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Signature management power-play heats up

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THE fight over the remaining \$65 million in assets in the listed hedge fund Signature Capital Investments is set to escalate after the company accused the shareholder and funds manager Geoff Wilson of trying to topple the board to secure management rights for his own firm.

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In recommending shareholders vote against the proposal, Signature wrote: "The company has not been provided with any information by Wilson Asset Management about why shareholders should vote in favour of the proposed resolutions, nor what WAM's intentions for the company are, should the resolutions be passed.

"The board ... considers that should WAM get board control of the company, that it is likely it would seek to enter into an investment advisory agreement in favour of WAM or related bodies corporate which may be for its own benefit."

Mr Wilson told Signature shareholders three weeks ago he wanted to oust their directors. He has since pointed to \$130 million in value that has been lost since listing in 2005.

Signature responded this week by securing a 15 per cent cornerstone investment from the billionaire heir to the Multiplex empire Andrew Roberts, in return for unspecified non-cash investments valued at about \$9 million.

In response to Signature's claims, Mr Wilson said: "The board has already entered into two agreements, with [investment advisors] GAM and Andrew Roberts - until we get on the board, how do we know what they've entered into? They could be agreements we couldn't get out of.

"We wouldn't enter an investment advisory agreement without shareholder approval. Whatever we decide to put to shareholders, we will get shareholders to vote on."

Mr Wilson is arguing that Signature's directors have overseen value destruction. Signature's recent annual report shows that of \$195.8 million of contributed equity, accumulated losses total \$130.5 million. "That's how they've looked after shareholders' interest," Mr Wilson said.

The board's fate appears to lie with Mr Wilson (14 per cent) and the US investors Dalton Investments (18 per cent) and Weiss Group (12 per cent).

This story was found at: <http://www.smh.com.au/business/signature-management-powerplay-heats-up-20110929-1kzco.html>