

Lenta Calls Board Meeting After Fight

September 15, 2010

The  **Moscow Times**

ST. PETERSBURG — TPG Capital and its partners in Lenta, the Russian superstore chain, plan to hold a board meeting at the end of the month after a shareholder dispute over management and strategy erupted into violence.

The U.S. private-equity firm and VTB Capital aim to meet with Svoboda, run by August Meyer, Lenta's largest shareholder, at a board meeting on Sept. 30, Tim Demchenko, head of private equity at VTB Capital, said Wednesday.

If Meyer attends, it "will help us to resolve existing issues and jointly move forward with development," he said.

Meyer said by text message that he had not received a formal notice about the meeting.

The power struggle between TPG and Meyer led to violence Tuesday when Jan Dunning, a Dutch national supported by TPG and VTB as chief executive officer of Lenta, used private guards to take control of the retailer's St. Petersburg headquarters. Dunning and his lawyers had been denied access the previous day.

The two sides fought at the door of the office, where windows were broken and at least one combatant used a gas spray on his adversaries, according to video footage broadcast by NTV television.

Meyer, who owns 41 percent of the retailer, sought last month to replace Dunning, who had been in the position about a year, with shareholder Sergei Yushchenko. TPG and VTB Capital, which together own 31 percent of Lenta, did not recognize the appointment.

Lenta was founded in 1993 as a cash-and-carry store with two checkout desks and now owns 37 stores across Russia and is 11 percent owned by the European Bank for Reconstruction and Development.

TPG said the dispute risks delaying plans to open nine stores next year. Meyer said he wants to expand the chain faster than TPG and VTB.

Yushchenko said Wednesday that Dunning had no right to serve as CEO. Yushchenko was named CEO in January 2007, according to the retailer's web site. He was fired by Lenta's co-founder the following year and then reinstated.

"Under Russian law, the company can lose its CEO under two circumstances: if he dies or by a court order. I am alive and breathing, and there has been no court order," he said Tuesday on NTV.

Dunning said on NTV that his leadership "is supported by the majority of the shareholders."

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