

FINANCIAL NEWS

E-primefinancial defends itself against turnaround specialists

Piers Townsend

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The battle for control of [E-primefinancial \(EPF\)](#), an [AIM](#)-listed shell company which plans to become an internet bank, moved up a gear after it was forced to publicly defend itself against a turnaround company that wants to call an extraordinary general meeting and oust the board.

EPF listed on AIM, the alternative investment market, in December 1999, raising £2m (€3.3m). It subsequently raised another £20m. It has yet to reach its objective of becoming a bank in the US and its £17m cash reserves have attracted the attention of [Recovery Partners](#), a turnaround firm run by [Alex Jurshevski](#), an ex-investment banker, and [Graeme Brister](#), a veteran lawyer.

Recovery Partners has secured voting rights, and its restructuring proposals - which EPF rejected on Friday - include the imposition of a new board of big-hitters.

The new board would include [Jack Wigglesworth](#), the ex-chairman of [Liffe Rod Sinclair](#), former deputy chairman of the securities and futures association and chief executive of [Instinet Europe](#) and the two founders.

Jurshevski's previous roles include regional head of risk advisory at [Bankers Trust](#) and a spell at [Nomura](#) in charge of due diligence and approved investments in external companies. He also restructured the portfolio management operations for the government of New Zealand.

Private talks between the two sides broke down last week. Recovery Partners sent a letter to shareholders - of which there are more than 6,000 - setting out plans to oust the existing management and embark upon a series of acquisitions that it claimed would "regain shareholder value".

The EPF board said in a statement that the turnaround company's initiative was "not only uncommercial but an opportunistic attempt to gain control of the company's cash resources".

EPF's management includes [Lance O'Neill](#), an ex-[Pru Bache](#) banker [Nigel Duxbury](#), ex-[Lombard](#) and [Kidder Peabody](#) [Keith Mullins](#), ex-[Deutsche Bank](#) IT head and [John](#)

[Wisbey](#), ex-[Kleinwort Benson](#). The company has already survived two attempts by [Gene Grant](#), a founder, former chief executive and largest shareholder, to wind up the company last year.

Recovery Partners' claims that delays to EPF's plans to become a US bank since 2000 meant the company was unworkable were also rebutted. EPF said it expects to receive the most recently-requested decision on its banking charter application, which has been delayed beyond the normal 120 days at the US Office of the Comptroller of the Currency ([OCC](#)), from the OCC "in the near future