



Written by [Luis Miguel](#) on February 17, 2024

## SEC Green-lights Trump Media Merger. Trump Could Make Billions.

Even as Democrats and the establishment media claim victory at news of Donald Trump's legal-related money ordeals, the 45th president and once-heralded business tycoon has scored a subtle win that might allow him to recoup any potential losses in the long-term.

On Friday, Trump was in the headlines once more after New York State Judge Arthur Engoron imposed a \$364 million penalty on the 45th president in a civil fraud trial, on the claim that Trump, among other accusations, falsely said his New York Trump Tower penthouse was more than three times its actual value and overvalued his Mar-a-Lago estate in Palm Beach, Florida.

Engoron's ruling also prevents Trump from serving as an officer or director of a corporation in New York for three years and imposes million-dollar penalties on several of Trump's associates, including his two sons, Donald Trump, Jr. and Eric.

But on Thursday, Trump was delivered a bit of good news that has largely flown under the radar amid Friday's storm.

As even [CNN](#) noted, Trump is back on Wall Street after federal regulators granted approval for the contentious merger between Trump Media & Technology Group, the owner of Truth Social, and a special purpose acquisition company (SPAC). The Securities and Exchange Commission's endorsement marks the resolution of the final significant hurdle impeding the completion of the deal.

If green-lit by shareholders, the merger would allow Trump Media to become a publicly traded company in which Donald Trump himself would own the dominant stake — a stake that could be worth billions of dollars.

The blank-check firm in question, Digital World Acquisition Corp., saw its shares spike 15 percent following the announcement of the SEC's approval. When coupled with the gains seen following Trump's successful performance in the Republican primary, Digital World's stock has almost tripled this year alone.

Jay Ritter, a finance professor at the University of Florida, told CNN that the merger could lead to \$270 million flowing into Trump Media's coffers, which might be directed toward the growth of Truth Social. Trump owns a stake of 79 million shares, which could be worth \$4 billion, given Digital World's current trading price of \$50 per share.

However, CNN points to some trouble Trump might face in trying to cash his shares.



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“Not only would Trump be subject to a lock-up period that would prevent he [sic] and other insiders from selling until six months after the merger, but the new company’s fortunes would be closely associated with the former president. That could make it difficult for Trump to sell even after the lock-up period expires.”

There are also concerns that Trump Media might not last long unless the merger happens soon because the company is burning through cash quickly. According to recent SEC filings, Trump Media had revenue of \$1.1 million during the third quarter but lost \$26 million.

Trump media officers celebrated the SEC’s decision:

“Truth Social was created to serve as a safe harbor for free expression and to give people their voices back,” Trump Media CEO Devin Nunes, a former Republican congressman, said in a statement. “Moving forward, we aim to accelerate our work to build a free speech highway outside the stifling stranglehold of Big Tech.”

Eric Swider, Digital World’s CEO, described the SEC approval as a “significant milestone” and said executives are “immensely proud of the strides we’ve taken towards advancing” the merger.

Digital World shareholders must still approve the merger in a vote. But the shareholders are strongly motivated to support the deal because the failure of the merger would compel the blank-check firm to undergo liquidation. In such a scenario, shareholders would be left with only \$10 per share, a significant reduction from the current market value of \$50 per share.

One Wall Street executive — Matthew Tuttle, CEO of Tuttle Capital Management — said he purchased options to add Digital World shares to his personal portfolio and speculated that the fate of Trump Media will be heavily dependent on Trump’s own legal and political fortunes.

“Anything bullish for Trump is going to be bullish for the stock,” Tuttle said.

The civil-fraud trial is just one of the many cases Trump is dealing with even as he runs for president again.

In the past year, he has faced four indictments. Charges include allegations in Georgia and Washington, D.C., of conspiring to overturn the 2020 election results, in Florida of stockpiling classified documents, and in Manhattan of manipulating business records connected to hush-money payments made to porn star Stormy Daniels on his behalf.

Also on Thursday, a judge affirmed that Trump’s trial related to hush-money will commence on March 25. Additionally, a judge in Atlanta reviewed arguments on Thursday and Friday concerning the potential removal of Fulton County District Attorney Fani Willis from the Georgia election interference case against Trump. The consideration stems from her personal relationship with a special prosecutor she appointed for the case.

But the good news about the Trump Media-Digital World merger suggests that even as diverse challenges confront Donald Trump, new opportunities continue to present themselves. Clearly, Trump isn’t finished yet.



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