UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
ELETSON HOLDINGS INC., et al.,	:	Case No. 23-10322 (JPM)
Debtors. [1]	:	

DECLARATION OF JARED C. BORRIELLO, ESQ. IN SUPPORT OF ELETSON HOLDINGS INC.'S OMNIBUS REPLY IN SUPPORT OF ITS FOREIGN OPPOSITION SANCTIONS MOTION

I, Jared C. Borriello, Esq. hereby declare under penalty of perjury, pursuant to section 1746 of Title 28 of the United States Code, as follows:

1. I am counsel at the law firm of Togut, Segal & Segal LLP, counsel to Holdings in the above-captioned chapter 11 cases.

2. I respectfully submit this second declaration (the "Declaration") in support of the *Emergency Motion of Eletson Holdings Inc. for Entry of a Further Order in Support of Confirmation and Consummation of the Court-Approved Plan of Reorganization* [Docket No. 1459] (the "Foreign Opposition Sanctions Motion") and the related *Eletson Holdings Inc.'s Omnibus Reply in Support of its Foreign Opposition Sanctions Motion* (the "Reply")[2] filed contemporaneously herewith.

[1] Prior to November 19, 2024, the Debtors in these cases were: Eletson Holdings Inc., Eletson Finance (US) LLC, and Agathonissos Finance LLC. On March 5, 2025, the Court entered a final decree and order closing the chapter 11 cases of Eletson Finance (US) LLC and Agathonissos Finance LLC. Commencing on March 5, 2025, all motions, notices, and other pleadings relating to any of the Debtors shall be filed in the chapter 11 case of Eletson Holdings Inc. The Debtor's mailing address is c/o Togut, Segal & Segal LLP, One Penn Plaza, Suite 3335, New York, New York 10119.

[2] Capitalized terms used but not otherwise defined herein shall having the meanings ascribed to such terms in the Reply.

3. This Declaration supplements the Declaration of Jared C. Borriello, Esq. annexed to the Foreign Opposition Sanctions Motion [Docket No. 1459, Ex B].

4. Attached hereto are true and correct copies of the following documents:

Exhibit	Description
23.	Mar. 4, 2025 Email J. Peles to B. Kotliar
24.	Liberian Business Corporations Act, Title 5 (2020)
25.	Jan. 6, 2025 Hearing Transcript
26.	Jan. 17, 2025 Greek Injunction Petition
27.	Feb. 27, 2025 Email W. Curtin to B. Kotliar
28.	Jan. 24, 2025 Email B. Kotliar to W. Curtin
29.	Jan. 10, 2025 Email W. Curtin to B. Kotliar
30.	Dec. 30, 2024 Email W. Curtin to B. Kotliar
31.	Feb. 19, 2025, Greek Injunction Motion
32.	Omnibus Written Consent of Parent
33.	Written Consent of the Stockholders of Eletson Corp
34.	Eletson Gas Written Consent of the Board
35.	Eletson Corp. Certificate of Incumbency, filed Jan. 3, 2025
36.	Nov. 12, 2024 S.D.N.Y. Hearing Transcript
37.	Nov. 13, 2024 Hearing Transcript
38.	Kimolos II SME Certificate of Incumbency, dated Feb. 5, 2025
39.	January 29, 2025 S.D.N.Y Hearing Transcript

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true to the best of my knowledge.

Dated: New York, New York
March 7, 2025

/s/ Jared C. Borriello
Jared C. Borriello

EXHIBIT “23”

From: **Peles, Joshua M.** JPeles@reedsmith.com [redacted]
Subject: FW: letter to the court ** MSG#:<3419227>
Date: March 4, 2025 at 3:27 PM
To: Leila Ebrahimi lebrahimi@teamtogut.com, Bryan Kotliar bkotliar@teamtogut.com, Kyle Ortiz kortiz@teamtogut.com, Amanda Glaubach aglaubach@teamtogut.com, Brian Shaughnessy bshaughnessy@teamtogut.com
Cc: Eletson Bankruptcy Team (S) EletsonBankruptcyTeam@reedsmith.com

JP

Counsel –

We were copied on an email to the Court (below) and it's unclear to us whether you also received it. We are forwarding the email in the event that is not the case.

Josh

Joshua M. Peles
215.851.8287
jpeles@reedsmith.com
he/him/his

From: V. Hadjieleftheriadis <vasilis.hadjieleftheriadis@eletson.com>
Sent: Tuesday, March 4, 2025 3:19 PM
To: JPM.chambers@nysb.uscourts.gov
Cc: Solomon, Louis M. <LSolomon@reedsmith.com>
Subject: letter to the court ** MSG#:<3419227>

External E-Mail - FROM vasilis.hadjieleftheriadis@eletson.com <vasilis.hadjieleftheriadis@eletson.com>

Message Number: 3419227

From: vasilis.hadjieleftheriadis@eletson.com
To: JPM.chambers@nysb.uscourts.gov
Cc: LSolomon@reedsmith.com
Sent: Tuesday, Mar 4, 2025 22:19 (UTC +02:00)
Subject: letter to the court
Attachments: Adobe Scan Mar 04, 2025 (4)_7636471e-3f32-48d7-b997-ea63732683a0.pdf

Dear Sirs, please see attached letter addressed to the Court.

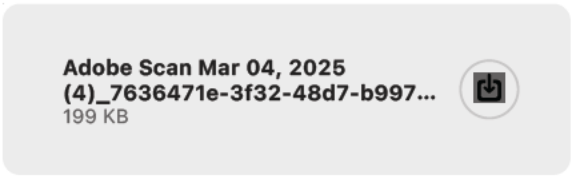

EXHIBIT “24”

"AN ACT TO FURTHER AMEND PART I (THE BUSINESS CORPORATION ACT) AND PART III (THE PARTNERSHIP AND LIMITED PARTNERSHIP ACTS) OF THE ASSOCIATION LAW, TITLE 5, LIBERIAN CODE OF LAWS REVISED"

APPROVED: APRIL 3, 2020

PUBLISHED BY AUTHORITY
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA

PRINTED: APRIL 6, 2020

AN ACT TO FURTHER AMEND PART I (THE BUSINESS CORPORATION ACT) AND PART III (THE PARTNERSHIP AND LIMITED PARTNERSHIP ACTS) OF THE ASSOCIATIONS LAW, TITLE 5, LIBERIAN CODE OF LAWS REVISED.

REPUBLIC OF LIBERIA

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CHAPTER 1.

GENERAL PROVISIONS

§1.1. Short Title.

Part I of this Title shall be known as the "Business Corporation Act". Unless otherwise specified, references in Part I to this Act mean the Business Corporation Act.

§1.2. Definitions.

As used in this Act, unless the context otherwise requires, the term:

(a) "***2020 Amendment Act***" means Title 5, the Associations Law, as amended by the Legislature in 2020.

(b) "***Articles of incorporation***" includes (i) the articles of incorporation or any other instrument filed or issued under any statute to form a domestic or foreign corporation, amended, supplemented, corrected or restated by articles of amendment, merger, or consolidation or other instruments filed or issued under any statute; or (ii) an act of the Liberian legislature or charter granted under Liberian law creating a resident or non-resident domestic corporation, as amended, supplemented or restated.

(c) "***Beneficial Owner***" refers to:

(i) the natural person(s) who ultimately owns or controls or exercises ultimate effective control over a legal person or arrangement;

(ii) where no natural person exerts control through ownership interests, the natural person(s) exercising control of the legal person through other means, such as control through relationships, financial power or contractual associations; or

(iii) where no natural person is identified under (i) or (ii) above, the relevant natural person(s) who holds the position of senior managing officer.

As used herein, the term "beneficial owner" shall be applicable to all forms of businesses incorporated and/or organized under the laws of Liberia or authorized to do business within the Republic of Liberia, inclusive of resident and non-resident corporations, foreign corporations authorized to do business in Liberia, limited liability companies, partnerships, limited partnership, trusts, foundations, and other legal entities organized under the laws of Liberia or authorized to do business in Liberia.

(d) "***Board***" means board of directors.

(e) "***Corporation***" or "***domestic corporation***" means a corporation for profit which has the authority to issue shares, and which is formed:

(i) Under this Act, or exists on the effective date of this Act and theretofore was formed under any other general statute or by any act of the Legislature of the Republic of Liberia; or

(ii) In Liberia as another entity and reregistered under the provisions of this Act and is deemed to have been formed under this Act; or

(iii) Under the laws of a foreign jurisdiction and re-domiciled into Liberia and is deemed to have been formed under this Act.

(f) "***Custodial Agreement***" means an agreement entered into between an owner of bearer shares and a Custodian in regard to the share ownership and containing the information required and specified in Section 5.15.

(g) "***Custodian***" means:

(i) For resident domestic corporations, the Liberian Business Registry; and

(ii) For non-resident domestic corporations either:

(a) The LISCR Trust Company or any domestic bank or other trust company with a paid in capital of not less than US$50,000.00, which (1) is authorized by the Legislature of the Republic of Liberia to act under Section 5.15 as a custodian of certificates evidencing bearer shares issued by a Liberian corporation, and (2) has obtained a license from the Minister of Foreign Affairs; or

(b) An institution licensed to provide trust services by the jurisdiction of its incorporation or that conducts its operations, which (1) is approved by the Registrar, (2) is contractually bound to perform custodial services in full compliance with the requirements of Section 5.15 and (3) has provided a deposit, a binding letter of credit or other form of monetary guarantee acceptable to the Registrar in the minimum amount of US$50,000.00, which would be drawn upon in the event of non-compliance.

(h) "***Electronic transmission***" means email or a facsimile or any other form of communication not directly involving the physical mailing or delivery of papers that create a record that may be retained, retrieved and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process, including but not limited to one or more electronic networks or databases, or otherwise done in accordance with the Electronic Transactions Law.

(i) "***Foreign corporation***" means a corporation for profit formed under the laws of a foreign jurisdiction. "Authorized" when used with respect to a foreign corporation means having authority under Chapter 12 (Foreign Corporations) to do business in Liberia.

(j) "***Insolvent***" means a financial condition under which a person is unable to pay his/her/its debt or meet his/her/his other contractual or statutory financial obligations as they become due.

(k) "***In writing***" and "***written***" shall be interpreted in accordance with Chapter 13 of Title 14.

(l) "***Internal corporate claim***" means a claim, including claims in the right of the corporation, that are based upon a violation of a duty by a current or former director or officer or shareholder in such capacity.

(m) "***Legal Owner***" means the natural or legal persons who, according to the respective jurisdiction's legal provision, own the legal person.

(n) "***Minister of Foreign Affairs***" means the Minister of Foreign Affairs and any deputy or assistant in the Ministry of Foreign Affairs exercising a function assigned to him, and "Minister" shall, in the absence of an indication to the contrary, be assumed to be a reference to the Minister of Foreign Affairs as so defined.

(o) "***Nominee***" means a legal or natural person in a nominee relationship in which that person is registered as the registered owner of a share or interest in a domestic business entity formed in accordance with Liberian law which is held or is exercisable by that person on behalf of a beneficial owner traceable through every layer and level of the line of business entities from the ultimate beneficial owner to the owner-nominee of record of the business, whether directly or indirectly (other than as the trustee of a trust).

(p) "***Non-resident domestic corporation***" means a domestic corporation not doing business in Liberia. A corporation shall not be considered to be doing business in Liberia by reason of carrying on in Liberia one or more of the following activities:

(i) Maintaining or defending any action or proceeding, or effecting settlement thereof or the settlement of claims or disputes;

(ii) Holding meetings, including meetings of its directors or shareholders;

(iii) Causing bearer certificates to be held by a Custodian based within Liberia;

(iv) Maintaining facilities or agencies only for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(v) Maintaining a registered agent or an administrative, management or statutory office in Liberia;

(vi) Investing in stock (or other equity ownership interests) or securities in a resident legal person (unless the investment is in an entity that provides to the investor a distributive share of adjusted income consisting of income derived from operations carried on in Liberia); or

(vii) Maintaining a bank account in Liberia.

(q) "***Public Company***" means a legal entity that has a class of stock that is: (a) listed on a securities exchange; (b) authorized for quotation on an interdealer quotation system of a registered securities association; or (c) held of record by more than two thousand (2,000) shareholders.

(r) "***Re-domiciled***" means re-domiciled into Liberia from another jurisdiction, or re-domiciled out of Liberia to another jurisdiction, as the context requires, and "Re-domiciliation" shall be similarly construed.

(s) "***Registrar***" means the Minister of Foreign Affairs or a Deputy Registrar appointed by the Minister of Foreign Affairs with authority to register and regulate business associations in the Republic of Liberia as provided in this Act.

(t) "***Resident domestic corporation***" means a domestic corporation doing business in Liberia.

(u) "***Shareholder***" means a person who is a record holder of a share or shares of a corporation.

(v) "***Signature***" and "***signed***" shall be interpreted in accordance with Chapter 13 of Title 14.

(w) "***Treasury shares***" mean shares which have been issued, have been subsequently acquired and are retained uncancelled by the corporation.

(x) "***Ultimate effective control***" means when any person or entity has final control, through the various or multiple lines, layers and levels of decision in a legal entity, and for whose benefits others at every level act, and to whom persons acting in any capacity at every layer are ultimately answerable to, and who thereby, by such final traceable ownership, has absolute decisive control of the assets and final authority in the decision process of the various levels of the entity.

(y) "***Ultimate ownership***" means a person who through a chain or layer of representatives asserting ownership of record at various level of entities, has actual or final legal and ultimate ownership of the shares, assets or interest in or of the entity to which another entity or person is reflected on the records as having such ownership.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 1, §1.2; amended effective June 19, 2002; amended effective May 6, 2016; amended effective April 23, 2018.

§1.3. Application of Business Corporation Act.

1. *To domestic and foreign corporations in general*. The entirety of this Act shall apply to every resident and non-resident domestic corporation and to every foreign corporation authorized to do business in Liberia which (a) came into existence on or after January 2, 1977, or (b) existed prior to January 2, 1977 but subsequently amended its articles of incorporation to subject itself to this Act. All other corporations shall be subject only to the provisions of this Act concerning recordkeeping, registered agent, and bearer shares.

2. *Banking and insurance corporations*. A corporation to which the New Financial Institutions Act and its amendments or the Insurance Law and its amendments is applicable shall also be subject to the Business Corporation Act, provided that the New Financial Institutions Act or the Insurance Law, as the case may be, shall prevail over any conflicting provisions of this Act.

3. *Causes of action, liability or penalty*. This Act shall not affect any cause of action, liability, penalty, or action or special proceeding which on the effective date of this Title is accrued, existing, incurred or pending, but the same may be asserted, enforced, prosecuted, or defended as if this Act had not been enacted.

4. *Regulation of a corporation not doing business in Liberia*. A nonresident domestic corporation as defined by and conforming to the provisions of this Act is not required to register with and shall not be regulated by the Ministry of Commerce and Industry or the Ministry of Transport or any similar regulatory agency and shall not be subject to any enactment intended to regulate the conduct of business in Liberia.

5. *Adoption of Delaware Corporation and Business Entity Laws*. This Act shall be applied and construed to make the laws of Liberia, with respect to the subject matter hereof, uniform with the laws of the State of Delaware of the United States of America and other U.S. states with substantially similar legislative provisions. Insofar as it does not conflict with any other provision of this Act or the decisions of the courts of the Republic of Liberia, both of which shall take precedence, the non-statutory law of the State of Delaware and other U.S. states with substantially similar legislative provisions with respect to the subject matter hereof is hereby

adopted as Liberian law, and the courts of Liberia are authorized and directed to apply such law in resolving any issue before such courts. Section 40 of the General Construction Law (Reception Statute), Title 15, 1956 Code shall not apply with regards to the interpretation of this Act.

Prior legislation: 1956 Code 4:47, 48; L. 1950-51, ch. XXXIII, §1; Lib. Corp. L., 1948, §§47, 48; 1976 Liberian Code of Laws Revised, Chapter 1, §1.3; amended effective June 19, 2002

§1.4. Form of instruments; filing.

1. *General Requirement*. Whenever any provision of this Act requires any instrument to be filed with the Registrar or the Deputy Registrar such instrument shall comply with the provisions of Section 1.4 unless otherwise expressly provided by statute.

2. *Language*. Every instrument shall be in the English language, provided that:

(a) The corporate name may be in another language if written in English letters or characters;

(b) An instrument not in the English language may be filed if it is accompanied by a translation, duly attested to be a true translation, into the English language;

(c) Where an instrument is in the English language there may be filed and recorded a translation into another language, duly attested to be a true translation, attached to it and forming part of the instrument, and in the event there is found to be any difference in the content or the meaning of the instrument in the English language and in another language filed under paragraph (b) or (c) the instrument in the English language shall prevail.

3. *Execution*. All instruments shall be signed by:

(a) an officer or authorized person. As used herein, the term "authorized" means a person who by law or who is given the authority in the articles of incorporation, bylaws, resolution of the board of directors or other instruments of the corporation or otherwise, to sign documents for and on behalf of the corporation or a person

who is otherwise designated as an agent or representative duly empowered to execute instruments for and on behalf of the corporation;

(b) a duly authorized attorney in fact or in law;

(c) if it shall appear from the instrument that there are no such officers, then by a majority of the directors or by such directors as may be designated by the board;

(d) if it shall appear from the instrument that there are no such officers or directors, then by the shareholders of record, or such of them as may be designated by the shareholders of record, of a majority of all outstanding shares of stock; or

(e) by the shareholders of record of all outstanding shares of stock,

(f) where any signatory is not a natural person, the instruments shall be signed by the person or persons who are the authorized signatories of that legal entity.

Evidence of a signatory's authorization, including a power of attorney, to sign any instrument or amendment thereof need not be in writing, need not be sworn to, verified or acknowledged, and need not be filed in the office of the Registrar or the Deputy Registrar.

