

ePrime faces coup to oust management

By Neil Bennett (*Filed: 17/03/2002*)

A BATTLE has broken out over the future of ePrime Financial, the troubled internet group, with a gang of rebel shareholders threatening to oust the existing management unless they agree to plans to transform the company into an acquisition vehicle.

The rebels are being organised by Recovery Partners, an investment banking boutique, and are said to account for as many as 30 per cent of the shares. They oppose the company's plans to wind itself up since they say that would trigger the exercise of millions of warrants that would enrich the incumbent management at the expense of outside shareholders.

The two sides are due to hold a crunch meeting tomorrow at which Alex Jurshevski, a turnaround specialist at Recovery, will lay out the investors' demand to the management and its advisers. If the directors refuse to act, Jurshevski intends to call an extraordinary meeting using proxies from the disgruntled shareholders to oust them and appoint his own nominees instead. Jurshevski's alternative board includes Jack Wrigglesworth, the former chairman of Liffe, and Rod Sinclair, a former director of the Securities and Futures Authority.

This new board would transform ePrime into a bid vehicle to acquire several financial software firms, using the £18.5 million in cash the company still has after fundraising during the dotcom boom.

ePrime was floated in 2000 with plans to build an internet bank. However, these plans were abandoned and the company has since tried twice and failed to wind itself up and distribute the remaining cash to investors. A winding up order would trigger the exercise of up to 150 million shares, according to the company's prospectus.

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