

City Settles With Its Yevropeisky Partners

By [The Moscow Times](#)

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Moscow is settling its investment conflict with Evropeisky shareholders by buying into their stock issue.

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The Moscow Mayor's Office reached a settlement in a dispute over the Yevropeisky shopping center that will bring it 2.5 billion rubles (\$80.2 million), members of the city administration said.

Yevropeiskaya Ploshchad, which manages Yevropeisky and owns 50,233 square meters of it, will issue new shares and, as a result, the city's 30 percent share in Yevropeiskaya Ploshchad will be reduced to less than 5 percent and it will receive 2.5 billion rubles.

The city's partners in the shopping center management company are God Nisanov and Zarakh Iliyev.

After the city's share is diluted to less than 5 percent, the major shareholder will be obliged

by law to buy it, city officials said.

Vladimir Bukarev, a partner at the Barshchevsky and Partners law firm, confirmed that legal mechanism.

The parties will reach an agreement that the majority owners' actions will not cause the city a loss and that the value of the new stock packages will not fall below a fixed price. After the money is transferred, a settlement will be signed, City Hall sources said.

The conflict with the Yevropeisky owners began about a year ago when a shortfall was discovered in the city's profits on an investment contract. Under the terms of the contract, the city's property department was to receive 30 percent of the area of the shopping center, and the investor 70 percent. The shopping center, next to Kievsky Station, was planned with an area of 72,000 square meters.

The investor built 179,945 square meters, however, without increasing the city's share.

In July, the Moscow Property Department filed two suits against its partners in the Moscow Arbitration Court, claiming to be entitled to 30 percent of the real area of the Yevropeisky. Later, the parties decided to negotiate out of court, but the lawsuit was not withdrawn, according to a representative of the property department.

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