4. In addition, articles of incorporation, and any other instrument to be filed before the election of the initial board of directors if the initial directors were not named in the articles of incorporation, shall be signed by the incorporator or incorporators. If any incorporator is not available then any such other instrument may be signed, with the same effect as if such incorporator had signed it, by any person for whom or on whose behalf such incorporator, in executing the articles of incorporation, was acting directly or indirectly as employee or agent, provided that such other instrument shall state that such incorporator is not available and the reason therefor, that such incorporator in executing the articles of incorporation was acting directly or indirectly as employee or agent for or on behalf of such person, and that such person's signature on such instrument is otherwise authorized and not wrongful.

5. *Acknowledgments within Liberia*. Whenever any provision of this Act requires an instrument to be acknowledged, such requirement means in the case of the execution of an instrument within Liberia that:

(a) The person signing the instrument shall acknowledge that it is his act and deed or that it is the act and deed of the corporation, as the case may be, and

(b) The instrument shall be acknowledged before a notary public or other person authorized to take acknowledgments, who shall attest that he knows the person making the acknowledgment to be the person who executed the instrument.

6. *Acknowledgments Outside Liberia*. In the case of the execution of an instrument outside of Liberia, an acknowledgment shall mean that:

(a) The person signing the instrument shall acknowledge that it is his act and deed or that it is the act and deed of the corporation, as the case may be, and the instrument shall be acknowledged by a notary public or other person authorized to take acknowledgments according to the laws of the place of execution, or a Liberian consul or vice consul, including a Deputy Commissioner and a Special Agent appointed under Title 21 of Liberian Code of Laws Revised, authorized to take acknowledgments or, in their absence, a consular official of another government having diplomatic relations with Liberia, and such person shall attest that he knows the person making the acknowledgment to be the person who executed the instrument; or

(b) The signature, without more, of the person or persons signing the instrument, in which case such signature or signatures shall constitute the affirmation or acknowledgment of the signatory, under penalties of perjury, that the instrument is such person's act and deed or the act and deed of the corporation, and that the facts stated therein are true.

7. *Filing*. Whenever any provision of this Act requires any instrument to be filed with the Registrar or the Deputy Registrar, such requirement means that:

(a) The instrument, signed and acknowledged, shall be delivered to the office of the Registrar or the Deputy Registrar accompanied by all fees required to be paid in connection with the filing of the instrument or accompanied by a receipt showing payment to the Liberia Revenue Authority, the Registrar or Deputy Registrar, as

the case may be, or such other appropriate authority, of all fees required to be paid in connection with the filing of the instrument;

(b) Upon delivery of the signed and acknowledged instrument with the required fees or receipt, along with any other documents required to be submitted to the Registrar or the Deputy Registrar, the Registrar or the Deputy Registrar shall certify that the instrument has been filed as required by this Act by endorsing the word "Filed" and the date of filing on the instrument; and

(c) Except as provided in this paragraph, any instrument filed in accordance with paragraph (b) shall be effective as of the filing date stated thereon. Any instrument may provide that it is not to become effective until a specified time subsequent to the time it is filed, but, unless otherwise provided in this Act, such time shall not be later than a time on the ninetieth day after the date of its filing. If any instrument filed in accordance with Section 1.4 provides for a future effective date or time and if the transaction is terminated or its terms are amended to change the future effective date or time prior to the future effective date or time, the instrument shall be terminated or amended by the filing, prior to the future effective date or time set forth in such instrument, of a certificate of termination or amendment of the instrument, executed in accordance with Section 1.4, which shall identify the instrument which has been terminated or amended and shall state that the instrument has been terminated or the manner in which it has been amended. If another section of this Act specifically prescribes a manner of executing, acknowledging or filing a specified instrument or a time when such instrument shall become effective which differs from the corresponding provisions of Section 1.4, then the provisions of such other section shall prevail.

8. *Correction of filed instruments*. Whenever any instrument authorized to be filed with the Registrar or the Deputy Registrar under any provision of this Act has been so filed and is an inaccurate record of the action therein referred to, or was defectively or erroneously executed, filed, sealed or acknowledged, the instrument may be corrected by filing with the Registrar or the Deputy Registrar a certificate of correction of the instrument which shall be executed,

acknowledged and filed in accordance with Section 1.4.8. The certificate of correction shall specify the inaccuracy or defect to be corrected and shall set forth the portion of the instrument in corrected form. In lieu of filing a certificate of correction, the instrument may be corrected by filing with the Registrar or the Deputy Registrar a corrected instrument which shall be executed, acknowledged and filed in accordance with Section 1.4. The corrected instrument shall be specifically designated as such in its heading, shall specify the inaccuracy or defect to be corrected, and shall set forth the entire instrument in corrected form. An instrument corrected in accordance with Section 1.4.8 shall be effective as of the date the instrument was first filed except as to those persons who are substantially and adversely affected by the correction and as to those persons the instrument as corrected shall be effective from the filing date of the certificate of correction. Notwithstanding that any instrument authorized to be filed with the Registrar or the Deputy Registrar under this Act is when filed inaccurate, or is defectively or erroneously executed, filed, sealed or acknowledged, or otherwise defective in any respect, the Registrar or the Deputy Registrar shall have no liability to any person for the preclearance for filing, the acceptance for filing or the filing and indexing of such instrument by the Registrar or the Deputy Registrar.

9. *Electronic signatures; Documents created, transmitted, signed or stored electronically*. Any signature on any instrument filed with the Registrar or the Deputy Registrar may be a facsimile, a conformed signature or an electronically transmitted signature. In addition, the requirements of this Act in respect of filing and of the form of instruments and of the transmission, signature and sealing of such instruments may be satisfied by instruments electronically created and existing, transmitted, signed and, if applicable, sealed, in accordance with Chapter 13 of Title 14.

10. *Notarization and acknowledgment*. Section 11 of Chapter 13 of Title 14 shall apply to any requirement in this Act that a document be acknowledged, notarized or under oath.

11. *Minister of Foreign Affairs and Registrar or Deputy Registrar*. Where in this Act, other than in Chapter 12, or in any Act in which reference is made to Section 1.4, reference is made to the Minister of Foreign Affairs in respect of the filing of any document or instrument, the acknowledgement or execution thereof or action subsequent to filing, there is no requirement for

reference to the Registrar or the Deputy Registrar. All references to the Minister shall mean and be construed to mean a reference to the Registrar or the Deputy Registrar, and shall not require that specific reference be made to the Registrar or the Deputy Registrar.

12. *Power to vary*. The Registrar or the Deputy Registrar may by regulation or guideline vary the requirements of Section 1.4 in respect of execution, acknowledgement and filing, but only to the extent that the burden of such requirement is reduced. Any instrument that was filed with and accepted by the Registrar or Deputy Registrar and/or executed prior to the effectiveness of the 2020 Amendment Act that complies with the provisions of Section 1.4 as amended by the 2020 Amendment Act, are deemed valid and to have complied in all respects with Section 1.4.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 1, §1.4; amended effective June 19, 2002

§1.5. Certificates or certified copies as evidence.

1. *Form and transmission of certificates*. Any certificate or document to be issued by the Registrar or the Deputy Registrar in accordance with the provisions of this Act may be created, exist, be transmitted, issued, signed or sealed, as the case may be, electronically in accordance with Chapter 13 of Title 14 and all copies of documents filed in the office of the Registrar or the Deputy Registrar in accordance with the provisions of this Act and, where appropriate, of Chapter 13 of Title 14 with respect to the status of documents electronically generated, held, signed or sealed, may be reproduced by him on paper or electronically for the purposes of certification by him in accordance with Chapter 13 of Title 14.

2. *Status of certificates*. All certificates issued by the Registrar or the Deputy Registrar in accordance with the provisions of this Act and all copies of documents filed in accordance with the provisions of this Act shall, when certified by him, be taken and received in all courts, public offices and official bodies as prima facie evidence of the facts therein stated and of the execution of such instruments.

3. *Issuing photocopies*. The Registrar or the Deputy Registrar may issue photocopies or electronic image copies of instruments on file, as well as instruments, documents and other papers not on file, and for all such photocopies or electronic image copies which are not certified by the Registrar or the Deputy Registrar, a fee shall be paid. The Registrar or the Deputy

Registrar upon request shall issue only photocopies or electronic image copies of public records in exchange for the fees described in Section 1.5.3, and in no case shall the Registrar or the Deputy Registrar be required to provide copies (or access to copies) of such public records (including without limitation bulk data, digital copies of instruments, documents and other papers, databases or other information) in an electronic medium or in any form other than photocopies or electronic image copies of such public records in exchange, as applicable, for the fees described in this Act.

Prior legislation: 1956 Code 4:46; Lib. Corp. L., 1948, §46; 1976 Liberian Code of Laws Revised, Chapter 1, §1.5; amended effective June 19, 2002

§1.6. Fees on filing articles of incorporation and other documents.

1. *Articles of incorporation*. On filing articles of incorporation a fee in the following amounts shall be paid to the Liberia Revenue Authority, the Registrar, or the Deputy Registrar:

- US$2.00 for each US$1,000 of par value stock authorized up to and including US$125,000.
- US$0.50 for each US$1,000 of par value stock authorized in excess of US$125,000 and not in excess of US$1,000,000.
- US$0.25 for each US$1,000 of par value stock authorized in excess of US$1,000,000 and not in excess of US$2,000,000.
- US$0.10 for each US$1,000 of par value stock authorized in excess of US$2,000,000.
- US$0.20 for each share of stock without nominal or par value authorized up to and including 1,250 shares.
- US$0.05 for each share of stock without nominal or par value authorized in excess of 1,250 and not in excess of ten thousand shares.
- US$0.0025 for each share of stock without nominal or par value authorized in excess of ten thousand and not in excess of 20,000 shares.

- US$0.001 for each share of stock without nominal or par value authorized in excess of 20,000 thousand shares.

- In no case shall less than US$100.00 be paid on filing articles of incorporation.

2. *Increasing authorized number of shares; articles of merger or consolidation*. On filing with the Registrar or the Deputy Registrar an amendment of articles of incorporation increasing the authorized number of shares or articles of merger or consolidation of two or more domestic corporations, a fee shall be paid computed in accordance with the figures stated in Section 1.6.1 on the basis of the number of shares provided for in the articles of amendment or articles of merger or consolidation, except that all fees paid by the corporation with respect to the shares authorized prior to such amendment or merger or consolidation shall be deducted from the amount to be paid, but in no case shall the amount be less than US$10.00.

3. *Articles of dissolution; articles of amendment; articles of merger or consolidation into foreign corporation*. On filing with the Registrar or the Deputy Registrar an amendment of articles of incorporation other than an amendment increasing the authorized number of shares, or articles of dissolution, or articles of merger or consolidation into a foreign corporation or any other document for which a certificate is issued under this Act, a fee of US$10.00 shall be paid to the Liberia Revenue Authority, Registrar, or Deputy Registrar or such other appropriate authority.

4. *Other fees*. Fees for certifying copies of documents and for filing, recording or indexing papers shall by regulations or guidelines be determined and published by the Registrar or the Deputy Registrar from time to time.

Prior legislation: 1956 Code 4:43; Lib. Corp. L., 1948, §43; 1976 Liberian Code of Laws Revised, Chapter 1, §1.6; amended effective June 19, 2002

§1.7. Annual registration fee.

1. *Annual Registration fee*. Every domestic corporation, reregistered corporation or re-domiciled corporation and every foreign corporation authorized to do business in Liberia shall pay to the Liberia Revenue Authority, Registrar, or Deputy Registrar an annual registration fee of US$ 150.00, which fee shall be:

(a) Due and payable on the anniversary date of the existence of the corporation or of the registration, as the case may be;

(b) A preferred debt in the case of insolvency.

2. *Failure to pay annual registration fee when due; status of corporation*. A corporation that neglects, refuses or fails to pay the annual registration fee when due shall cease to be in good standing unless such fee is paid in full, and, prior to the date at which the provisions of Section 11.3 apply to such corporation, a corporation that has ceased to be in good standing by reason of such neglect, refusal or failure shall be restored to and have the status of a corporation in good standing upon the payment of the annual fee for each year for which such corporation neglected, refused or failed to pay an annual fee.

3. *Corporation not in good standing*. Notwithstanding that a corporation is not in good standing, it shall remain a corporation formed under this Act, but the Registrar or the Deputy Registrar shall not accept for filing any certificate required or permitted by this Act and no certificate of good standing shall be issued with respect to such corporation, unless or until such corporation shall have been restored to and have the status of a corporation in good standing.

4. *No access to courts if not in good standing*. A corporation that has ceased to be in good standing by reason of its neglect, refusal or failure to pay an annual registration fee shall not maintain any action, suit or proceeding in any court until such corporation has been restored to and has the status of a corporation in good standing and no action, suit or proceeding shall be maintained in any court by any successor or assignee of such corporation, or on any right, claim or demand arising on the transaction of business by such corporation, after it has ceased to be in good standing until such corporation has paid any annual fee then due and payable, provided that the neglect, refusal or failure of a corporation to pay an annual registration fee shall not impair the validity of any contract, deed, mortgage, security interest, lien or act of such corporation or prevent such corporation from defending any action, suit or proceeding in any court.

5. *No liability of shareholders, directors or officers*. A shareholder, director or officer of a corporation shall not be liable for the debts, obligations or liabilities of such corporation solely

by reason of the neglect, refusal or failure of such corporation to pay an annual registration fee or by reason of such corporation ceasing to be in good standing.

Prior legislation: L. 1959-60, ch. IX; 1956 Code 4:48; Lib. Corp. L., 1948, §48. Amended eff. September 15, 1987; 1976 Liberian Code of Laws Revised, Chapter 1, §1.7; amended effective June 19, 2002

§1.8. Waiver of notice.

Whenever any notice is required to be given to any shareholder or director or bondholder of a corporation or to any other person under the provisions of this Act or under the provisions of the articles of incorporation or bylaws of the corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice.

§1.9. Notice to shareholders of bearer shares.

Any notice or information required to be given to shareholders of bearer shares shall be provided in the manner designated in the corporation's articles of incorporation or, in the absence of such designation or if the notice can no longer be provided as stated therein, the notice shall be published in a publication of general circulation in Liberia or in a place where the corporation has a place of business. Any notice requiring a shareholder to take action in order to secure a right or privilege shall be published in time to allow a reasonable opportunity for such action to be taken. All such notice shall, as applicable, conform to the custodial provisions of Section 5.15 of this Act.

§1.10. Regulations.

The Registrar and the Deputy Registrar may make such Regulations not inconsistent with the provisions of this Act as may be in his opinion necessary for the purpose of giving effect to this Act, and those Regulations to the extent that they are not so inconsistent, shall have the effect and force of law.

Prior legislation: 1956 Code 4:48; Lib. Corp. L., 1948, §48; 1976 Liberian Code of Laws Revised, Chapter 1, §1.10; amended effective June 19, 2002

§1.11. Records.

There shall be maintained at the office of the Registrar or the Deputy Registrar as a public record an index of corporations registered under this Act together with a register of all documents required by this Act to be filed.

Effective: June 19, 2002

§1.12. Immunity from liability and suit.

In the performance of their duties, the Registrar or the Deputy Registrar and any person acting on their behalf for the administration of the provisions of this Act, or any Regulations promulgated pursuant thereto, or in the performance of any services pursuant to this Act, their employees, and agents, wherever located, shall have full immunity from liability from suit with respect to any act or omission or thing done by any of them in good faith in the exercise or performance, or in the purported exercise or performance of, any power, authority or duty conferred or imposed upon any of them under or in connection with this Act or any Regulations, or any other laws or rules applicable to the performance of any of their said duties; and any such suit brought against any of the foregoing shall be dismissed, without prejudice to the plaintiff to bring an action against the correct party.

Effective: June 19, 2002

CHAPTER 2.

CORPORATE PURPOSES AND POWERS

§2.1. Purposes.

Corporations may be organized under this Act for any lawful business purpose or purposes.

§2.2. General Powers.

Every corporation, subject to any limitations provided in this Act or any other statute of Liberia or its articles of incorporation, shall have power in furtherance of its corporate purposes irrespective of corporate benefit:

(a) To have perpetual duration.

(b) To sue and be sued in all courts of competent jurisdiction in the Republic of Liberia and any other jurisdiction as allowed by the laws of such other jurisdiction, and to participate in actions and proceedings, whether judicial, administrative, arbitrative or otherwise, in like cases as natural persons.

(c) To have a corporate seal, and to alter such seal at pleasure, and to use it by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

(d) To purchase, receive, take by grant, gift, devise, bequest, or otherwise, lease or otherwise acquire, own, hold, improve, employ, use and otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

(e) To sell, convey, lease, exchange, transfer or otherwise dispose of, or mortgage or pledge, or create a security interest in, all or any of its property, or any interest therein, wherever situated.

(f) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, employ, sell, lend, lease, exchange, transfer, or otherwise dispose of, mortgage, and pledge, bonds and other obligations, shares, or other securities or interests issued by others, whether engaged in similar or different business, governmental, or other activities.

(g) To make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the corporation may determine, issue its notes, bonds, and other obligations, and secure any of its obligations by mortgage or pledge of all or any of its property or any interest therein, wherever situated.

(h) To lend money, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested.

(i) To do business, carry on its operations, and have offices and exercise the powers granted by this Chapter in any jurisdiction within or without the Republic of Liberia.

(j) To elect or appoint officers, employees and other agents of the corporation, define their duties; fix their compensation, and the compensation of directors, and to indemnify personnel.

(k) To adopt, amend or repeal bylaws relating to the business of the corporation, the conduct of its affairs, its rights or powers or the rights or powers of its shareholders, directors or officers.

