company to continue its existence for a period of six (6) months after the Termination Date, rather than dissolve as required by the Articles of Association. Accordingly, the Company has called a special meeting of shareholders to consider and vote on the amendments to the Articles of Association. In connection with the extension of the Company's life, the Company has determined to allow its shareholders to redeem their ordinary shares for a pro-rata portion of the trust account (the same amount that shareholders would receive in connection with an Acquisition Tender Offer or in connection with the liquidation of the Company) by conducting a tender offer (the “Extension Tender Offer”). The Company will only be permitted to extend its life if fewer than 83% of the shares issued in the IPO tender their shares in the Extension Tender Offer.

If the Company extends its life, and if the Company enters into a definitive agreement for an acquisition transaction as specified in the LOI, the Company will be required by the Articles of Association to conduct the Acquisition Tender Offer to allow remaining holders of public shares to redeem their shares for a pro-rata portion of the trust account.

#### **Rule 14e-5**

The Rule provides that, as a means reasonably designed to prevent fraudulent, deceptive or manipulative acts or practices in connection with a tender offer for equity securities, from the time of the announcement of a tender offer until it expires, no covered person may directly or indirectly purchase or arrange to purchase any equity security that is the subject of a tender offer except as part of the tender offer. The Company is a covered person under the Rule with respect to any tender offer it makes to acquire its own securities.

In Release No. 34-42055 (the “Release”), pursuant to which Rule 14e-5 was adopted, the Staff indicated that the Rule protects “...investors by preventing an offeror from extending greater or different consideration to some security holders outside the offer, while other security holders are limited to the offer's terms.” This is consistent with the purposes of prior Rule 10b-13, the predecessor to the Rule, as discussed by the Staff in Release No. 34-8712, pursuant to which Rule 10b-13 was adopted.

#### *Deemed announcement of tender offers for blank check companies*

Rule 14e-5(c)(5) under the 1934 Act defines a public announcement as any oral or written communication that is reasonably designed to, or has the effect of, informing the public or security holders about the tender offer. Therefore, a tender offer relating to a business combination could be deemed to be announced when a blank check company announces a potential business combination. Accordingly, the Acquisition Tender Offer could be deemed to have been announced on February 26, 2013, concurrently with the announcement of the Extension Tender Offer. As a result, the Extension Tender Offer may be a purchase or arrangement to purchase the securities subject to the Acquisition Tender Offer outside of the Acquisition Tender Offer in violation of the Rule.

#### **Analysis**

For the purposes of the analysis below, we have assumed that an issuer violates the Rule by conducting a self-tender offer compliant with the U.S. securities laws after being deemed to have announced, without terminating, a concurrent self-tender for the same class of securities.

Both the Extension Tender Offer and the Acquisition Tender Offer will be conducted in accordance with Rule 13e-4 and Regulation 14E under the 1934 Act, other than the exemption to the Rule requested herein, and will contain all disclosure required and then available to the Company (the Extension Tender Offer necessarily contains less information than the Acquisition Tender Offer will contain since, for example, a definitive agreement has not yet been signed and information about the properties to be acquired has not been finalized). In addition, shareholders have been provided with disclosure necessary to understand that the Pro-rata Trust Amount (as defined below) will be the consideration paid for both the Extension Tender Offer and the Acquisition Tender Offer.

Based upon and assuming the foregoing, the Company believes that the Staff should grant an exemption to the Company because no shareholder of the Company would be harmed by: (i) any non-compliance with the Rule with respect to the Acquisition Tender Offer; or (ii) participating or not participating in the Extension Tender Offer.

