

COURT BATTLE

Embattled LFP I left without board after shareholder vote

The firm risks liquidation after shareholders voted out the three directors

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24.11.2020

Shareholders in the embattled LFP I fund dismissed the entity's three directors on Monday after a meeting of more than six hours, which saw a skirmish erupt over the up to €100 million in investor money that has disappeared without a trace.

The three directors of LFP I - [who have launched a flurry of lawsuits to retrieve the missing money](#) since they were brought in two years ago - were dismissed in a vote, four different people who were present at the meeting told the *Luxembourg Times*.

Majority shareholder Swedbank also voted for the dismissal, leaving a governance vacuum that could lead to the judicial liquidation of the fund, three of the people said, given that no new directors were put forward.

The meeting witnessed lengthy debates about the validity of some of the voting forms and attempts to dismiss them, the sources said. During heated debate, one investor poured his water bottle over the head of a lawyer, who had been tasked with counting the votes.

Several sub-funds set up under the LFP I funds structure suffered millions in losses since it was set up in 2009 by its first directors. Shareholders in 2018 appointed a new board to try and retrieve the money.

The family of funds has since become the subject of almost 30 cases of civil and criminal complaints [between directors, shareholders, custodian and auditing firms in Luxembourg and Belgium](#), mostly instigated by David Mapley, one of the now-dismissed new directors. Yet in May, Mapley himself was suspended for a period of four years by Luxembourg's regulator, the CSSF, which said he had provided "incomplete and incorrect" information to get authorised to work in the Grand Duchy's financial sector.

Mapley has appealed that decision, but the fund nevertheless had to replace him, leading it to call together shareholders on Monday.

A rival group of shareholders had separately sought to expel Mapley, making LFP I's directors responsible for mishandling their mandate and for €40 million in losses. That group won a court victory on 31 October, when a judge appointed an administrator and instructed him to organise a shareholder meeting to dismiss the three current directors.

This group of shareholders is centered around one of LFP I's subfunds, the Equity Power Fund (EPF), which was set up in 2013. Some of the [main players in the subfund are the target of a criminal complaint by LFP I in an Antwerp court](#) and one businessman linked to EPF, Levi Dewaegenaere, was given [a 30-months jail sentence in an unrelated case](#) earlier this year, though he has said he will appeal that verdict.