(l) To make donations for the public welfare or for charitable, educational, scientific, civic or similar purposes.

(m) To pay pensions and establish pension plans, pension trusts, profit sharing plans, share bonus plans, share option plans and other incentive plans for any or all of its directors, officers and employees.

(n) To purchase, receive, take, or otherwise acquire, own, hold, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own shares.

(o) To be a promoter, incorporator, partner, member, associate, director, officer, shareholder, or manager of any partnership, corporation, limited liability company, joint venture, trust or other enterprise.

(p) To have and exercise all powers necessary or convenient to effect any or all of the purposes for which the corporation is formed.

(q) To de-register and reregister as another entity in accordance with the provisions of Chapter 10.

(r) To re-domicile in accordance with the provisions of Chapter 10 to a jurisdiction, other than a jurisdiction precluded by the legislation of that jurisdiction from accepting a corporation by re-domiciliation or a jurisdiction excluded by the provisions of any relevant statute or regulations of Liberia or by the articles of incorporation of the corporation.

(s) To renounce, in its articles of incorporation or by action of its board of directors, any interest or expectancy of the corporation in, or in being offered an opportunity to participate in, specified business opportunities or specified classes or categories of business opportunities that are presented to the corporation or one or more officers, directors or shareholders.

(t) To guarantee, purchase, take, receive, subscribe for or otherwise acquire; own, hold, use or otherwise employ; sell, lease, exchange, transfer or otherwise dispose of; mortgage, lend, pledge or otherwise deal in and with, bonds and other obligations of, or shares or other securities or interests in, or issued by, any other

domestic or foreign corporation, partnership, limited liability company, association, other entity or individual, or by any government or agency or instrumentality thereof; exercise all the rights, powers and privileges of ownership of securities, including the right to vote.

(u) To give guarantees which are in furtherance of the corporate purposes of (a) a corporation, all of the outstanding stock of which is owned, directly or indirectly, by the contracting corporation, or (b) a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, or (c) a corporation, all of the outstanding stock of which is owned, directly or indirectly, by a corporation which owns, directly or indirectly, all of the outstanding stock of the contracting corporation, which guarantees shall be deemed to be in furtherance of the corporate purposes of the contracting corporation.

Prior legislation: 1956 Code 4:5; Lib. Corp. L., 1948, §5; 1976 Liberian Code of Laws Revised; Chapter 2, §2.2; amended effective June 19, 2002

§2.3. Guarantee authorized by shareholders.

A guarantee may be given by a corporation, although not in furtherance of its corporate purposes, when authorized at a meeting of shareholders by vote of the holders of a majority of all outstanding shares entitled to vote thereon. If authorized by a like vote, such guarantee may be secured by a mortgage or pledge of, or the creation of a security interest in, all or any part of the corporate property, or any interest therein, wherever situated.

§2.4. Defense of ultra vires.

No act of a corporation and no transfer of real or personal property to or by a corporation, otherwise lawful, shall be invalid by reason of the fact that the corporation was without capacity or power to do such act or to make or receive such transfer, but such lack of capacity or power may be asserted:

(a) In an action by a shareholder against the corporation to enjoin the doing of any act or the transfer of real or personal property by or to the corporation. If the unauthorized act or transfer sought to be enjoined is being, or is to be, performed

or made under any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the action and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing may allow to the corporation or to the other parties to the contract, as the case may be, such compensation as may be equitable for the loss or damage sustained by any of them from the action of the court in setting aside and enjoining the performance of such contract; provided that anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained;

(b) In an action by the corporation, whether acting directly or through a receiver, trustee, or other legal representative, or through shareholders in a derivative suit against the incumbent or former officers or directors of the corporation for loss or damage due to their unauthorized act; and

(c) In a proceeding by the Minister of Justice, as provided in the Civil Procedure Law, or by the Registrar or the Deputy Registrar pursuant to or under authority of any provision of this Act, to dissolve the corporation, or to enjoin it from the doing of unauthorized business.

§2.5. Effect of incorporation; corporation as proper party to action.

A corporation is a legal entity, considered in law as a fictional person distinct from its shareholders, and with separate rights and liabilities. The corporation is a proper plaintiff in a suit to assert a legal right of the corporation and a proper defendant in a suit to assert a legal right against the corporation; and the naming of a shareholder, director, officer or employee of the corporation as a party to a suit in Liberia to represent the corporation is subject to a motion to dismiss if such party is the sole party to sue or defend, or subject to a motion for misjoinder if such party is joined with another party who is a proper party and has been joined only to represent the corporation.

§2.6. Liability of directors, officers, and shareholders.

Unless otherwise provided by law, the directors, officers, and shareholders of a domestic corporation shall not be liable for corporate debts and obligations; provided that this provision shall not eliminate or limit the liability of a director for:

(a) Any breach of the director's duty of loyalty to the corporation or its shareholders;

(b) Acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

(c) Any transaction from which the director derived an improper personal benefit.

This provision shall not eliminate or limit the liability of a director, officer, or shareholder for any act or omission occurring prior to the date when it became effective.

Prior legislation: 1976 Liberian Code of Laws Revised; Chapter 2, §2.6; amended effective June 19, 2002

CHAPTER 3.

SERVICE OF PROCESS; REGISTERED AGENT

§3.1. Registered agent for service of process.

1. *Registered Agent*.

(a) Every domestic corporation or foreign corporation authorized to do business in Liberia or foreign maritime entity registered under the provisions of Section 13.1 shall designate a registered agent in Liberia upon whom process against such corporation or foreign maritime entity or any notice or demand required or permitted by law to be served may be served. The registered agent for a corporation having a place of business in Liberia shall be a resident domestic corporation having a place of business in Liberia or a natural person, resident of and having a business address in Liberia. The registered agent for a domestic or foreign corporation not having a place of business in Liberia or for a foreign maritime entity shall be a domestic bank or trust company with a paid in capital of not less than US$50,000.00, which is authorized by the Legislature of the Republic to act as registered agent for such corporation or foreign maritime entity.

(b) Effective as of January 1, 2000, as a prerequisite for a domestic bank or trust company to act as a registered agent, it shall additionally be required to apply for and obtain a license from the Minister of Foreign Affairs authorizing it to act as a registered agent and it must also specifically be authorized by written contract with the Liberian Government to act as a registered agent.

(c) That while the primary function of the statutory registered agent, as agent for non-resident domestic business entities, is service of process, given the new statutory and regulatory requirements imposed on resident domestic and non-resident

Liberian entities to keep adequate accounting and other records, including ownership information, the statutory registered agent shall be responsible to ensure the keeping of the required information of directors, management and ownership on all non-resident domestic business entities and to ensure accessibility and availability of that information to the relevant competent authorities.

(d) The statutory registered agent is subject to the applicability of Anti-Money Laundering (AML) standards, the same as any other resident entity, in carrying out and performing the functions assigned to it or associated with it in the capacity as statutory registered agent, and is subject to the requirements and impositions stipulated by the relevant provisions of the AML. In connection with the foregoing, the statutory registered agent shall mandatorily require the entities for which it serves as the registered agent, to annually record the information on directors, management and ownership, to ensure that such business entities are in full compliance with the law, do not act in violation of any of the provisions of the AML, and are subject to enforcement against them for any identified violations of the AML.

(e) A domestic corporation or a foreign corporation authorized to do business in Liberia, or a foreign maritime entity which fails to maintain a registered agent shall be dissolved or its authority to do business or registration shall be revoked, as the case may be, in accordance with Sections 11.3, 12.7 or 13.4.

(f) In cases where the registered agent of a domestic corporation or foreign corporation authorized to do business in Liberia or of a foreign maritime entity fails to meet the requirements of this Section 3.1, the good standing of such corporation or entity for which such registered agent is acting shall not be affected and the provisions of Section 3.1(c) shall be suspended so long as the annual registration fees of such corporation or entity are not outstanding and at the time such annual fees were paid they were paid to an entity which then qualified to serve as a registered agent.

(g) In cases where a registered agent fails to meet the requirements of this Section 3.1, the domestic corporation or foreign corporation authorized to do business in Liberia or foreign maritime entity for which such registered agent is acting shall, notwithstanding any contrary provisions of this Act, not be required to amend its articles of incorporation or other constituent documents to designate a new registered agent, and such designation may be made in accordance with procedures approved by the Registrar or the Deputy Registrar which may include the waiver of the provisions of Section 1.4.

(h) Whenever a registered agent is no longer qualified to serve as a registered agent under Section 3.1, the Registrar or the Deputy Registrar shall appoint any other entity qualified to serve as a registered agent pursuant to Section 3.1 until such corporation or foreign maritime entity appoints a new registered agent qualified under Section 3.1.

(i) The provisions of Section 3.1.1 shall apply to all corporations incorporated under the Liberian Corporation Law of 1948.

2. *Manner of service*. Service of process on a registered agent may be made in the manner provided by law for the service of summons as if the registered agent were a defendant.

3. *Resignation by registered agent*. Any registered agent of a corporation may resign as such agent upon filing a written notice thereof with the Registrar or the Deputy Registrar, who shall cause a copy thereof to be sent by registered mail to the corporation at the address of the office of the corporation within or without Liberia, or, if none, at the last known address of a person at whose request the corporation was formed. No designation of a new registered agent shall be accepted for filing unless all charges owing to the former agent shall have been paid.

4. *Making, revoking or changing designation by corporation*. A designation of a registered agent under Section 3.1 may be made, revoked, or changed by filing an appropriate notification with the Registrar or the Deputy Registrar.

5. *Termination of designation*. The designation of a registered agent shall terminate 30 days after the filing with the Registrar or the Deputy Registrar, of a notice of resignation or sooner if a successor agent is designated.

6. *Notification by registered agent to corporation*. A registered agent, when served with process, notice or demand for the corporation which he represents, shall transmit the same to the corporation by personal notification or in the following manner: Upon receipt of the process, notice or demand, the registered agent shall cause a copy of such paper to be mailed to the corporation named therein at its last known address. Such mailing shall be by registered mail. As soon thereafter as possible if process was issued in Liberia, the registered agent shall file with the clerk of the Liberian court issuing the process or with the agency of the Liberian government issuing the notice or demand either the receipt of such registered mailing or an affidavit stating that such mailing has been made, signed by the registered agent, or if the agent is a corporation, by an officer or authorized signatory of the same. Compliance with the provisions of this paragraph shall relieve the registered agent from any further obligation to the corporation for service of the process, notice or demand, but the agent's failure to comply with the provisions of this paragraph shall in no way affect the validity of the service of the process, notice or demand.

7. *Immunity from liability of registered agent*. The registered agent (and any affiliate of any entity acting as registered agent) and any agent, shareholder, member, director, officer, and employee of either such registered agent or such affiliate shall not directly or indirectly be liable for or subject to any liability of any kind, including legal claims, causes of action, suits, debts, counterclaims, sums of money, losses, demands, costs and expenses with respect to their acts or failures to act in the good faith conduct of the registered agent's duties or because of the acts of the corporation, limited liability company, trust, partnership, limited partnership, foreign maritime entity, foundation and other business associations, or other entity for which the registered agent serves as registered agent.

Prior legislation: 1977 Code 5; Part I, ch. 3, §3.1; L. 1965-66; 1956 Code 4:44; L. 1950-51, ch. XXIII, §1; Lib. Corp. L. 1948, §44; 1976 Liberian Code of Laws Revised, Chapter 3, §3.1, amended effective November 26, 1999; June 19, 2002

§3.2. Minister of Foreign Affairs as agent for service of process.

1. *When Minister of Foreign Affairs is agent for service*. Whenever a domestic corporation or foreign corporation authorized to do business in Liberia or a foreign maritime entity registered under Section 13.1 fails to maintain a registered agent in Liberia, or whenever its registered agent cannot with reasonable diligence be found at his business address, then the Minister of Foreign Affairs shall be an agent of such corporation or entity upon whom any process or notice or demand required or permitted by law to be served may be served in respect of actions arising out of the time that the corporation or entity was incorporated or registered in Liberia.

2. *Manner of service*. Service on the Minister of Foreign Affairs as agent of a domestic or foreign corporation authorized to do business or on a foreign maritime entity registered under Section 13.1 shall be made by personally delivering to and leaving with him or his deputy or with any person authorized by the Minister of Foreign Affairs to receive such service, at the office of the Ministry of Foreign Affairs in the City of Monrovia, a copy of such process, notice or demand together with the statutory fee. The Minister of Foreign Affairs shall promptly mail or deliver such copy to such corporation at the business address of its registered agent, or if there is no such office, then the Minister of Foreign Affairs shall mail or deliver such copy, in the case of a resident domestic corporation, in care of any director named in its articles of incorporation at the address stated therein, if any, or its incorporator(s), or in the case of a non-resident domestic corporation, at the address of the corporation without Liberia, or if none, at the last known address of a person at whose request the corporation was formed; or, in the case of a foreign corporation authorized to do business in Liberia, to such corporation at its address as stated in its application for authority to do business in Liberia, or, in the case of a foreign maritime entity registered under Section 13.1, to its principal place of business.

1976 Liberian Code of Laws Revised, Chapter 3, §3.1, amended effective June 19, 2002

§3.3. Service of process on foreign corporation not authorized to do business in Liberia.

1. *Minister of Foreign Affairs as agent to receive service*. Every foreign corporation not authorized to do business in Liberia or not registered under Section 13.1 that does any business in Liberia or does any other act in Liberia, itself or through an agent, which under Section 3.2 of

the Civil Procedure Law confers jurisdiction on Liberian courts as to claims arising out of such act, is deemed to have designated the Minister of Foreign Affairs as its agent upon whom process against it may be served, in any action or special proceeding arising out of or in connection with the doing of such business or the doing of such other act. Such process may be issued from any court in Liberia having jurisdiction of the subject matter.

2. *Manner of service*. Service of such process upon the Minister of Foreign Affairs shall be made by personally delivering to and leaving with him or his deputy, or with any person authorized by the Minister of Foreign Affairs to receive such service, at the office of the Minister of Foreign Affairs in the City of Monrovia, a copy of such process together with the statutory fee. Such service shall be sufficient if a copy of the process is:

(a) Delivered personally without Liberia to such foreign corporation by a person and in the manner authorized to serve process by law of the jurisdiction in which service is made; or

(b) Sent by or on behalf of the plaintiff to such foreign corporation by registered mail at the post office address specified for the purpose of mailing process, on file in the Ministry of Foreign Affairs in the jurisdiction of its incorporation or with any official or body performing the equivalent function thereof, or if no such address is there specified, to its registered agent or other office there specified, or if no such office is specified, to the last address of such foreign corporation known to the plaintiff.

3. *Proof of service*. Proof of service shall be by affidavit of compliance with this Section 3.3 filed, together with the process, within thirty (30) days after such service with the clerk of the court in which the action or special proceeding is pending. If a copy of the process is mailed in accordance with this Section 3.3, there shall be filed with the affidavit of compliance either the return receipt signed by such foreign corporation or other official proof of delivery or, if acceptance was refused, the original envelope with a notation by the postal authorities that acceptance was refused. If acceptance was refused, a copy of the process together with notice of the mailing by registered mail and refusal to accept shall be promptly sent to such foreign corporation at the same address by ordinary mail and the affidavit of compliance shall so state.

Service of process shall be complete ten days after such papers are filed with the clerk of the court. The refusal to accept delivery of the registered mail or to sign the return receipt shall not affect the validity of the service and such foreign corporation refusing to accept such registered mail shall be charged with knowledge of the contents thereof.

§3.4. Records and certificates of Ministry of Foreign Affairs.

The Ministry of Foreign Affairs shall keep a record of each process served upon the Minister of Foreign Affairs under this Chapter, including the date of service. It shall, upon request made within five (5) years of such service, issue a certificate under its seal certifying as to the receipt of the process by an authorized person, the date and place of such service, and the receipt of the statutory fee.

§3.5. Limitation and effect of Chapter.

Nothing contained in this Chapter shall affect the validity of service of process on a corporation effected as provided in the Liberian Civil Procedure Law, or in any other manner permitted by law.

CHAPTER 4.

FORMATION OF CORPORATIONS; CORPORATE NAMES

§4.1. Incorporators.

Any person, legal or natural, singly or jointly with others, and without regard to his or their residence, domicile, or jurisdiction of incorporation, may incorporate or organize a corporation under this Act.

§4.2. Corporate name.

1. *General requirements*. Except as otherwise provided in Section 4.2.2, the name of a domestic or authorized foreign corporation:

(a) Shall contain the word "corporation," "incorporated," "company," or "limited" or an abbreviation of one of those words (with or without punctuation) or, except where the corporation establishes a place of business in Liberia or seeks authorization to do business in Liberia, include as part of its name such words or words, abbreviations, suffix, or prefix of like import of foreign countries or jurisdictions as will clearly indicate that it is a body corporate with separate legal personality as distinguished from a natural person;

Provided, however, that the Registrar or the Deputy Registrar may waive such requirement (unless he determines that the proposed name is, or might otherwise appear to be, that of a natural person) where he is satisfied that the name is the business name of the entity denominated

in accordance with the standards of the economic activity in which the entity is or will be engaged;

(b) Shall not be the same as the name of a corporation of any type or kind, as such name appears on the index of names of existing domestic and authorized foreign corporations and other legal entities kept by the Registrar or the Deputy Registrar or a name so similar to any such name as to tend to confuse or deceive except where the legal entity in existence is in the course of being dissolved and signifies its consent in such manner as the Registrar or the Deputy Registrar requires;

(c) Shall not contain a word, the use of which by the corporation would in the opinion of the Registrar or the Deputy Registrar constitute a criminal offense or be offensive or undesirable;

(d) Shall not contain the words "Chamber of Commerce," "Building Society," "Bank" or "Insurance," or words of similar connotation or a translation of those words, unless the corporation is authorized to use the words by virtue of a license granted by the Government of the Republic of Liberia or under any other relevant Law of the Republic of Liberia;

(e) Shall not contain words which in the opinion of the Registrar or the Deputy Registrar suggest, or are calculated to suggest, the patronage of the Government of the Republic of Liberia or any Ministry thereof;

(f) Shall not contain words specified by the Registrar or the Deputy Registrar for this purpose, except with his consent; and in determining for the purposes of Section 4.2 whether one name is the same as another, there are to be disregarded:

(i) The definite article, where it is the first word of the name;

(ii) The following words and expressions where they appear at the end of a name, that is to say:

"Company" or "and company" or

"Corporation" or "and corporation" or

"Company limited" or "and company limited" or

"Corporation limited" or "and corporation limited" or

"Limited",

or a translation of into, or words with an equivalent meaning in, another language;

(iii) Abbreviations of any of those words or expressions where they appear before or at the end of the name; and

(iv) Type and case of letters, accents, spaces between letters and punctuation marks; and

(v) "and" and "&" are to be taken as the same.

