

COMPANIES & FINANCE: E-primefinancial to be pressed on plans

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E-primefinancial, the Aim-listed internet cash shell, is to come under renewed pressure over its long-delayed plans to launch a US online bank when it meets a corporate activist courting the company on Monday.

The meeting will be the latest attempt to persuade E-primefinancial to change direction more than two years after it was the first proposed internet bank to list on the London market.

The company is one of dozens in the UK which have little or no business but significant cash piles that they have retained since heady flotations during the dotcom bubble.

Last year, it defeated two attempts by Gene Grant, its former chief executive and largest shareholder, to wind the company up at specially convened shareholder meetings. Mr Grant, a co-founder, is understood to have left the company a year ago amid disagreements over how it should proceed following the withdrawal of its first application for a banking charter in the US.

Recovery Partners, the corporate activist E-primefinancial is to meet on Monday, wants to discuss alternative proposals for the Pounds 17.5m of cash that company has managed to conserve from the Pounds 22m raised two years ago.

These proposals are thought to involve using the money to develop financial software businesses.

Recovery Partners is expected to ask the company and Seymour Pierce, its adviser and broker, for more details on the US plan and its financing.

It will also seek information about 150m warrants that the founding directors and shareholders would be entitled to if the company were to be wound up.

They would constitute 30 per cent of the enlarged share capital. Lance O'Neill, E-primefinancial's founding chairman, said that the company was awaiting the imminent outcome of a resubmitted application for a US banking charter.

"When we have the amount of cash that we do, we have a lot of people who show us business proposals," he said. "But it comes down to whether it's in the best interests of shareholders to do a deal."

Mr O'Neill added: "It's a matter of public record that the board at both (egms) voted against the winding up of the company, which financially would have been in their short-term interests but not necessarily in other shareholders' interests."

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