

BUSINESS

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Recent Deals – Private Equity

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Pine Creek Partners, a private equity firm run by well-known local investors Carl J. "Rick" Rickertsen and George McCabe, finished raising its first investment fund last week to finance small and mid-size management buyouts.

The \$53 million fund was two years in the making. McCabe and Rickertsen decided to go into business together in April 2004 over lunch, soon after each left his previous job. Rickertsen had been the chief operating officer for *Thayer Capital*, a District buyout firm. McCabe had been a managing director at *Friedman, Billings, Ramsey & Co.*, helping run that investment banking firm's merchant banking business.

"It was tough raising a first-time fund," Rickertsen said. "A lot of the traditional institutional investors won't do first-time funds. The result is that most of the money we raised came from people we know and have worked with over the years."

The pair have already done their first deal from the fund, a \$12 million buyout of Florida's *Engineering Support Personnel Inc.*, a defense contractor. Pine Creek put up \$5 million of its cash, borrowing most of the rest.

Rickertsen, whose second book on the buyout business, "Sell Your Business Your Way," was just published, said Pine Creek is looking for management teams of divisions of bigger firms or firms going through a generational ownership change. Pine Creek hopes to do up to four deals a year, preferably local.

"We like the managers who have worked for someone else and are ready to work for themselves," McCabe said.