(g) The Registrar or the Deputy Registrar may specify by notice, words or expressions for the registration of which as or as part of a corporate name his approval is required under Section 4.2.1(f), and may make different provisions for different cases or classes of case and may make such transitional provisions and exceptions as he thinks appropriate.

2. *Limitations on scope of requirement*. The provisions of Section 4.2.1 shall not:

(a) Require any corporation, existing or authorized to do business in Liberia on or prior to January 2, 1977 or in the case of Sections 4.2.1(c) through 4.2.1(f), existing or authorized to do business in Liberia on January 3, 1977, to add to, modify or otherwise change its corporate name;

(b) Prevent a corporation with which another corporation, domestic or foreign, is merged, or which is formed by the reorganization or consolidation of one or more domestic or foreign corporations, or upon a sale, lease or other disposition to or exchange with, a domestic corporation of all or substantially all the assets of

another domestic corporation, including its name, from having the same name as any of such corporations if at the time such other corporation was existing under the laws of Liberia or was authorized to do business in Liberia.

3. *Power to require corporation to change name*. Where a corporation has been incorporated by a name which:

(a) Is the same as or, in the opinion of the Registrar or the Deputy Registrar, too similar to a name appearing at the time of registration in the index of names; or

(b) Is the same as or, in the opinion of the Registrar or the Deputy Registrar too similar to the name which should have appeared in that index at that time,

the Registrar or the Deputy Registrar shall, within one (1) year of the time of incorporation, in writing direct the corporation to change its name within such period as he shall specify. The provisions of Section 4.2 apply in determining whether the name is the same as or too similar to another.

4. *Misleading information*. If it appears to the Registrar or the Deputy Registrar that misleading information has been given for the purpose of incorporation with a particular name, or that undertakings or assurances have been given for that purpose and have not been fulfilled, he shall within one year of the date of disclosure or discovery of that fact in writing direct the corporation to change its name within such period as he shall specify, and where a direction has been given under Section 4.2.3 or Section 4.2.4 the Registrar or the Deputy Registrar may by a further direction in writing extend the period within which the corporation has to change its name at any time before the end of that period, provided that the extension shall not exceed one (1) year.

5. *Foreign characters*. Articles of incorporation may include the name of a corporation in foreign characters only if accompanied by a translation to English letters, to the extent permitted by the Registrar or the Deputy Registrar. The Registrar or the Deputy Registrar shall treat the name in English characters for all purposes as the name of the corporation.

Prior legislation: L. 1961-62, ch. XLVII, §1(4:2(a)); 1956 Code 4:2(a); Lib. Corp. L. 1948, §2(a); 1976 Liberian Code of Laws Revised, Chapter 4, §4.2, amended effective June 19, 2002

§4.3. Index of names of corporations.

The Registrar or the Deputy Registrar shall keep an alphabetical index of all names of all existing domestic corporations, re-domiciled corporations, de-registered corporations, limited liability companies, foundations, registered trusts, partnerships and limited partnerships, and any other legal entities from time to time existing under this Act, and foreign maritime entities registered under Section 13.1, and foreign corporations authorized to do business in Liberia. Such index shall be in addition to the records required to be kept by the Registrar or the Deputy Registrar under Section 1.11.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 4, §4.3, amended effective June 19, 2002

§4.4. Contents of articles of incorporation.

1. The articles of incorporation shall set forth:

   (a) The name of the corporation.

   (b) The duration of the corporation if other than perpetual.

   (c) The purpose or purposes for which the corporation is organized. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under this Act, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any.

   (d) The registered address of the corporation in Liberia and the name and address of its registered agent.

   (e) The aggregate number of shares which the corporation shall have the authority to issue; if such shares are to consist of one class only, the par value of each of such shares, or a statement that all of such shares are without par value; or if such shares are to be divided into classes, the number of shares of each class, and a

statement of the par value of the shares of each class or that such shares are to be without par value.

(f) If the shares are to be divided into classes, the designation of each class and a statement of the preferences, limitations and relative rights in respect of the shares of each class.

(g) Where any number of shares is to be issued as registered shares and as bearer shares in the case of a corporation formed on or prior to May 31, 2018, unless otherwise provided, the registered shares may be exchanged for bearer shares and bearer shares for registered shares. In the case of a corporation incorporated after May 31, 2018 or in the case of a corporation formed on or prior to May 31, 2018 and whose articles of incorporation do not permit the issuance of bearer shares (including by operation of Section 5.1.7(a)), the corporation shall be authorized to issue shares in registered form only, and such articles of incorporation shall not be amended to permit the issuance of shares in bearer form.

(h) If a corporation formed on or before May 31, 2018 is authorized to issue bearer shares, the manner in which any required notice shall be given to shareholders of such bearer shares shall conform to the requirements of Section 1.9 and the relevant provision of Section 5.15.

(i) If the corporation is to issue the shares of any preferred or special class in series, then the designation of each series and a statement of the variations in the relative rights and preferences as between series insofar as the same are to be fixed in the articles of incorporation, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(j) The name and address of each incorporator.

(k) A statement affirming in substance that the corporation will comply with all applicable provisions of the Business Corporation Act, including retention, maintenance, and production of accounting, shareholder, beneficial owner, and

director and officer records in accordance with Chapter 8 of the Business Corporation Act. Where the articles of incorporation fail to include the statement specified herein, such statement shall, by force of law, be deemed to be included in the articles of incorporation of all corporations.

(l) If the corporation is precluded from de-registering and registering as another legal entity or re-domiciling to another jurisdiction, and any steps in excess of or in variation to the provisions of this Act in respect of de-registration, reregistration and re-domiciliation and any restrictions as to the form of legal entity as which the corporation may de-register and reregister or the jurisdiction to which it may re-domicile.

(m) Any provision, not inconsistent with law, which the incorporators elect to set forth in the articles of incorporation for the regulation of the affairs of the corporation, including the designation of initial directors, subscription of shares by the incorporators, and any provision restricting the transfer of shares or providing for greater quorum or voting requirements with respect to shareholders or directors than are otherwise prescribed in this Act, and any provision which under this Act is required or permitted to be set forth in the bylaws.

2. Notwithstanding, it is not necessary to enumerate in the articles of incorporation the general corporate powers stated in Section 2.2.

3. The articles of incorporation may include a provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director: (i) for any breach of the director's duty of loyalty to the corporation or its shareholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; or (iii) for any transaction from which the director derived an improper personal benefit. No such provision shall eliminate or limit the liability of a director for any act or omission occurring prior to the date when such provision becomes effective. All references in Section 4.4.3 to a director shall also be deemed to refer to such other person or

persons, if any, who exercise or perform any of the powers or duties otherwise conferred or imposed upon the board of directors by this Act.

4. The articles of incorporation shall not contain any provision that would impose liability on a shareholder for the attorney's fees or expenses of the corporation or any other party in connection with an internal corporate claim.

Prior legislation: L. 1961-62, ch. XLVII, §l (14:2); 1956 Code 4:22; Lib. Corp. L., 1948, §2; 1976 Liberian Code of Laws Revised, Chapter 4, §4.4, amended effective June 19, 2002; amended effective April 23, 2018

§4.5. Powers and rights of bondholders.

1. The articles of incorporation may confer upon the holders of any bonds, debentures, or other obligations issued or to be issued by the corporation, whether secured by mortgage or otherwise or unsecured, any one or more of the following powers and rights:

(a) The power to vote on the election of directors, or other matters specified in the articles of incorporation;

(b) The right of inspection of books of account, minutes, and other corporate records;

(c) Any other rights to information concerning the financial condition of the corporation which its shareholders have or may have.

2. If the articles of incorporation so provide, the holders of bonds, debentures or other obligations shall be deemed to be shareholders, and their bonds, debentures or other obligations shall be deemed to be shares of stock, for the purpose of any provision of this Act which requires the vote of shareholders as a prerequisite to any corporate action and the articles of incorporation may divest the holders of capital stock, in whole or in part, of their right to vote on any corporate matter whatsoever, except as set forth in Section 9.4.

§4.6. Execution and filing of articles of incorporation.

Articles of incorporation shall be signed and acknowledged by each incorporator and filed with the Registrar or the Deputy Registrar in conformity with the provisions of Section 1.4. On filing

the articles of incorporation, the Registrar or the Deputy Registrar shall indicate thereon whether the corporation is a resident domestic corporation or a non-resident domestic corporation.

Prior legislation: 1956 Code 4:2, 3; L. 1950-51, ch. XXXIII, §1; Lib. Corp. L., 1948, §3; 1976 Liberian Code of Laws Revised, Chapter 4, §4.6, amended effective June 19, 2002

§4.7. Effect of filing articles of incorporation.

The corporate existence begins upon filing the articles of incorporation effective as of the filing date stated thereon. The endorsement by the Registrar or the Deputy Registrar shall be conclusive evidence that all conditions precedent required to be performed by the incorporators have been complied with and that the corporation has been incorporated under this Act.

Prior legislation: 1956 Code 4:3; L. 1950-51, ch. XXXIII, §1; Lib. Corp. L., 1948, §3; 1976 Liberian Code of Laws Revised, Chapter 4, §4.7, amended effective June 19, 2002

§4.8. Organization meeting.

1. *Meeting*. After the filing of the articles of incorporation an organization meeting or meetings of the corporation, shall be held, either within or without Liberia, for the purpose of electing directors, appointing officers, adopting bylaws and doing such acts to perfect the organization of the corporation as are deemed appropriate and transacting such other business as may come before the meeting or meetings.

2. *Attendees*. The organization meeting or meetings may be held by:

(a) The original directors, if named in the articles of incorporation; or

(b) The incorporator or incorporators, in person or by proxy, whether or not they are subscribers; or

(c) If the articles of incorporation state that the incorporators or others have subscribed to shares, by such subscribers; or

(d) If the subscriptions have been transferred, by the transferee of subscription rights.

3. *Written consent*. Any action permitted to be taken at the organization meeting of the initial directors, incorporators, subscribers or transferees of subscription rights, as applicable, may be taken without a meeting if each director, incorporator, subscriber or transferee, as applicable, or the proxy of any of the foregoing, consents to and signs an instrument setting forth the action so taken.

4. *Inability to act*. If any incorporator is not for any reason available to act, then any person for whom or on whose behalf the incorporator was acting, directly or indirectly, as employee or agent, may take any action that such incorporator would have been authorized to take under this Section 4.8; provided that any instrument signed by such other person, or any record of the proceedings of a meeting in which such person participated, shall state that such incorporator is not available and the reason therefor, that such incorporator was acting directly or indirectly as employee or agent for or on behalf of such person, and that such person's signature on such instrument or participation in such meeting is otherwise authorized and not wrongful.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 4, §4.8, amended effective June 19, 2002

§4.9. Bylaws.

1. *Power to make bylaws*. The bylaws of a corporation may be adopted, amended or repealed by the incorporators, by the initial directors if they were named in the articles of incorporation, or, before a corporation has received any payment for any of its shares, by its board of directors. After a corporation has received any payment for any of its shares, the power to adopt, amend or repeal the bylaws shall be in the shareholders entitled to vote; provided however, any corporation may, in the articles of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors. The fact that such power has been so conferred upon the directors shall not however divest the shareholders of the power, nor limit their power to adopt, amend or repeal bylaws.

2. *Scope*. The bylaws may contain any provision, not inconsistent with the law or the articles of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its shareholders, directors, officers or employees. The bylaws shall not contain any provision that would impose liability on a shareholder for the

attorneys' fees or expenses of the corporation or any other party in connection with an internal corporate claim.

Prior legislation: L. 1961-62, ch. XLVII, & 2(4: 24(a)); 1956 Code 4: 25; Lib. Corp. L., 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 4, §4.9, amended effective June 19, 2002

§4.10. Emergency bylaws.

1. *Emergency bylaws and other powers in emergency*. The board of directors of any corporation may adopt emergency bylaws, subject to repeal or change by action of the shareholders, which shall notwithstanding any different provision elsewhere in this Chapter or in the articles of incorporation or bylaws, be operative during any emergency resulting from an attack on the Republic of Liberia or on a locality in which the corporation conducts its business or customarily holds meetings of its board of directors or its shareholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the board of directors or a standing committee thereof cannot readily be convened for action. The emergency bylaws may make any provision that may be practical and necessary for the circumstances of the emergency, including provisions that:

(a) A meeting of the board of directors or a committee thereof may be called by any officer or director in such manner and under such conditions as shall be prescribed in the emergency bylaws;

(b) The director or directors in attendance at the meeting, or any greater number fixed by the emergency bylaws, shall constitute a quorum; and

(c) The officers or other persons designated on a list approved by the board of directors before the emergency, all in such order of priority and subject to such conditions and for such period of time (not longer than reasonably necessary after the termination of the emergency) as may be provided in the emergency bylaws or in the resolution approving the list, shall, to the extent required to provide a quorum at any meeting of the board of directors, be deemed directors for such meeting.

2. *Powers of directors*. The board of directors, either before or during any such emergency, may:

(a) Provide, and from time to time modify, lines of succession in the event that during such emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties;

(b) Effective in the emergency, change the head office or designate several alternative head offices or regional offices, or authorize the officers so to do.

3. *Liability*. No officer, director or employee acting in accordance with any emergency bylaws shall be liable except for wilful misconduct.

4. *Normal bylaws*. To the extent not inconsistent with any emergency bylaws so adopted, the bylaws of the corporation shall remain in effect during any emergency and upon its termination the emergency bylaws shall cease to be operative.

5. *Notices*. Unless otherwise provided in the emergency bylaws, notice of any meeting of the board of directors during an emergency may be given only to such of the directors as may be feasible to reach at the time and by such means as may be feasible at the time, including publication or radio.

6. *Quorum*. To the extent required to constitute a quorum at any meeting of the board of directors during an emergency, the officers of the corporation who are present shall, unless otherwise provided in the emergency bylaws, be deemed, in order of rank and within the same rank in order of seniority, directors for such meeting.

7. *Non-exclusive*. Nothing contained in Section 4.10 shall be deemed exclusive of any other provisions for emergency powers consistent with other sections of this Chapter which have been or may be adopted by corporations created under this Act.

Effective: June 19, 2002

CHAPTER 5.

CORPORATE FINANCE

§5.1. Classes and series of shares.

1. *Power to issue*. Every corporation shall have power to issue the number of shares stated in its articles of incorporation, provided that only registered shares can be uncertificated. Any person, legal or natural, may hold shares. Such shares may be of one or more classes or one or more series within any class thereof, any or all of which classes may be of shares with par value or shares without par value, and may be registered shares and/or bearer shares as to corporations incorporated on or prior to May 31, 2018 but only registered shares as to corporations incorporated after May 31, 2018, with such voting powers, full or limited, or without voting powers and in such series and with such designations, preferences and relative, participating, optional or special rights and qualifications, limitations or restrictions thereon as shall be stated in the articles of incorporation or in the resolution providing for the issue of such shares, adopted by the board of directors pursuant to authority expressly vested in it by provisions of the articles of incorporation.

2. *Convertible shares*. The articles of incorporation or the resolution providing for the issue of shares adopted by the board of directors may provide that shares of any class of shares or of any series of shares within any class thereof shall be convertible into the shares of one or more other classes of shares or series except into shares of a class or series having rights or preferences as to dividends or distribution of assets upon liquidation which are prior or superior in rank to those of the shares being converted.

3. *Redeemable shares*. A corporation may provide in its articles of incorporation for one or more classes or series of shares which are redeemable, in whole or in part, at the option of the corporation at such price or prices, within such period and under such conditions as are stated in the articles of incorporation or in the resolution providing for the issue of such shares adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation.

4. *Fractional shares*. A corporation may issue fractional shares.

5. *Shares provided for by resolution of board*. Before any corporation shall issue any shares of any class or of any series of any class of which the voting powers, designations, preferences and relative, participating, optional or other rights, if any, or the qualifications, limitations, or restrictions thereof, if any, have not been set forth in the articles of incorporation, but are provided for in a resolution adopted by the board of directors pursuant to authority expressly vested in it by the provisions of the articles of incorporation, a statement setting forth a copy of such resolution and the number of shares of the class or series to be issued shall be executed, acknowledged, and filed with the Registrar or the Deputy Registrar in accordance with Section 1.4. Upon the filing of such statement, the resolution establishing and designating the class or series and fixing the relative rights and preferences thereof shall become effective and shall constitute an amendment of the articles of incorporation.

6. *Conversion of bearer shares*.