#### *Lack of Harm to Shareholders*

In connection with the IPO, the Company placed approximately \$10.02 per share issued in the IPO (\$36,606,095.50 divided by 3,652,975 shares) in trust for the benefit of its public shareholders. Such amount (the “Pro-rata Trust Amount”) has remained in trust since that point, and public shareholders are entitled to receive the Pro-rata Trust Amount in connection with either tendering their ordinary shares in a tender offer or in the event of the liquidation of the trust account. Regardless of whether shareholders tender their shares in connection with

the Extension Tender Offer or the Acquisition Tender Offer, or receive a pro-rata portion of the amounts in trust account in connection with the liquidation of the Company, shareholders will receive the Pro-rata Trust Amount per share. Accordingly, the consideration per share will be identical for both the Extension Tender Offer and the Acquisition Tender Offer. The Extension Tender Offer documents make clear that the Pro-rata Trust Amount will be paid for each share tendered in the Acquisition Tender Offer.

In the materials for the Extension Tender Offer, the Company has indicated that, after the closing of the business combination, it would declare a dividend of one warrant for every four ordinary shares owned by a shareholder at that time. As this only applies to shareholders who do not tender their ordinary shares in either the Extension Tender Offer or the Acquisition Tender Offer, this does not change the amount of consideration that shareholders who tender in either tender offer would receive.

As indicated in the Release, the purpose of the Rule is to prevent the offeror in a tender offer from committing fraudulent or manipulative acts by offering different or greater consideration to some shareholders for the equity securities the subject of the tender offer. The Company's shareholders are not in need of the protections of the Rule in connection with the Acquisition Tender Offer and the Extension Tender Offer since (i) the consideration to be paid to shareholders in either tender offer will be identical; and (ii) shareholders who do not tender their shares in the Extension Tender Offer would be permitted to tender their shares in the Acquisition Tender Offer. Even if the transaction proposed in the LOI does not proceed and the Company is required to liquidate, shareholders that elected to not tender their shares in the Extension Tender Offer will not be harmed since the Company would be required to liquidate the trust account and distribute the Pro-rata Trust Amount to shareholders.

## **Conclusion**

Since shareholders who elect to tender in either the Extension Tender Offer or the Acquisition Tender Offer will receive identical consideration (the Pro-rata Trust Amount per share) and will have received all material information available to the Company, shareholders will not be harmed by choosing to tender or choosing not to tender in the Extension Tender Offer. Therefore, shareholders are not in need of the protection the Rule was adopted to provide, i.e., to prevent an offeror from engaging in fraudulent, deceptive or manipulative acts or practices in connection with a tender offer for equity securities by extending greater or different consideration to some security holders. Based on the foregoing, the Company requests that the Staff grant the Company an exemption from the requirements of the Rule as it relates to the Extension Tender Offer in connection with the Acquisition Tender Offer.

## **Why Exemptive Relief is Necessary**

The Company has a compelling need for the exemptive relief requested. Since the Company has identified a potential business combination that it believes would benefit its shareholders, but is unable to complete the business combination in the time permitted by its Articles of Association, the Company determined that it was in the best interests of its shareholders to seek an extension of its corporate existence. Because the Company is required to liquidate its trust account and distribute to its public shareholders the Pro-rata Trust Amount pursuant to its Articles of Association by March 30, 2013 in the absence of a business combination, and



because such requirement was described in the IPO prospectus, the Company determined that it was necessary to amend its Articles of Association and the investment management trust agreement governing the trust account to both extend the life of the Company and permit shareholders to receive the Pro-rata Trust Amount per share in connection with the extension.

Since the Company determined that it is in the best interests of its shareholders to extend its corporate existence and permit shareholder redemptions in connection therewith, as a foreign private issuer, the Company is required to conduct a tender offer in order to allow its shareholders to redeem their shares without fully liquidating the trust account (as opposed to being permitted to do so pursuant to a proxy statement as a domestic issuer would be permitted to do). In addition, since the Company had entered into the LOI, which the Company believes is material to shareholders, the Company was required to disclose the LOI's existence in the Extension Tender Offer documents, which triggered the announcement of the Acquisition Tender Offer. Given the legal requirements applicable to it, the Company could not have extended its corporate existence other than through the Extension Tender Offer and by concurrently announcing the Acquisition Tender Offer. Therefore, the Company believes that the exemptive relief requested is appropriate.

If you require further information, please contact me at 212 407-4866. Thank you.

Very truly yours,

/s/ Giovanni Caruso

Giovanni Caruso