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Arbat Prestige Ex-Owner Wins Court Ruling

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Nekrasov

Raising the specter that criminal charges might be dropped against the former owner of Arbat Prestige, an arbitration court has upheld a lower court's ruling that unpaid tax claims against the now-bankrupt chain of cosmetics stores were illegal, defense lawyers said Friday.

The Federal Arbitration Court of the Moscow District on April 4 upheld an October ruling of the Moscow Arbitration Court, which canceled the decision of a Moscow branch of the Federal Tax Service to levy 155.1 million rubles ($5.5 million) in taxes and fines against Arbat & Co., the company that operated Arbat Prestige, Arbat & Co. lawyer Olga Surovova said.

The lawyer for former owner Vladimir Nekrasov said he was "100 percent" sure that the tax evasion charges against his client would be dropped after the ruling.

The lawyer, Alexander Dobrovinsky, also said Nekrasov has paid Arbat Prestige's debt of 341

million rubles ($12.2 million) to Sberbank but still owes about 1 billion rubles to suppliers.

Nekrasov was arrested by a squad of 50 commandoes outside Moscow's World Trade Center in January 2008 amid a tax-evasion investigation that he has called an illegal attempt to take over his business. He and a fellow suspect, reputed crime boss Semyon Mogilevich, were released from custody in July 2009 after promising not to leave Moscow.

It was unclear whether lawyers for Mogilevich, one of the FBI's "10 Most Wanted" criminal fugitives, also expected that charges would be dropped. Mogilevich was using the name Sergei Shnaider when he was detained with Nekrasov outside the World Trade Center.

Repeated calls to the cell phone of lawyer Alexander Pogonchenkov, who insists he represents Shnaider, not Mogilevich, went unanswered Friday.

Tax authorities can appeal the ruling in the Supreme Arbitration Court within three months, a spokesman for the Federal Arbitration Court of the Moscow District told The Moscow Times.

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