

LSR Deal Disputed in St. Petersburg

By [The Moscow Times](#)

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ST. PETERSBURG — A former minority shareholder in the Yekaterinburg-based Betfor company, a maker of reinforced concrete units, has challenged a secondary share issue that allowed major developer LSR to consolidate 100 percent ownership of the company.

According to information on the web sites of the St. Petersburg and Leningrad Region Arbitration courts, Betfor shareholder Viktor Nikitenko filed suit against LSR and the Kant company on April 18.

LSR acquired 87 percent of the shares in Betfor from Nova Group for 57 million euros (\$89 million) in April 2008, at 318 euros a share. In the fall of that year, LSR made a buyout offer to minority shareholders of the company, after it had raised its share, along with affiliated companies, to 88.05 percent.

In August 2009, Betfor issued 1,054,126 preferred shares. LSR bought 928,000 of them and Kant bought 126,126, according to Nikitenko's suit. Nikitenko's share of the company's charter capital was reduced from 0.1 percent to 0.0001 percent by the share issue.

According to Nikitenko, that move was followed by a number of deals involving LSR and Kant designed to raise LSR's shareholding in Betfor to 95 percent, giving it the right to forcibly buy out minority shareholders.

Nikitenko is demanding that the acquisition of shares by LSR and Kant in the secondary issue be voided.

LSR regional legal director in Yekaterinburg Dmitry Letyagin said the deals were legal and Kant is not affiliated with LSR. A company with the same name acquired 10 percent of the LSR-owned company Obyedinenie 45 in 2007 and 10 percent of the Pobeda LSR company in 2008, however. The company was dissolved on March 31, according to Interfax-SPARK.

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