

Russian Tycoon Pugachev Loses British Appeal to Overturn Asset Freeze

By [The Moscow Times](#)

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Sergei Pugachev

LONDON — Sergei Pugachev, a Russian tycoon once dubbed "the cashier to the Kremlin," failed in a bid on Friday to overturn a British court order that froze \$2 billion of his assets in a case linked to the insolvency of Russian bank Mezhprombank.

London's High Court had issued the worldwide order in July after an application from the Russian Deposit Insurance Agency (DIA), which was appointed as liquidator to Mezhprombank at the end of 2010.

The DIA believes the London-based Pugachev — once seen as close to Russian President Vladimir Putin — owned or controlled the bank and should therefore be held liable for its insolvency.

It plans to pursue Pugachev in London as well as Russia, alleging he extracted money from the

bank for his own benefit when it was already insolvent, transferring millions of dollars into a private bank account in Switzerland.

Pugachev, a former Russian senator, denies wrongdoing and launched an appeal in September against the decision to freeze his assets.

His lawyer argued his assets were worth no more than \$70 million and there was no prospect that he would be able to pay a "significant fraction" of the \$2.1 billion sought by the DIA.

But in a ruling handed down at the court on Friday, Mr Justice Mann upheld the freezing order.

"It may be that if Mr Pugachev has disclosed all his assets correctly [a fact that the claimants do not accept] then his assets would discharge only a small part of the enormous claim if the claim is good," Mann said in his ruling.

"However, \$70 million is still a significant sum. The fact that it is only a small proportion of the claim does not reduce that significance."

Pugachev's lawyer had also argued that the DIA did not have "clean hands" and had acted "inequitably," accusations it denied.

"Where such a dispute exists, it is impossible to give the allegations any weight in considering whether or not to grant or maintain interim injunctive relief," Mann said.

Pugachev left Russia in 2011, and a warrant for his arrest was ordered last year and then reissued in May this year.

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