(1) Every corporation incorporated on or before May 31, 2018, having authority in its articles of incorporation to issue shares in bearer form, no later than thirty (30) days after the first anniversary of the date of its incorporation subsequent to

December 31, 2018, which first anniversary of the date of its incorporation subsequent to December 31, 2018 is the "Conversion Date", and even if it has no shares in bearer form outstanding at that time, shall, subject to Section 5.1.6.2, either:

(a) cause its articles of incorporation to be amended to authorize registered shares only; or

(b) cause each holder of its shares in bearer form to either (i) convert such shares to registered form; or (ii) deposit the certificate for each such share with a Custodian pursuant to a custodial agreement entered into between such holder and the Custodian in accordance with Section 5.15.

(2) If no shares in bearer form have yet been issued, but a corporation prefers to retain the authority to issue shares in bearer form, the corporation shall make submissions to the Registrar annually in accordance with Section 8.6.1. If a corporation issues shares in bearer form after the Conversion Date, the bearer thereof shall deposit the share certificate with a Custodian in accordance with Sections 5.1.6(b)(ii) and 5.15, or convert such shares to registered form.

7. *Automatic conversion of bearer shares*. If any corporation fails to comply with the provisions of Section 5.1.6, then with effect on the Conversion Date:

(a) its articles of incorporation shall be deemed automatically amended without the necessity of filing any instrument of amendment, to authorize shares in registered form only and that any shares then outstanding in bearer form shall be converted to registered form; and

(b) each of its issued and outstanding shares in bearer form shall be disabled. For purposes of Section 5.1.7, "disabled" means that the relevant shares remain outstanding without any change in stated capital, but do not carry any of the rights that would ordinarily attach to such shares, and any holder of a bearer certificate representing any relevant shares shall not have any right to vote such shares, to receive any dividends or any distribution of the assets of the corporation in the

event of a dissolution or winding up of the corporation, or to transfer any interest in such shares (and the corporation may not reacquire any relevant shares), except that the holder of a bearer certificate representing any relevant share shall have the right to exchange the certificate for such share for a certificate in its name representing such share in registered form.

(c) Bearer shares which are rendered disabled on account of the failure of the corporation or the shareholder(s) to meet the conversion requirements, or to deposit the bearer share certificates with an approved custodian, the holder(s) thereof, must, not later than December 31, 2020, convert the disabled shares to registered shares or such shares shall, by operation of law and without any further action by the corporation, be returned to the status of authorized but unissued shares on December 31, 2020.

8. *Penalties*. A corporation not in compliance with the provisions of Section 5.1 shall be liable to a fine of not less than Three Thousand United States Dollars (US$3,000.00) but not exceeding Five Thousand United States Dollars (US$5,000.00), or subject to revocation or cancellation of the corporation's articles of incorporation, certificate to do business, or dissolution, or any combination of the penalties herein prescribed.

Prior legislation: 1956 Code 4:5; Lib. Corp. L., 1948, §6; 1976 Liberian Code of Laws Revised, Chapter 5, §5.1, amended effective June 19, 2002; amended effective April 23, 2018

§5.2. Restrictions on transfer of shares.

1. *In general*. A restriction on the transfer of shares of a corporation may be imposed either by the articles of incorporation or by the bylaws or by an agreement among any number of shareholders or among such holders and the corporation. No restriction so imposed shall be binding with respect to shares issued prior to the adoption of the restriction unless the holders of the shares are parties to an agreement or voted in favor of the restriction. Any restriction which absolutely prohibits the transfer of shares shall be null.

2. *Restrictions*. Without limiting the provisions of Section 5.2.1, restrictions on the transfer of shares which are permissible include those which:

(a) Obligate the holder of the restricted shares to offer to the corporation or to any other holders of securities of the corporation or to any person or to any combination of the foregoing, a prior opportunity, to be exercised within a reasonable time, to acquire the restricted shares; or

(b) Obligate the corporation or any holder of shares of the corporation or any other person or any combination of the foregoing, to purchase at a specified price the shares which are the subject of an agreement respecting the purchase and sale of the restricted securities; or

(c) Require the corporation or the holders of the shares to consent to any proposed transfer of the restricted shares or to approve the proposed transferee of the restricted shares; or

(d) Prohibit the transfer of the restricted shares to designated persons or classes of persons, and such designation is not manifestly unreasonable; or

(e) Impose any other restriction on the transfer of the shares for the purpose of maintaining an advantage presently enjoyed by the corporation or of accomplishing the business purpose of the corporation.

3. *Annotation*. Any transfer restriction adopted under this Section 5.2 shall be conspicuously noted on the face or the back of the stock certificate, and in the case of uncertificated shares, upon the books and records of the corporation.

Prior legislation: 1956 Code 4:15; Lib. Corp. L., 1948, §15; 1976 Liberian Code of Laws Revised, Chapter 5, §5.2, amended effective June 19, 2002

§5.3. Subscription for shares.

1. *Irrevocability of subscription for six (6) months*. A subscription for shares of a corporation to be organized shall be irrevocable for a period of six (6) months from its date unless otherwise provided by the terms of the subscription agreement or unless all of the subscribers consent to the revocation of such subscription.

2. *Writing required*. A subscription, whether made before or after the formation of a corporation, shall not be enforceable unless in writing and signed by the subscriber.

3. *Time of payment calls*. Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment on subscriptions shall be uniform as to all shares of the class or as to all shares of the same series, as the case may be.

4. *Default in payment; penalties*. In case of default in the payment of any installment or call when such payment is due, the corporation may proceed to collect the amount due in the same manner as any debt due the corporation. The bylaws may prescribe a penalty for failure to pay installments or calls that may become due, but no penalty resulting in a forfeiture of a subscription, or of the amounts paid thereon, shall be declared as against any subscriber unless the amount due thereon shall remain unpaid for a period of thirty (30) days after written demand has been made therefor. If mailed, such written demand shall be deemed to be made when sent by registered mail or courier service, addressed to the subscriber at his last post office address known to the corporation. In the event of the sale of any shares by reason of any forfeiture, the excess of proceeds realized over the amount due and unpaid on such shares shall be paid to the delinquent subscriber or to his legal representative. If no prospective purchaser offers a cash price sufficient to pay the full balance owed by the delinquent subscriber plus the expenses incidental to such sale, the shares subscribed for shall be cancelled and restored to the status of authorized but unissued shares and all previous payments thereon shall be forfeited to the corporation and transferred to surplus.

5. *Transfer of subscriptions*. Subscriptions for shares are transferable unless otherwise provided in a subscription agreement.

Prior legislation: 1956 Code 4:10; Lib. Corp. L., 1948, §10; 1976 Liberian code of Laws Revised, Chapter 5, §5.3, amended effective June 19, 2002

§5.4. Consideration for shares.

1. *Quality of consideration*. Consideration for subscriptions to, or the purchase of, shares shall be paid in such form and in such manner as the board of directors shall determine. The board of directors may authorize shares to be issued for consideration consisting of cash, any tangible or intangible property or any benefit to the corporation, or any combination thereof. The resolution authorizing the issuance of capital stock may provide that any stock to be issued pursuant to such resolution may be issued in one or more transactions in such numbers and at such times as are set forth in or determined by or in the manner set forth in the resolution, which may include a determination or action by any person or body, including the corporation, provided the resolution fixes a maximum number of shares that may be issued pursuant to such resolution, and a time period during which such shares may be issued and a minimum amount of consideration for which such shares may be issued if shares are to be issued more than sixty (60) days after the date of the resolutions. The board of directors may determine the amount of consideration for which shares may be issued by setting a minimum amount of consideration or approving a formula by which the amount or minimum amount of consideration is determined. The formula may include or be made dependent upon facts ascertainable outside the formula, provided the manner in which such facts shall operate upon the formula is clearly and expressly set forth in the formula or in the resolution approving the formula. In the absence of actual fraud in the transaction, the judgment of the directors as to the value of the consideration received for shares shall be conclusive. The capital stock so issued shall be deemed to be fully paid and nonassessable stock upon receipt by the corporation of such consideration; provided, however, that nothing contained herein shall prevent the board of directors from issuing partly paid shares under Section 5.5.1.

2. *Amount of consideration for shares with par value*. Shares with par value may be issued for such consideration, not less than the par value thereof, as is fixed from time to time by the board.

3. *Amount of consideration for shares without par value*. Shares without par value may be issued for such consideration as is fixed from time to time by the board unless the articles of incorporation reserve to the shareholders the right to fix the consideration. If such right is

reserved as to any shares, a vote of the shareholders shall either fix the consideration to be received for the shares or authorize the board to fix such consideration.

4. *Disposition of treasury shares*. Treasury shares may be disposed of by a corporation on such terms and conditions as are fixed from time to time by the board, or, if the articles of incorporation so provide, by the shareholders.

5. *Consideration for share dividends*. That part of the surplus of a corporation which is transferred to stated capital upon the issuance of shares as a share dividend shall be deemed to be consideration for the issuance of such shares.

Prior legislation: 1956 Code 47; Lib. Corp. L., 1948, §§7,8; 1976 Liberian code of Laws Revised, Chapter 5, §5.4, amended effective June 19, 2002

§5.5. Payment for shares.

1. *Partly paid shares*. Any corporation may issue the whole or any part of its shares as partly paid and subject to call for the remainder of the consideration to be paid therefor. Upon the face or back of each certificate issued to represent any such partly paid shares, or upon the books and records of the corporation in the case of uncertificated partly paid shares, the total amount of the consideration to be paid therefor and the amount paid thereon shall be stated. Upon the declaration of any dividend on fully paid shares, the corporation shall declare a dividend upon partly paid shares of the same class, but only upon the basis of the percentage of the consideration actually paid thereon.

2. *Liability of shareholder or subscriber for shares not paid in full*. When the whole of the consideration payable for shares of a corporation has not been paid in, and the assets shall be insufficient to satisfy the claims of its creditors, each holder of, or subscriber for, such shares shall be bound to pay on each share held or subscribed for by such holder or subscriber the sum necessary to complete the amount of the unpaid balance of the consideration for which such shares were issued, or are to be issued, by the corporation. Any person becoming an assignee or transferee of shares, or of a subscription for shares, in good faith and without knowledge or notice that the full consideration therefor has not been paid, shall not be personally liable for any unpaid portion of such consideration, but the transferor shall remain liable therefor. No person

holding shares in any corporation as collateral security shall be personally liable as a shareholder, but the person pledging such shares shall be considered the holder thereof and shall be so liable. No executor, administrator, guardian, trustee or other fiduciary shall be personally liable as a shareholder, but the estate or funds held by such executor, administrator, guardian, trustee or other fiduciary in such fiduciary capacity shall be liable. No liability under Section 5.5.2 shall be asserted more than six (6) years after the issuance of the shares or after the date of the subscription upon which the assessment is sought.

3. *Payment for shares not paid in full*. The capital of a corporation shall be paid for in such amounts and at such times as the directors may require. The directors may, from time to time, demand payment, in respect of each share not fully paid, of such sum of money as the necessities of the business may, in the judgment of the board of directors, require, not exceeding in the whole the balance remaining unpaid on partly paid shares, and such sum so demanded shall be paid to the corporation at such times and by such installments as the directors shall direct. The directors shall give written notice of the time and place of such payments, which notice shall be given at least thirty (30) days before the time for such payment, to each holder of, or subscriber for, shares which are not fully paid, at such holder's or subscriber's last known address.

4. *Failure to pay for shares; remedies*. When any shareholder fails to pay any installment or call upon such shareholder's shares which may have been properly demanded by the directors, at the time when such payment is due, the directors may collect the amount of any such installment or call, or any balance thereof, remaining unpaid, from the shareholder by an action at law, or they shall sell such part of the shares of such delinquent shareholder as will pay all demands then due from such shareholder with interest and all incidental expenses, and shall transfer the shares so sold to the purchaser, who shall be entitled to a certificate therefor. Notice of the sale and of the sum due on each share shall be sent by the corporation to such delinquent shareholder, at such shareholder's last known address, at least twenty (20) days before such sale. If no purchaser can pay the amount due on the shareholding, and if the amount is not collected by an action at law, the shareholding and the amount previously paid in by the delinquent shareholder on the shares shall be forfeited to the corporation.

Prior legislation: 1956 Code 4:7, 9, 10, 11, 12; Lib. Corp. L. 1948, §§ 7, 9, 10, 11, 12; 1976 Liberian Code of Laws Revised, Chapter 5, §5.5, amended effective June 19, 2002

§5.6. Compensation for formation, reorganization and financing.

The reasonable charges and expenses of formation or reorganization of a corporation, and the reasonable expenses of and compensation for the sale or underwriting of its shares may be paid or allowed by the corporation out of the consideration received by it in payment for its shares without thereby rendering such shares not fully paid or assessable.

§5.7. Determination of stated capital.

1. *On shares with par value*. Upon issue by a corporation of shares with a par value not in excess of the authorized shares, the consideration received therefor shall constitute stated capital to the extent of the par value of such shares, and the excess, if any, of such consideration shall constitute surplus.

2. *On shares without par value*. Upon issue by a corporation of shares without par value not in excess of the authorized shares, the entire consideration received therefor shall constitute stated capital unless the board within a period of sixty (60) days after issue allocates to surplus a portion, but not all, of the consideration received for such shares. No such allocation shall be made of any portion of the consideration received for shares without par value having a preference in the assets of the corporation upon involuntary liquidation except all or part of the amount, if any, of such consideration in excess of such preference, nor shall such allocation be made of any portion of the consideration for the issue of shares without par value which is fixed by the shareholders pursuant to a right reserved in the articles of incorporation, unless such allocation is authorized by vote of the shareholders.

3. *Increase by transfer from surplus*. The stated capital of a corporation may be increased from time to time by resolution of the board transferring all or part of surplus of the corporation to stated capital.

Prior legislation: 1956 Code 4:18; Lib. Corp. L., 1948, §18

§5.8. Form and content of certificates.

1. *Signature and seal*. Subject to Section 5.8.6, the shares of a corporation shall be represented by certificates signed by any one or more officer(s) or director(s) of the corporation,

and may be sealed with the seal of the corporation, if any, or a facsimile thereof. The signature of any officer or director upon a certificate may be a facsimile if the certificate is countersigned by a transfer agent or registrar other than the corporation itself or its employees. In case any officer or director who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer or director before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer or director at the date of issue.

2. *Registered or bearer shares*. Shares may be issued by a corporation either in registered form or in bearer form, where the corporation was incorporated on or prior to May 31, 2018, and if permitted by the corporation's articles of incorporation, or in registered form only, where the corporation was incorporated after May 31, 2018, provided that the articles of incorporation prescribe the manner in which any required notice is to be given to shareholders of bearer shares in conformity with Section 1.9 and any relevant provisions of Section 5.15, or any other provisions of this Act.

3. *Method of transfer of bearer shares*. The transfer of bearer shares shall be by delivery of the certificates, except as provided in Section 5.15. Further, in the case of a corporation formed on or before May 31, 2018, except where the articles of incorporation provide otherwise, on request of a shareholder of a corporation which has both bearer shares and registered shares authorized to be issued, the bearer shares shall be exchanged for registered shares.

4. *Statement regarding class and series*. Each certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back of the certificate, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full statement of the designation, relative rights, preferences and limitations of the shares of each class authorized to be issued, and, if the corporation is authorized to issue any class of preferred shares in series, the designation, relative rights, preferences and limitations of each such series, so far as the same have been fixed, and the authority of the board to designate and fix the relative rights, preferences and limitations of other series.

5. *Other statements on certificate*. In addition to any other applicable provisions or requirements contained in this Act, each certificate representing shares shall when issued state upon the face thereof:

(a) That the corporation is formed under the laws of Liberia;

(b) The name of the person or persons to whom issued, if a registered share;

(c) The number and class of shares, and the designation of the series, if any, which such certificate represents;

(d) The par value of each share represented by such certificate, or a statement that the shares are without par value; and

(e) If the share does not entitle the holder to vote, that it is non-voting, or if the right to vote exists only under certain circumstances, that the right to vote is limited.

6. *Uncertificated shares*. Unless otherwise provided in the articles of incorporation or bylaws, the board of directors of a corporation may provide by resolution or resolutions that some or all of any or all classes or series of its registered shares shall be uncertificated shares, that is to say shares which are not represented by an instrument, and the transfer of which is registered upon books maintained for that purpose by or on behalf of the corporation. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the corporation. Notwithstanding the adoption of such a resolution by the board of directors:

(a) Every holder of shares represented by certificates; and

(b) Upon request, unless otherwise provided in the articles of incorporation or bylaws, every holder of uncertificated shares, shall be entitled to have a certificate representing the number of shares registered in certificate form. Within a reasonable time after the issuance or transfer of uncertificated shares, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing either the information required to be set forth or stated on certificates pursuant to Section 5.8.4 and Section 5.8.5. Except as otherwise

expressly provided by law (including the prohibition within Section 5.1.1 that bearer shares may not be uncertificated), the rights and obligations of the holders of uncertificated stock and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical. A failure to comply with Section 5.8.6 shall not impair the validity of the issuance or transfer of uncertificated shares. Uncertificated shares are of a type commonly dealt in upon securities exchanges or markets.

