



Military recruiter for Centre

June 27, 2007
by Kelly Holman

Employment agencies and staffing businesses may be familiar turf for buyout shops, but Centre Partners has established a beachhead in what it says is a new private equity niche: recruiting military veterans for corporations.

Centre, based in New York, said it is investing about \$40 million of equity in a deal to acquire Orion International Consulting Group Inc.

Orion specializes in placing former armed-services personnel in corporate jobs. The firm focuses on individuals who were junior to midlevel officers or enlisted persons rather than former generals and admirals. The company's roughly 250 employees have found positions for more than 17,000 veterans at more than 2,000 corporations since five junior military officers established the business in 1991.

Boston specialty lender NewStar Financial Inc. is providing senior debt for the acquisition, which Centre announced Monday, June 25. The deal provides liquidity for individual shareholders.

"This company has a very unique and defined niche," said Bob Bergmann, a senior partner at Centre. Orion, he added, has a "significant opportunity to grow" by helping to move ex-military people into industries the company hasn't previously served. Healthcare and logistics, he said, are two such fields.

Bergmann characterized the roughly 220,000 individuals exiting the military every year as generally "highly trained men and women who have significant leadership skills" and are often flexible about career choices and work locations. He said the company's revenue is expected to increase more than 20% above its 2006 revenue. "It's been profitable from the time it was started," he added, declining to elaborate.

Pat McAuliffe, a managing director at NewStar, said the deal was appealing from a lender's perspective, given the involvement of Centre staffing industry veteran Jeffrey Evans, who was named chairman of Orion, and an experienced management team in charge at the target. McAuliffe declined to comment on Orion's debt financing.

Orion is based in Raleigh, N.C. It has offices, located close to military bases, in San Diego, Cincinnati, Virginia Beach, Va., Austin, Texas, and Sarasota, Fla.

Bill Laughlin will remain Orion's CEO.

Bergmann said Orion aims to expand through both organic growth and acquisition. He said the Iraq war isn't expected to immediately generate a large influx of new job candidates.

Orion's sale was managed by Hyde Park Capital Partners LLC senior managing directors John M. McDonald III and John Hill Jr. and senior vice president Keith Hodgdon. The Tampa, Fla., firm ran a limited auction process for the business.

Dechert LLP attorneys Mark Thierfelder, Lisa Burnett, Dan Dunn and Tracey Polito served as counsel to Centre Partners.