

PRIVATE EQUITY

Pacific Corporate backs Orbcomm

by [Chris Nolter](#)

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A group of buyout firms led by **Pacific Corporate Group LLC** is investing \$110 million for an undisclosed stake in the satellite communications company **Orbcomm Inc.**

La Jolla, Calif.-based Pacific is committing \$60 million and will hold a minority position in the Dulles, Va., company. Other investors include Orbcomm's senior management, **Ridgewood Capital Management LLC**, **OHB Technology AG**, **Northwood Ventures LLC**, **MH Equity Investors** and **Torch Hill Capital**.

Orbcomm uses a network of satellites and infrastructure based on the ground to provide messaging services similar to e-mail or two-way paging to clients such as **General Electric Co.** of Fairfield, Conn., and **Caterpillar Inc.** of Peoria, Ill. The service can monitor and control remote machinery or track the position of a vessel at sea.

Tim Kelleher of Pacific Corporate Group said customers are becoming more familiar with the benefits of Orbcomm's services. "They've tried it. They've tested it," he said. "They know it provides productivity improvements and cost enhancements."

The service has been more fully integrated into customers' own systems, he added, so that many users can track information on the Web. The cost of subscriber equipment has also fallen.

Some of the firms taking part in the round already had money with Orbcomm, including Ridgewood, which has offices in Palo Alto, Calif., and Ridgewood, N.J.; OHB of Bremen, Germany, and Northwood Ventures of Syosset, N.Y. In February 2004, the firms took part in a \$26 million investment led by Luxembourg-based broadband satellite provider **SES Global SA**.

Orbcomm will use the latest round of funding to replace and upgrade satellites, among other purposes. **UBS Investment Bank** was Orbcomm's financial adviser for the placement, and **Chadbourne & Parke LLP** was its counsel.