7. *Uncertificated shares and lost, stolen or destroyed share certificates; issuance of certificate or new certificate*. Where the directors of a corporation are satisfied as to the facts alleged, a corporation may issue a certificate in respect of uncertificated shares or a new certificate in place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and, in respect of a new certificate, the corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the corporation a bond or other agreement sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

8. *Judicial proceedings to compel issuance of certificate in respect of shares previously uncertificated or a new certificate in replacement of certificate lost, stolen or destroyed*. If a corporation refuses to issue:

(a) A certificate in respect of shares previously uncertificated and the articles of incorporation and bylaws of such corporation do not prohibit the issuance of stock certificates; or

(b) A new share certificate in place of a certificate theretofore issued by it, or by any corporation of which it is the lawful successor, alleged to have been lost, stolen or destroyed,

the owner of the shares previously uncertificated, or of the lost, stolen or destroyed certificate, or such owner's legal representative, may apply to a court of competent jurisdiction for an order requiring the corporation to show cause why it should not issue a

certificate in respect of shares previously uncertificated or a new certificate in replacement of the certificate lost, stolen or destroyed. Such application shall be by way of a complaint, which shall state:

(i) The name of the corporation; and

(ii) In the case of uncertificated shares, the number of shares represented thereby and to whom issued;

(iii) In the case of a certificate lost, stolen or damaged:

(1) The number and date of the certificate, if known or ascertainable by the plaintiff;

(2) The number of shares represented thereby and to whom issued; and

(3) A statement of the circumstances attending such loss, theft or destruction, and thereupon the court shall make an order requiring the corporation to show cause at a time and place therein designated, why the corporation should not issue a certificate in respect of the shares previously uncertificated, or a new certificate in replacement of the one described in the complaint, as the case may be. A copy of the complaint and order shall be served upon the corporation at least ten (10) days before the time designated in the order.

9. *Court disposition of complaint*. If, upon hearing the matter, the court is satisfied that the plaintiff is the lawful owner of the number of shares, or any part thereof, described in the complaint, and that the shares were uncertificated and the articles of incorporation and bylaws of such corporation do not prohibit the issuance of stock certificates or that the certificate therefor has been lost, stolen or destroyed, and no sufficient cause has been shown why a certificate in respect of the shares previously uncertificated or a new certificate in replacement for the one lost, stolen or destroyed should not be issued, it shall make an order requiring the corporation to issue

and deliver to the plaintiff a certificate in respect of the shares previously uncertificated or a new certificate in replacement for the one lost, stolen or destroyed. In its order the court shall direct that, prior to the issuance and delivery to the plaintiff of such certificate in respect of shares previously uncertificated or a new certificate in replacement of the one lost, stolen or damaged, the plaintiff gives the corporation a bond in such form and with such security as to the court appears sufficient to indemnify the corporation against any claim that may be made against it on account of the issuance of such certificate in respect of shares previously uncertificated or the alleged loss, theft or destruction of a certificate or the issuance of a new certificate in replacement of the certificate lost, stolen or damaged. No corporation which has issued a certificate pursuant to an order of the court entered hereunder shall be liable in an amount in excess of the amount specified in such bond.

Prior legislation: 1956 Code 4:12, 13; Lib. Corp. L., 1948, §§ 12, 13: 1976 Liberian Code of Laws Revised, Chapter 5, §5.8, amended effective June 19, 2002

§5.9. Dividends in cash, stock or other property.

1. *General limitation*. A corporation may declare and pay dividends in cash, stock or other property on its outstanding shares, except when currently the corporation is insolvent or would thereby be made insolvent or when the declaration or payment would be contrary to any restrictions contained in the articles of incorporation. Dividends may be declared and paid out of surplus only; but if there is no surplus, dividends may be declared or paid out of the net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year.

2. *Corporations engaged in exploitation of wasting assets*. A corporation engaged in the exploitation of natural resources or other wasting assets, including patents, or formed primarily for the liquidation of specific assets, may declare and pay dividends regardless of any surplus from the net profits derived from the liquidation or exploitation of such assets without making any deduction for the depletion of such assets resulting from lapse of time, consumption, liquidation or exploitation of such assets if the net assets remaining after such dividends are sufficient to cover the liquidation preferences of shares having such preferences in involuntary liquidation.

3. *Limitations on disabled shares*. Any share disabled in accordance with Section 5.1.7(b) shall not be entitled to receive any dividend or distribution declared prior to or during the time such shares are disabled; provided that any dividend or distribution to which any share would have been entitled but for such share being disabled in accordance with Section 5.1.7(b) may be paid to the holder of such share once such share is no longer disabled.

Prior legislation: 1956 Code 4:20; Lib. Corp. L., 1948, §20; amended effective April 23, 2018

§5.10. Share dividends.

1. *Restrictions on distribution*. A corporation may make pro rata distribution of its authorized but unissued shares to holders of any class or series of its outstanding shares subject to the following conditions:

(a) If a distribution of shares having a par value is made, such shares shall be issued at not less than the par value thereof and there shall be transferred to stated capital at the time of such distribution an amount of surplus equal to the aggregate par value of such shares; or

(b) If a distribution of shares without par value is made, the amount of stated capital to be represented by each such share shall be fixed by the board, unless the articles of incorporation reserved to the shareholders the right to fix the consideration for the issue of such shares; and there shall be transferred to stated capital at the time of such distribution an amount of surplus equal to the aggregate stated capital represented by such shares.

2. *Payment out of unrealized appreciation prohibited*. Unrealized appreciation of assets, if any, shall not be included in the computation of surplus available for a share dividend.

3. *Notice to shareholders*. Upon the payment of a dividend payable in shares, notice shall be given to the shareholders of the amount per share transferred from surplus.

4. *Authorized by shareholders*. No dividend payable in shares of any class shall be paid unless the share dividend is specifically authorized by the vote of two-thirds of the shares of each class that might be adversely affected by such share dividend.

5. *Split-ups*. A split-up or division of the issued shares of any class into a greater number of shares of the same class without increasing the stated capital of the corporation shall not be construed to be a share dividend within the meaning of this Section 5.10.

Prior legislation: 1956 Code 4:20 (2d sent.); Lib. Corp. L., 1948, §20 (2d sent.).

§5.11. Purchase or redemption by corporation of its own shares.

1. *Purchase or redemption out of surplus*. A corporation, subject to any restrictions contained in its articles of incorporation, may purchase its own shares or redeem its redeemable shares out of surplus except when currently the corporation is insolvent or would thereby be made insolvent.

2. *Purchase out of stated capital*. A corporation may purchase its own shares out of stated capital except when currently the corporation is insolvent or would thereby be made insolvent, if the purchase is made for the purpose of:

(a) Eliminating fractions of shares;

(b) Collecting or compromising indebtedness to the corporation; or

(c) Paying dissenting shareholders entitled to receive payment for their shares under Section 9.7 or Section 10.7.

3. *Redemption out of stated capital*. A corporation, subject to any restrictions contained in its articles of incorporation, may redeem or purchase its redeemable shares out of stated capital except when currently the corporation is insolvent or would thereby be made insolvent and except when such redemption or purchase would reduce net assets below the stated capital remaining after giving effect to the cancellation of such redeemable shares.

4. *Purchase price of redeemable shares*. When its redeemable shares are purchased by a corporation within the period of redeemability, the purchase price thereof shall not exceed the applicable redemption price stated in the articles of incorporation. Upon a call for redemption, the amount payable by the corporation for shares having a cumulative preference on dividends

may include the stated redemption price plus accrued dividends to the next dividend date following the date of redemption of such shares.

Prior legislation: 1956 Code 4:5(e); Lib. Corp. L., 1948, §5(e).

§5.12. Acquired shares.

1. *When shares required to be cancelled*. Shares that have been issued and have been purchased, redeemed or otherwise acquired by a corporation shall be cancelled if they are acquired out of stated capital, or if they are converted shares, or if the articles of incorporation require that such shares be cancelled upon acquisition.

2. *Shares not required to be cancelled*. Any shares acquired by the corporation and not required to be cancelled may be either retained as treasury shares or cancelled by the board at the time of acquisition or at any time thereafter.

3. *Disposition of treasury shares*. Neither the retention of acquired shares as treasury shares, nor their subsequent distribution to shareholders or disposition for a consideration shall change the stated capital. Treasury shares may be disposed of for such consideration as the directors may fix. When treasury shares are disposed of for a consideration, the surplus shall be increased by the full amount of the consideration received.

4. *Reduction of stated capital on acquisition of shares*. When acquired shares other than converted shares are cancelled, the stated capital of the corporation shall be reduced by the amount of stated capital then represented by the shares so cancelled. The amount by which stated capital has been reduced by cancellation of acquired shares during a stated period of time shall be disclosed in the next financial statement covering such period that is furnished by the corporation to all its shareholders, or, if practicable, in the first notice of dividend or share distribution that is furnished to the holders of each class or series of its shares between the end of the period and the next financial statement, and in any event to all its shareholders within six months of the date of the reduction of capital. Shares effected by this provision do not include bearer shares that are disabled pursuant to Section 5.1.7(b).

5. *Cancelled shares; eliminated shares*. Shares cancelled under Section 5.12 shall be restored to the status of authorized but unissued shares, except that if the articles of incorporation prohibit the reissue of any shares required or permitted to be cancelled under Section 5.12, the board shall approve and deliver to the Registrar or the Deputy Registrar articles of amendment under Section 9.5 eliminating such shares from the number of authorized shares. Shares affected by this provision do not include bearer shares that are disabled pursuant to Section 5.1.7(b).

Prior legislation: 1976 Liberian code of Laws Revised, Chapter 5, §5.12, amended effective June 19, 2002; amended effective April 23, 2018

§5.13. Reduction of stated capital by action of the board.

1. *When the board may reduce capital*. Except as otherwise provided in the articles of incorporation, the board may at any time reduce the stated capital of a corporation by eliminating from stated capital amounts previously transferred by the board from surplus to stated capital and not allocated to any designated class or series of shares, or by eliminating any amount of stated capital represented by issued shares having a par value to the extent that the stated capital exceeds the aggregate par value of such shares, or by reducing the amount of stated capital represented by issued shares without par value. If, however, the consideration for the issue of shares without par value was fixed by the shareholders under Section 5.4.3, the board shall not reduce the stated capital represented by such shares except to the extent, if any, that the board was authorized by the shareholders to allocate any portion of such consideration to surplus.

2. *Limitation on amount of reduction*. No reduction of stated capital shall be made under Section 5.13 unless after such reduction the stated capital exceeds the aggregate preferential amounts payable upon involuntary liquidation upon all issued shares having preferential rights in the assets plus the par value of all other issued shares with par value.

3. *Notice to shareholders*. When a reduction of stated capital has been effected under Section 5.13, the amount of such reduction shall be disclosed in the next financial statement covering the period in which such reduction is made that is furnished by the corporation to all its shareholders, or, if practicable, in the first notice of dividend or share distribution that is furnished to the holders of each class or series of its shares between the date of such reduction

and the next financial statement, and in any event to all its shareholders within six months of the date of such reduction.

Prior legislation: 1956 Code 4:19; Lib. Corp. L., 1948, §19.

§5.14. Situs of ownership of shares.

For all purposes of title, action, attachment, garnishment and jurisdiction of all courts, but not for the purpose of taxation, the situs of the ownership of the capital shares of all corporations existing under this Title, whether organized under this Chapter or otherwise, shall be regarded as in Liberia.

Effective: June 19, 2002

§5.15. Custodial Requirements for Bearer Share Certificates.

1. *Purpose of the Section*. This Section 5.15 sets forth the requirements of a Custodial Agreement that will satisfy Section 5.1.6(1)(b)(ii).

2. *Custodial Agreement*. Any owner of a share issued in bearer form (for purposes of this Section 5.15, an "***Owner***"), if it elects to deposit the certificate representing such share with a Custodian in accordance with Section 5.1.6(b)(ii), shall enter into a Custodial Agreement with a Custodian and deliver to such Custodian the original certificate representing such bearer share. Such Custodial Agreement shall, at a minimum, specify the following:

(a) the full name and address of the Owner and of the Beneficial Owner;

(b) the full name and address of at least two legal representatives of the Owner who shall be natural persons;

(c) an instruction by the Owner that the Custodian shall hold such certificate in accordance with Section 5.15; and

(d) any other information, requirements or undertakings as may be required or requested by the Custodian.

3. *Information to corporation*. Each Custodian that enters into such a Custodial Agreement shall inform in writing the corporation that issued any relevant shares in bearer form: (i) the name and contact details of the Custodian; (ii) the identification number of each certificate delivered to the Custodian and the number of shares evidenced by each such certificate; and (iii) the date on which such certificate(s) were delivered to the Custodian.

4. *Retention period*. Subject to Section 5.15.5, a Custodian with whom a certificate evidencing a bearer share has been deposited in accordance with this Section 5.15 shall retain the information and documents provided to it under Section 5.15.2, any instruction filed under Section 5.15.10, any notice sent pursuant to Section 5.15.9 and a record of the location of the certificate evidencing the bearer share, in each case for a period of 5 years after the end of the calendar year in which the Custodial Agreement expires or is terminated. The Custodian may hold inside or outside Liberia any or all certificates evidencing bearer shares deposited in accordance with this Section 5.15, and shall ensure that each such certificate remains at all times within its custody and control. The Custodian shall issue a receipt to each Owner confirming the bearer share certificates in custody along with a copy of the Custodial Agreement. The Custodian shall inform the Registrar within 30 days when it receives share certificates to maintain in its custody and confirm that information required to be provided by the owner of a share under Section 5.15.2 has been submitted, and if requested by the Registrar in accordance with Section 5.15.8, the relevant Owner thereof.

5. *Cessation of custodial relationship*. A Custodian may cease acting as Custodian under this Section 5.15 in respect of a certificate evidencing a bearer share, by giving the Owner not less than thirty (30) days' notice of the Custodian's election to cease acting as Custodian in respect of the relevant certificate. A Custodian who ceases to act as a Custodian under this Section 5.15 in respect of a certificate evidencing a bearer share shall maintain copies of all documents relating to such certificate in accordance with Section 5.15.4 for a period of 5 years after the date on which it delivers the relevant certificate to another person in accordance with Section 5.15.6. The Custodian does not need to specify any reason for its election to cease acting as custodian under this Section 5.15.

6. *Delivery or cancellation of bearer share certificate*. Subject to Section 5.15.7, a Custodian holding a certificate evidencing a bearer share under this Section 5.15 shall not deliver such certificate to any person other than another Custodian. A Custodian may mark a certificate evidencing a bearer share "cancelled," and/or may destroy a certificate issued in bearer form, upon request of the corporation.

7. *Notice of revocation of custodial relationship*. A person whose approval as a Custodian has been revoked or who has ceased to qualify as a Custodian shall, in respect of each certificate evidencing a bearer share that the Custodian holds under Section 5.15, as soon as practicable give the registered agent of the corporation and the Owner notice that the Custodian has ceased to be a Custodian; and deliver to the Owner such certificate within fourteen (14) days of the Custodian ceasing to be a Custodian, and inform the relevant corporation that it has so delivered the certificate.

8. The Custodian holding a certificate evidencing bearer shares shall, as required under Section 5.15, deliver to: (i) the corporation that has issued such certificate; and (ii) to any other person, upon the prior written instruction or consent of the Owner, in relation to such share, confirmation that the Owner deposited such certificate with the Custodian and specifying the name and address of the Owner, and that the Owner is exclusively entitled to give instructions to the Custodian with respect to the disposition of that share, or the names of any legal representatives of the Owner specified in its instruction delivered pursuant to Section 5.15.2 and who are entitled to give instructions to the Custodian with respect to the disposition of that share. The Custodian shall provide to the Registrar the information set forth in Section 5.15.3(ii) regarding all shares in bearer form that are in its custody. The Custodian shall provide full details of the ownership of shares issued in bearer form which are in its custody in accordance with Section 5.15.2 only upon request from the Registrar or Deputy Registrar in relation to a compliant tax information request or court order.

9. *Adjustment of records*. The Custodian shall adjust its records to change the name and address of the Owner to another person only if the Custodian has received instructions from the current Owner in a form approved by the Custodian.

10. *Compliance with owner's instruction*. When instructions are required or permitted to be given by the Owner to a Custodian, or former Custodian, the Custodian or former Custodian shall be obligated to comply with the instructions of any one legal representative of the Owner specified by the Owner in the Owner's instructions delivered pursuant to Section 5.15.2.

11. *Custodian liability*. A Custodian shall have no liability to any person in the performance of the Custodian's duties, and the Custodian and any person acting on its behalf for the administration of the provisions of Section 5.15, or any regulation promulgated pursuant thereto, or in the performance of any services pursuant to Section 5.15, their employees, and agents wherever located, shall have full immunity from liability from suit with respect to any act or omission or thing done by any of them in good faith in the exercise or performance, or in the purported exercise or performance of, any power, authority or duty conferred or imposed upon any of them under or in connection with Section 5.15 or any regulation, or any other law or rule applicable to the performance of any of their said duties; and any such suit brought against any of the foregoing shall be dismissed, without prejudice to the plaintiff to bring an action against the correct party.

12. *Issuance of proxy*. A Custodian may issue to the Owner, or any other person at the written request of the Owner, in a form approved by the Custodian, a proxy, whether revocable or irrevocable, to vote any bearer share for which the relevant certificate is held by the Custodian under Section 5.15. If the corporation that issued a certificate evidencing a bearer share deposited in accordance with Section 5.15 is instructed to forward all notices and other communications respecting such share to a Custodian, unless otherwise set forth in such instruction, such corporation may, for all purposes, treat the person named in any proxy issued by the Custodian in respect of such share as the holder of record of such share until such proxy is revoked and such corporation receives notice of such revocation.

13. *Notification by custodian*. If the corporation that issued a certificate evidencing a bearer share deposited in accordance with Section 5.15 is instructed to forward all notices and other communications to a Custodian, and is notified by the Custodian with specific reference to Section 5.15 of the name and address of the Owner of such share, unless otherwise instructed by the Custodian, such corporation may, for all purposes, treat the Owner of such share as the

holder of record of such share until the corporation is notified by the Custodian either that a different person is the Owner in relation to such share or that the Custodian has ceased to act as the Custodian of such share.

Effective: April 23, 2018

§5.16. Business combinations with interested shareholders.

1. Notwithstanding any other provisions of this Chapter, a corporation shall not engage in any business combination with any interested shareholder for a period of three (3) years following the date that such shareholder became an interested shareholder, unless:

(a) Prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the shareholder becoming an interested shareholder;

(b) Upon consummation of the transaction which resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least eighty five percent (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested shareholder) those shares owned: (i) by persons who are directors and also officers; and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(c) At or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least sixty-six and two-thirds percent (66⅔%) of the outstanding voting stock which is not owned by the interested shareholder.

