

Nokia seeks gold in mobile payments startup Obopay

By PETER SVENSSON – 1 day ago

NEW YORK (AP) — Nokia Corp., the world's largest maker of cell phones, is making a large investment in a California-based startup that wants to make the mobile phone the credit card of the developing world.

The amount of Nokia's investment in Obopay Inc. of Redwood City was not disclosed Wednesday, but the startup made a regulatory filing this month for the sale of up to \$70 million in preferred stock. The filing also noted that Nokia's head of corporate business development, Teppo Paavola, will get a seat on Obopay's board.

The investment is coming from the Finnish cell phone maker's corporate funds, not its venture arms, because Nokia wants a close collaboration with Obopay, said Olivier Cognet, a business-development executive at Nokia.

Obopay's service, available in the U.S. and India, lets people pay each other through text messages or other cell phone applications. The funds can come out of bank accounts or credit cards. People who lack bank accounts can prepay funds into a Obopay account.

"There's such a big gap in the world — there are 4 billion phones and only 1 billion bank accounts," said Carol Realini, Obopay's chief executive. She founded the company after traveling in Africa, where she noticed how ubiquitous cell phones had become, while financial systems are still rudimentary in many places.

There are several competing mobile payment systems, including eBay Inc.'s PayPal Mobile in the U.S. Nokia has been building transponders into some phones that allow them to be swiped over payment terminals, much like Exxon Mobil Corp.'s Speedpass key chain fob. But Cognet said this marked the first time Nokia was investing in a service like Obopay's.

The investment will help Obopay speed its global expansion and invest more in its technology, Realini said. Obopay had previously raised \$69 million. Most of that has been from venture capital firms, though Qualcomm Inc., the developer of wireless technology, led a \$7 million round in 2006.

On the Net:

- <http://www.obopay.com>
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