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# Arrested oil tycoon passed shares to banker

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By The Washington Times Sunday, November 2, 2003

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LONDON (Agence France-Presse) -- Control of Mikhail Khodorkovsky's shares in the Russian oil giant Yukos have passed to renowned banker Jacob Rothschild, under a deal they concluded prior to Mr. Khodorkovsky's arrest, the Sunday Times reported.

Voting rights to the shares passed to Mr. Rothschild, 67, under a "previously unknown arrangement" designed to take effect in the event that Mr. Khodorkovsky could no longer "act as a beneficiary" of the shares, it said.

Mr. Khodorkovsky, 40, whom Russian authorities arrested at gunpoint and jailed pending further investigation last week, was said by the Sunday Times to have made the arrangement with Mr. Rothschild when he realized he was facing arrest.

Mr. Rothschild now controls the voting rights on a stake in Yukos worth almost \$13.5 billion, the newspaper said in a dispatch from Moscow.

Mr. Khodorkovsky owns 4 percent of Yukos directly and 22 percent through a trust of which he is the sole beneficiary, according to Russian analysts.

From the figures reported in the Sunday Times, it appeared Mr. Rothschild had received control of all Mr. Khodorkovsky's shares.

The two have known each other for years "through their mutual love of the arts" and their positions as directors of the Open Russia Foundation, Yukos' philanthropic branch, it said.

Russian authorities Thursday froze billions of dollars of shares held by Mr. Khodorkovsky and his top lieutenants in Yukos -- throwing control of the country's largest oil company into limbo and causing frenzied selling on financial markets.

Russian prosecutors said owners of the shares are still entitled to dividends and retain voting rights, but can no longer sell their stakes.

They said the freeze was necessary as collateral for the \$1 billion that Mr. Khodorkovsky and his associates are accused of misappropriating during the 1990s.

Mr. Rothschild is the British head of Europe's wealthy and influential Rothschild family, and runs his own investment empire.

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