2. The restrictions contained in Section 5.16 shall not apply if:

(a) The corporation is formed prior to the effective date of the 2020 Amendment Act; or

(b) The corporation's initial articles of incorporation contain a provision explicitly electing not to be governed by Section 5.16;

(c) The corporation, by action of its shareholders, adopts an amendment to its articles of incorporation or bylaws expressly electing not to be governed by Section 5.16; provided that, in addition to any other vote required by law, such amendment to the articles of incorporation or bylaws must be approved by the affirmative vote of a majority of the shares entitled to vote. An amendment adopted pursuant to Section 5.16.2(c) shall be effective immediately in the case of a corporation that both: (i) has never been a public company; and (ii) has not elected by a provision in its initial articles of incorporation or any amendment thereto to be governed by Section 5.16. In all other cases, an amendment adopted pursuant to Section 5.16.2(c) shall not be effective until one (1) year after the adoption of such amendment and shall not apply to any business combination between such corporation and any person who became an interested shareholder of such corporation on or prior to such adoption. An amendment to the bylaws adopted pursuant to Section 5.16.2(c) shall not be further amended by the board of directors;

(d) The corporation is not a public company, unless it is not a public company resulting from action taken, directly or indirectly, by an interested shareholder or from a transaction in which a person becomes an interested shareholder;

(e) A shareholder becomes an interested shareholder inadvertently and (i) as soon as practicable divests itself of ownership of sufficient shares so that the shareholder ceases to be an interested shareholder; and (ii) would not, at any time within the three (3) year period immediately prior to a business combination between the corporation and such shareholder, have been an interested shareholder but for the inadvertent acquisition of ownership;

(f) The business combination is proposed prior to the consummation or abandonment of and subsequent to the earlier of the public announcement or the notice required hereunder of a proposed transaction which (i) constitutes one of the transactions described in the second sentence of Section 5.16.2(f); (ii) is with or by a person who either was not an interested shareholder during the previous three (3) years or who became an interested shareholder with the approval of the corporation's board of directors or during the period described in Section 5.16.2(g); and (iii) is approved or not opposed by a majority of the members of the board of directors then in office (but not less than one) who were directors prior to any person becoming an interested shareholder during the previous three (3) years or were recommended for election or elected to succeed such directors by a majority of such directors. The proposed transactions referred to in the preceding sentence are limited to (x) a merger or consolidation of the corporation (except for a merger in respect of which, pursuant to Section 10.2.14, no vote of the shareholders of the corporation is required); (y) a sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation (other than to any direct or indirect wholly owned subsidiary or to the corporation) having an aggregate market value equal to fifty percent (50%) or more of either that aggregate market value of all of the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation; or (z) a proposed tender or exchange offer for fifty percent (50%) or more of the outstanding voting stock of the corporation. The corporation shall give not less than twenty (20) days' notice to all interested shareholders prior to the consummation of any of the transactions described in clause (x) or (y) of the second sentence of Section 5.16.2(f); or

(g) The business combination is with an interested shareholder who became an interested shareholder at a time when the restrictions contained in Section 5.16 did not apply by reason of any of Section 5.16.2(a)-(d); provided, however, that Section 5.16.2(g) shall not apply if, at the time such interested shareholder

became an interested shareholder, the corporation's articles of incorporation contained a provision authorized by Section 5.16.3.

3. Notwithstanding Sections 5.16.2(a), (b), (c), and (d), a corporation may elect by a provision of its initial articles of incorporation or any amendment thereto to be governed by Section 5.16; provided that any such amendment to the articles of incorporation shall not restrict a business combination between the corporation and an interested shareholder of the corporation if the interested shareholder became such prior to the effective date of the amendment.

4. As used in Section 5.16 only, the term:

(a) "***Affiliate***" means a person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, another person.

(b) "***Associate***," when used to indicate a relationship with any person, means: (i) any corporation, partnership, limited liability company, unincorporated association or other legal entity of which such person is a director, officer or partner or is, directly or indirectly, the owner of twenty percent (20%) or more of any class of voting stock; (ii) any trust or other estate in which such person has at least a twenty percent (20%) beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity; and (iii) any relative or spouse of such person, or any relative of such spouse, who has the same residence as such person.

(c) "***Business combination***," when used in reference to any corporation and any interested shareholder of such corporation, means:

(i) Any merger or consolidation of the corporation or any direct or indirect majority-owned subsidiary of the corporation with (a) the interested shareholder, or (b) with any other corporation, partnership, limited liability company, unincorporated association or other legal entity if the merger or consolidation is caused by the interested shareholder and as a result of

such merger or consolidation Section 5.16.1 is not applicable to the surviving entity;

(ii) Any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of such corporation, to or with the interested shareholder, whether as part of a dissolution or otherwise, of assets of the corporation or of any direct or indirect majority-owned subsidiary of the corporation which assets have an aggregate market value equal to ten percent (10%) or more of either the aggregate market value of all the assets of the corporation determined on a consolidated basis or the aggregate market value of all the outstanding stock of the corporation;

(iii) Any transaction which results in the issuance or transfer by the corporation or by any direct or indirect majority-owned subsidiary of the corporation of any stock of the corporation or of such subsidiary to the interested shareholder, except: (a) pursuant to the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which securities were outstanding prior to the time that the interested shareholder became such; (b) pursuant to a merger under Section 10.3; (c) pursuant to a dividend or distribution paid or made, or the exercise, exchange or conversion of securities exercisable for, exchangeable for or convertible into stock of such corporation or any such subsidiary which security is distributed, pro rata to all holders of a class or series of stock of such corporation subsequent to the time the interested shareholder became such; (d) pursuant to an exchange offer by the corporation to purchase stock made on the same terms to all holders of said stock; or (e) any issuance or transfer of stock by the corporation; provided however, that in no case under Sections 5.16.4(iii)(c) through 5.16.4(iii)(e) shall there be an increase in the interested shareholder's proportionate share of the stock of

any class or series of the corporation or of the voting stock of the corporation;

(iv) Any transaction involving the corporation or any direct or indirect majority owned subsidiary of the corporation which has the effect, directly or indirectly, of increasing the proportionate share of the stock of any class or series, or securities convertible into the stock of any class or series, of the corporation or of any such subsidiary which is owned by the interested shareholder, except as a result of immaterial changes due to fractional share adjustments or as a result of any purchase or redemption of any shares of stock not caused, directly or indirectly, by the interested shareholder; or

(v) Any receipt by the interested shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of such corporation), of any loans, advances, guarantees, pledges or other financial benefits (other than those expressly permitted in Sections 5.16.3(c)(i)-(iv)) provided by or through the corporation or any direct or indirect majority-owned subsidiary.

(d) "***Control***," including the terms "***controlling***," "***controlled by***" and "***under common control with***," means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting stock, by contract or otherwise. A person who is the owner of twenty percent (20%) or more of the outstanding voting stock of any corporation, partnership, limited liability company, unincorporated association or other legal entity shall be presumed to have control of such legal entity, in the absence of proof by a preponderance of the evidence to the contrary; Notwithstanding the foregoing, a presumption of control shall not apply where such person holds voting stock, in good faith and not for the purpose of circumventing Section 5.16, as an agent, bank, broker, nominee, custodian or

trustee for one or more owners who do not individually or as a group have control of such legal entity.

(e) "***Interested shareholder***" means any person (other than the corporation and any direct or indirect majority-owned subsidiary of the corporation) that (i) is the owner of fifteen percent (15%) or more of the outstanding voting stock of the corporation, or (ii) is an affiliate or associate of the corporation and was the owner of fifteen percent (15%) or more of the outstanding voting stock of the corporation at any time within the three (3) year period immediately prior to the date on which it is sought to be determined whether such person is an interested shareholder, and the affiliates and associates of such person; provided, however, that the term "interested shareholder" shall not include any person whose ownership of shares in excess of the fifteen percent (15%) limitation set forth herein is the result of action taken solely by the corporation; provided that such person shall be an interested shareholder if thereafter such person acquires additional shares of voting stock of the corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested shareholder, the voting stock of the corporation deemed to be outstanding shall include stock deemed to be owned by the person through application of Section 5.16.4(f) but shall not include any other unissued stock of such corporation which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.

(f) "***Owner***," including the terms "***own***" and "***owned***," when used with respect to any stock, means a person that individually or with or through any of its affiliates or associates:

(i) beneficially owns such stock, directly or indirectly; or

(ii) has (1) the right to acquire such stock (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights,

exchange rights, warrants or options, or otherwise; provided, however, that a person shall not be deemed the owner of stock tendered pursuant to a tender or exchange offer made by such person or any of such person's affiliates or associates until such tendered stock is accepted for purchase or exchange; or (2) the right to vote such stock pursuant to any agreement, arrangement or understanding; provided, however, that a person shall not be deemed the owner of any stock because of such person's right to vote such stock if the agreement, arrangement or understanding to vote such stock arises solely from a revocable proxy or consent given in response to a proxy or consent solicitation made to 10 or more persons; or (3) any agreement, arrangement or understanding for the purpose of acquiring, holding, voting (except voting pursuant to a revocable proxy or consent as described in Section 5.16.4(f)(ii)(2)), or disposing of such stock with any other person that beneficially owns, or whose affiliates or associates beneficially own, directly or indirectly, such stock.

(g) "***Person***" means a natural person, partnership (whether general or limited), limited liability company, trust, estate, association, corporation, government, custodian, nominee or any other natural person or legal entity in its own or any representative capacity, in each case, whether domestic or foreign.

(h) "***Shares***" means, with respect to any corporation, shares of capital stock and, with respect to any other legal entity, any equity interest.

(i) "***Voting shares***" means, with respect to any corporation, stock of any class or series entitled to vote generally in the election of directors and, with respect to any legal entity that is not a corporation, any equity interest entitled to vote generally in the election of the governing body of such legal entity. Every reference to a percentage of voting stock shall refer to such percentage of the votes of such voting stock.

5. No provision contained in the articles of incorporation or in the bylaws shall require, for any vote of shareholders required by Section 5.16, a greater vote of shareholders than that specified in Section 5.16.

§5.17. Ratification of defective corporate acts and stock.

1. Subject to Section 5.17.8, no defective corporate act or putative stock shall be void or voidable solely as a result of a failure of authorization if ratified as provided in this Section 5.17 or validated by a Liberian court of competent jurisdiction or any other court of competent jurisdiction, in a proceeding brought under Section 5.18.

2. In order to ratify one or more defective corporate acts pursuant to Section 5.17 (other than ratification of an election of the initial board of directors pursuant to Section 5.17.4), the board of directors of a corporation shall adopt a resolution stating:

(a) The defective corporate act or acts to be ratified;

(b) The date of each defective corporate act or acts;

(c) If such defective corporate act or acts involved the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such shares of putative stock were purported to have been issued;

(d) The nature of the failure of authorization in respect of each defective corporate act to be ratified; and

(e) That the board of directors approves the ratification of the defective corporate act or acts.

3. The resolution may also provide that, at any time before the validation effective time in respect of any defective corporate act set forth therein, notwithstanding adoption of the resolution by shareholders, the board of directors may abandon the ratification of such defective corporate act without further action of the shareholders. The quorum and voting requirements applicable to the ratification by the board of directors of any defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be

ratified at the time the board adopts the resolutions ratifying the defective corporate act; provided that if the articles of incorporation or bylaws of a corporation, any plan or agreement to which the corporation was a party or any provision of this Act, in each case as in effect as of the time of the defective corporate act, would have required a larger number or portion of directors or of specified directors for a quorum to be present or to approve the defective corporate act, such larger number or portion of such directors or such specified directors shall be required for a quorum to be present or to adopt the resolutions to ratify the defective corporate act, as applicable, except that the presence or approval of any director elected, appointed or nominated by holders of any class or series of which no shares are then outstanding, or by any person that is no longer a shareholder, shall not be required.

4. In order to ratify a defective corporate act in respect of the election of the initial board of directors of the corporation, a majority of the persons who, at the time the resolutions required by Section 5.17.4 are adopted, are exercising the powers of directors under claim and color of an election or appointment as such may adopt resolutions stating:

(a) The name of the person or persons who first took action in the name of the corporation as the initial board of directors of the corporation;

(b) The earlier of the date on which such persons first took such action or were purported to have been elected as the initial board of directors; and

(c) That the ratification of the election of such person or persons as the initial board of directors is approved.

5. Each defective corporate act ratified pursuant to Sections 5.17.2-5.17.3 shall be submitted to the shareholders for approval as provided in Section 5.17.6, unless:

(a) No other provision of this Act, and no provision of the articles of incorporation or bylaws of a corporation, or of any plan or agreement to which a corporation is a party, would have required shareholder approval of such defective corporate act to be ratified, either at the time of such defective corporate act or at the time when the board of directors adopts the resolutions ratifying such defective corporate act pursuant to Section 5.17.2-5.17.3; and

(b) Such defective corporate act to be ratified did not result from a failure to comply with Section 5.16, or

(c) As of the record date for determining the shareholders entitled to vote on the ratification of such defective corporate act, there are no shares of valid stock outstanding and entitled to vote thereon, regardless of whether there then exist any shares of putative stock.

6. (1) If the ratification of a defective corporate act is required to be submitted to shareholders for approval pursuant to Section 5.17.5, due notice of the time, place, if any, and purpose of the meeting shall be given at least twenty (20) days before the date of the meeting to each holder of valid stock and putative stock, whether voting or nonvoting, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice shall also be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act (or, in the case of any defective corporate act that involved the establishment of a record date for notice of or voting at any meeting of shareholders, for action by written consent of shareholders in lieu of a meeting, or for any other purpose, the record date for notice of or voting at such meeting, the record date for action by written consent, or the record date for such other action, as the case may be), other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted by the board of directors pursuant to Sections 5.17.2-5.17.3 or the information required by Sections 5.17.2(a) through 5.17.2(e) and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the failure of authorization, or that the relevant court should declare in its discretion that a ratification in accordance with Section 5.17 not be effective or be effective only on certain conditions must be brought within one hundred twenty (120) days from the applicable validation effective time. At such meeting the quorum and voting requirements applicable to the ratification of such defective corporate act shall be the quorum and voting requirements applicable to the type of defective corporate act proposed to be ratified at the time of the approval of the ratification, except that:

(a) If the articles of incorporation or bylaws of the corporation, any plan or agreement to which a corporation was a party or any provision of this Act in effect as of the time of the defective corporate act would have required a larger number or portion of shares or of any class or series thereof or of specified shareholders for a quorum to be present or to approve the defective corporate act, the presence or approval of such larger number or portion of shares or of such class or series thereof or of such specified shareholders shall be required for a quorum to be present or to approve the ratification of the defective corporate act, as applicable, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a shareholder, shall not be required;

(b) The approval by shareholders of the ratification of the election of a director shall require the affirmative vote of the majority of shares present at the meeting and entitled to vote on the election of such director, except that if the articles of incorporation or bylaws of the corporation then in effect or in effect at the time of the defective election require or required a larger number or portion of shares or of any class or series thereof or of specified shareholders to elect such director, the affirmative vote of such larger number or portion of shares or of any class or series thereof or of such specified shareholders shall be required to ratify the election of such director, except that the presence or approval of shares of any class or series of which no shares are then outstanding, or of any person that is no longer a shareholder, shall not be required; and

(c) In the event of a failure of authorization resulting from failure to comply with the provisions of Section 5.16, the ratification of the defective corporate act shall require the vote set forth in Section 5.16.1(c), regardless of whether such vote would have otherwise been required.

(2) Putative shares on the record date for determining shareholders entitled to vote on any matter submitted to shareholders pursuant to Section 5.17.5 (and without giving effect to any

ratification that becomes effective after such record date) shall neither be entitled to vote nor counted for quorum purposes in any vote to ratify any defective corporate act.

7. (1) If a defective corporate act ratified pursuant to Section 5.17 would have required under any other section of this Act the filing of a certificate or other instrument in accordance with Section 1.4, then, whether or not a certificate or other instrument was previously filed in respect of such defective corporate act and in lieu of filing the certificate or other instrument otherwise required by this Act, the corporation shall file a certificate of validation with respect to such defective corporate act in accordance with Section 1.4. A separate certificate of validation shall be required for each defective corporate act requiring the filing of a certificate or other instrument of validation under this Section 5.17, except that (i) two (2) or more defective corporate acts may be included in a single certificate of validation if the corporation filed, or to comply with this Act would have filed, a single certificate under another provision of this Act to effect such acts, and (ii) two (2) or more overissues of shares of any class, classes or series of shares may be included in a single certificate of validation, provided that the increase in the number of authorized shares of each such class or series set forth in the certificate of validation shall be effective as of the date of the first such overissue. The certificate of validation shall set forth:

(a) Each defective corporate act that is the subject of the certificate of validation (including, in the case of any defective corporate act involving the issuance of shares of putative stock, the number and type of shares of putative stock issued and the date or dates upon which such putative shares were purported to have been issued), the date of such defective corporate act, and the nature of the failure of authorization in respect of such defective corporate act;

(b) A statement that such defective corporate act was ratified in accordance with Section 5.17, including the date on which the board of directors ratified such defective corporate act and the date, if any, on which the shareholders approved the ratification of such defective corporate act; and

(c) Information required by one of the following paragraphs:

(i) If a certificate or other instrument was previously filed under Section 1.4 in respect of such defective corporate act and no changes to such certificate or other instrument are required to give effect to such defective corporate act in accordance with Section 5.17, the certificate of validation shall set forth (a) the name, title and filing date of the certificate or other instrument previously filed and of any certificate of correction thereto and (b) a statement that a copy of the certificate previously filed, together with any certificate of correction thereto, is attached as an exhibit to the certificate of validation;

(ii) If a certificate or other instrument was previously filed under Section 1.4 in respect of the defective corporate act and such certificate or other instrument requires any change to give effect to the defective corporate act in accordance with Section 5.17 (including a change to the date and time of the effectiveness of such certificate), the certificate of validation shall set forth (a) the name, title and filing date of the certificate or other instrument so previously filed and of any certificate of correction thereto, (b) a statement that a certificate or other instrument containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate act is attached as an exhibit to the certificate of validation, and (c) the date and time that such certificate or other instrument shall be deemed to have become effective pursuant to Section 5.17; or

(iii) If a certificate or other instrument was not previously filed under Section 1.4 in respect of the defective corporate act and the defective corporate act ratified pursuant to Section 5.17 would have required under any other section of this title the filing of a certificate or other instrument in accordance with Section 1.4, the certificate of validation shall set forth (a) a statement that a certificate or other instrument containing all of the information required to be included under the applicable section or sections of this title to give effect to the defective corporate act is attached

as an exhibit to the certificate of validation, and (b) the date and time that such certificate or other instrument shall be deemed to have become effective pursuant to this Section 5.17.

(2) A certificate or other instrument attached to a certificate of validation pursuant to Sections 5.17.7(c)(ii) or 5.17.7(c)(iii) need not be separately executed and acknowledged and need not include any statement required by any other section of this Act that such instrument has been approved and adopted with the provisions of such other section.

8. From and after the validation effective date, unless otherwise determined in an action brought pursuant to Section 5.18:

(a) Subject to Section 5.17.6(2) each defective corporate act set forth in the resolution ratified in accordance with this Section 5.17 shall no longer be deemed void or voidable as a result of the failure of authorization described in the resolutions adopted pursuant to Sections 5.17.2-5.17.4 and such effect shall be retroactive to the time of the defective corporate act; and

(b) Subject to Section 5.17.6(2), each share or fraction of a share of putative stock issued or purportedly issued pursuant to such defective corporate act shall no longer be deemed void or voidable, and shall be deemed to be an identical share or fraction of an outstanding share as of the date it was purportedly issued.

9. In respect of each defective corporate act ratified by the board of directors pursuant to Sections 5.17.2-5.17.4, prompt notice of the ratification shall be given to all holders of valid stock and putative stock, whether voting or nonvoting, as of the date the board of directors adopts the resolutions approving such defective corporate act, or as of a date within sixty (60) days after such date of adoption, as established by the board of directors, at the address of such holder as it appears or most recently appeared, as appropriate, on the records of the corporation. The notice shall also be given to the holders of record of valid stock and putative stock, whether voting or nonvoting, as of the time of the defective corporate act, other than holders whose identities or addresses cannot be determined from the records of the corporation. The notice shall contain a copy of the resolutions adopted pursuant to Sections 5.17.2-5.17.4, or the information

specified in Section 5.17.2(a)-(e) or Section 5.17.4(a)-(c), as applicable, and a statement that any claim that the defective corporate act or putative stock ratified hereunder is void or voidable due to the identified failure of authorization, or that the relevant court should declare in its discretion that a ratification in accordance with Section 5.17 not be effective or be effective only on certain conditions must be brought within one hundred twenty (120) days from the later of the validation effective date or the date at which the notice required by this Section is given. Notwithstanding the foregoing, (i) no such notice shall be required if notice of the ratification of the defective corporate act is to be given in accordance with Section 5.17.6, and (ii) in the case of a corporation that is a public company, notice for purposes of Section 5.17.6 and Section 5.17.9 shall be deemed given to all shareholders if disclosed in a document publicly filed by the corporation in the English language with a securities and exchange commission in accordance with the requirements of the applicable commission. If any defective corporate act has been approved by the shareholders, the notice required by Section 5.17.9 may be included in any notice required to be given to the shareholders, and if so given shall be sent to all shareholders entitled to notice thereto and to all holders of valid and putative stock to whom notice would be required under Section 5.17.9 if the defective corporate act had been approved at a meeting other than any shareholders who approved the action by consent in lieu of a meeting or any holder of putative stock who otherwise consented thereto in writing. Solely for purposes of Sections 5.17.6 and this Section 5.17.9, notice to holders of putative stock, and notice to holders of valid stock and putative stock as of the time of the defective corporate act, shall be treated as notice to holders of valid stock.

10. (1) As used in Section 5.17 and Section 5.18 only, the term:

(a) "***Defective corporate act***" means an overissue, an election or appointment of directors that is void or voidable due to a failure of authorization, or any act or transaction purportedly taken by or on behalf of the corporation that is, and at the time such act or transaction was purportedly taken would have been, within the power of a corporation (without regard to the nature of the failure to act), but is void or voidable due to a failure of authorization;

(b) "***Failure of authorization***" means (i) the failure to authorize or effect an act or transaction in compliance with (A) the provisions of this Act, (B) the articles of incorporation or the bylaws of a corporation, or (C) any plan or agreement to which a corporation is a party or the disclosure set forth in any proxy or consent solicitation statement, if and to the extent such failure would render such act or transaction void or voidable, or (ii) the failure of the board of directors or any officer of the corporation to authorize or approve any act or transaction taken by or on behalf of the corporation that would have required for its due authorization the approval of the board of directors or such officer.

(c) "***Overissue***" means the purported issuance of:

(i) Shares of capital stock of a class or series in excess of the number of shares of such class or series the corporation has the power to issue at the time of such issuance; or

(ii) Shares of any class or series of capital stock that is not then authorized for issuance by the articles of incorporation of the corporation;

(d) "***Putative stock***" means the shares of any class or series of capital stock of the corporation (including shares issued upon exercise of options, rights, warrants or other securities convertible into shares of capital stock of the corporation, or interests with respect thereto that were created or issued pursuant to a defective corporate act) that:

(i) But for any failure of authorization, would constitute valid stock; or

(ii) Cannot be determined by the board of directors to be valid stock;

(e) "***Date of the defective corporate act***" means the date and time the defective corporate act was purported to have been taken;

(f) "***Validation effective date***" with respect to any defective corporate act ratified pursuant to Section 5.17 means the latest of:

(a) The date on which the defective corporate act submitted to the shareholders for approval pursuant to Section 5.17.5 is approved by such shareholders or if no such vote of shareholders is required to approve the ratification of the defective corporate act, the date on which the board of directors acted as required by Sections 5.17.2-5.17.4;

(b) Where no certificate of validation is required to be filed pursuant to Section 5.17.7, the date, if any, specified by the board of directors in the resolutions adopted pursuant to Sections 5.17.2-5.17.4; and

(c) The date on which any certificate of validation filed pursuant to Section 5.17.7 shall become effective in accordance with Section 1.4.

(g) "***Valid stock***" means the shares of any class or series of capital stock of a corporation that have been duly authorized and validly issued in accordance with this Act;

(2) In the absence of actual fraud in the transaction, the judgment of the board of directors that shares of stock are valid stock or putative stock shall be conclusive, unless otherwise determined by the relevant court in a proceeding brought pursuant to Section 5.18.

11. Ratification under this Section 5.17 or validation under Section 5.18 shall not be deemed to be the exclusive means of ratifying or validating any act or transaction taken by or on behalf of the corporation, including any defective corporate act, or any issuance of shares, including any putative stock, or of adoption or endorsing any act or transaction taken by or in the name of the corporation prior to the commencement of its existence, and the absence or failure of ratification in accordance with either this Section 5.17 or validation under Section 5.18 shall not, of itself, affect the validity or effectiveness of any act or transaction or the issuance of any shares properly ratified under common law or otherwise, nor shall it create a presumption that any such act or transaction is or was a defective corporate act or that such shares are void or voidable.

§5.18. Proceedings regarding validity of defective corporate acts and shares.

1. Subject to Section 5.18.6, upon application by a corporation, any successor legal entity to such corporation, any member of the board of directors, any record or beneficial holder of valid stock or putative stock, any record or beneficial holder of valid or putative shares as of the time of a defective corporate act ratified pursuant to Section 5.17, or any other person claiming to be substantially and adversely affected by a ratification pursuant to Section 5.17, a Liberian court or other court of competent jurisdiction may:

(a) Determine the validity and effectiveness of any defective corporate act ratified pursuant to Section 5.17;

(b) Determine the validity and effectiveness of the ratification of any defective corporate act pursuant to Section 5.17;

(c) Determine the validity and effectiveness of any defective corporate act not ratified or not ratified effectively pursuant to Section 5.17;

(d) Determine the validity of any corporate act or transaction and any stock, rights or options to acquire stock; and

(e) Modify or waive any of the procedures set forth in Section 5.17 to ratify a defective corporate act.

2. In connection with an action under this Section 5.18, a Liberian or other court of competent jurisdiction may:

(a) Declare that a ratification in accordance with and pursuant to Section 5.17 is not effective or shall only be effective at a time or upon conditions established by the court;

(b) Validate and declare effective any defective corporate act or putative stock and impose conditions upon such validation by the court;

(c) Require measures to remedy or avoid harm to any person substantially and adversely affected by a ratification pursuant to Section 5.17 or from any order of the court pursuant to this Section 5.18, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(d) Order the Registrar or Deputy Registrar to accept an instrument for filing with an effective time specified by the court, which effective time may be prior or subsequent to the time of such order;

(e) Approve a share ledger for the corporation that includes any shares ratified or validated in accordance with this Section 5.18 or with Section 5.17;

(f) Declare that shares of putative stock are shares of valid stock or require a corporation to issue and deliver shares of valid stock in place of any shares of putative stock;

(g) Order that a meeting of holders of valid stock or putative stock be held;

(h) Declare that a defective corporate act validated by the court shall be effective as of the time of the defective corporate act or at such other time as the court shall determine;

(i) Declare that putative stock validated by the court shall be deemed to be an identical share or fraction of a share of valid stock as of the date originally issued or purportedly issued or at such other time as the court shall determine; and

(j) Make such other orders regarding such matters as it deems proper under the circumstances.

3. Service of the application under Section 5.18.1 upon the registered agent of a corporation shall be deemed to be service upon a corporation, and no other party need be joined in order for the relevant court to adjudicate the matter. In an action filed by a corporation, the court may require notice of the action be provided to other persons specified by the court and permit such other persons to intervene in the action.

4. In connection with the resolution of matters pursuant to Sections 5.18.1 and 5.18.2, the court may consider the following:

(a) Whether the defective corporate act was originally approved or effectuated with the belief that the approval or effectuation was in compliance with the provisions of this Act, the articles of incorporation or bylaws of a corporation;

(b) Whether a corporation and board of directors have treated the defective corporate act as a valid act or transaction and whether any person has acted in reliance on the public record that such defective corporate act was valid;

(c) Whether any person will be or was harmed by the ratification or validation of the defective corporate act, excluding any harm that would have resulted if the defective corporate act had been valid when approved or effectuated;

(d) Whether any person will be harmed by the failure to ratify or validate the defective corporate act; and

(e) Any other factors or considerations the court deems just and equitable.

5. Liberian courts of competent jurisdiction are hereby vested with non-exclusive jurisdiction to hear and determine all actions brought under Section 5.18.

6. Notwithstanding any other provision of this Section 5.18, no action asserting:

(a) That a defective corporate act or putative stock ratified in accordance with Section 5.17 is void or voidable due to a failure of authorization identified in the resolution adopted in accordance with Sections 5.17.2 through 5.17.4; or

(b) That the court should declare in its discretion that a ratification in accordance with Section 5.17 not be effective or be effective only on certain conditions;

may be brought after the expiration of one hundred twenty (120) days from the later of the validation effective date and the notice, if any, that is required to be given pursuant to Section 5.17.9 is given with respect to such ratification, except that Section 5.18.6 shall not apply to an

action asserting that a ratification was not accomplished in accordance with Section 5.17 or to any person to whom notice of the ratification was required to have been given pursuant to Sections 5.17.6 or 5.17.9, but to whom such notice was not given.

CHAPTER 6.

DIRECTORS AND MANAGEMENT.

§6.1. Management of business of corporation.

Subject to limitations of the articles of incorporation and of this Act as to action which shall be authorized or approved by the shareholders, all corporate powers shall be exercised by or under authority of, and the business and affairs of every corporation shall be managed by, a board of directors.

Prior legislation: L. 1961-62, ch. XLVII, §2(4:25(2)); 1956 Code 4:25; Lib. Corp. L. 1948, §25.

§6.2. Qualifications of directors.

The articles of incorporation may prescribe special qualifications for directors. Unless otherwise provided in the articles of incorporation, directors may be of any nationality and need not be Liberian residents or shareholders of the corporation. Unless otherwise prohibited by any statutory or administrative provision or under the terms of any license to conduct business or by the articles of incorporation, directors may be natural persons, corporations, limited liability companies, partnerships, limited partnerships or other legal entities.

Prior legislation: L. 1961-62, ch. XLVIII, §2(4:25(c)); 1956 Code 4:25; Lib. Corp. L. 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 6, §6.2, amended effective June 19, 2002

§6.3. Number of directors.

1. *Number required*. The number of directors constituting the board shall be not less than one, and may be fixed by the articles of incorporation, by the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw. If not otherwise fixed under Section 6.3.1, the number of directors shall be one.

2. *Increase or decrease*. The number of directors may be increased or decreased by amendment of the bylaws, by the shareholders, or by action of the board under the specific provisions of a bylaw, subject to the following limitations:

(a) If the number of directors is fixed by the articles of incorporation, unless otherwise provided in the articles of incorporation, any increase or decrease of the number of directors shall require an amendment of the articles of incorporation;

(b) If the board is authorized by the bylaws to change the number of directors, whether by amending the bylaws or by taking action under the specific provisions of a bylaw, such amendment or action shall require the vote of the board; and

(c) No decrease shall shorten the term of any incumbent director.

Prior legislation: L. 1961-62, ch. XLVII, §2(4:25(b)); 1956 Code 4:25; Lib. Corp. L., 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 6, §6.3, amended effective June 19, 2002

§6.4. Election and term of directors.

1. *Manner and term*. At each annual meeting of shareholders, directors shall be elected to hold office until the next annual meeting except as authorized by Section 6.5. The articles of incorporation may provide for the election of one or more directors by the holders of the shares of any class or series.

2. *Tenure*. Each director shall hold office until the expiration of the term for which he is elected, and until his successor has been elected and qualified, or until he resigns or is removed.

Prior legislation: 1956 Code 4:27; Lib. Corp. L., 1948, §27; 1976 Liberian Code of Laws Revised, Chapter 6, §6.4, amended effective June 19, 2002

§6.5. Class of directors.

1. *Generally*. The articles of incorporation or bylaws adopted by the shareholders may provide that the directors be divided into two or more classes and that each class of directors shall serve for such term as is specified in the articles of incorporation or bylaws. All classes shall be as nearly equal in number as possible. The terms of office of the directors initially classified shall be as follows: (i) that of the first class shall expire at the next annual meeting of shareholders; (ii) the second class at the second succeeding annual meeting; (iii) the third class, if any, at the third succeeding annual meeting; and (iv) the fourth class, if any, at the fourth succeeding annual meeting. The articles of incorporation or bylaws dividing the directors into classes may authorize the board of directors to assign members of the board already in office to such classes at the time such classification becomes effective. If the board of directors has authority to amend the bylaws of a corporation pursuant to Section 4.9.1, then such board of directors may remove director classes from the bylaws of such corporation without shareholder approval. However, no such class removal shall shorten the term of any incumbent director.

2. *Replacement of classes*. At each annual meeting after such initial classification, directors to replace those whose terms expire at such annual meeting shall be elected to hold office until the second succeeding annual meeting if there are two classes; the third succeeding annual meeting if there are three classes; or the fourth succeeding annual meeting if there are four classes.

3. *Change in number of directors*. If directors are classified and the number of directors is thereafter changed, any newly created directorships or any decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as possible.

4. *Class of shareholders may have special rights of election; voting of directors*. The articles of incorporation may confer upon holders of any class or series of shares (inclusive of corporations with only one class of stock) the right to elect one or more directors who shall serve for such term and have such voting powers as shall be stated in the articles of incorporation. The terms of office and voting powers of the directors elected in the manner so provided in the

articles of incorporation may be greater than or less than those of any other director or class of directors. In addition, the articles of incorporation may confer upon one or more directors, whether or not elected separately by the holders of any class or series of stock, voting powers greater than or less than those of other directors. If the articles of incorporation provide that directors shall have more or less than one vote per director on any matter, every reference in this Act to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of the directors.

Prior legislation: 1956 Code 4:27; Lib. Corp. L., 1948, §27; 1976 Liberian Code of Laws Revised, Chapter 6, §6.5, amended effective June 19, 2002

§6.6. Newly created directorships and vacancies.

1. *How vacancies filled in general*. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the board for any reason except the removal of directors without cause may be filled by vote of a majority of the directors then in office, although less than a quorum exists, unless the articles of incorporation or the bylaws provide that such newly created directorships or vacancies shall be filled by vote of the shareholders.

2. *Vacancies on removal without cause*. Unless the articles of incorporation or the specific provisions of a bylaw adopted by the shareholders provide that the board shall fill vacancies occurring in the board by reason of the removal of directors without cause, such vacancies may be filled only by vote of the shareholders.

3. *Term*. A director elected to fill a vacancy shall be elected to hold office for the unexpired term of his predecessor.

Prior legislation: 1956 Code 4:27; Lib. Corp. L., 1948, §27.

§6.7. Removal of directors.

1. *Removal for cause*. Any or all of the directors may be removed for cause by vote of the shareholders. The articles of incorporation or bylaws may provide for the removal of one or more directors by action of the board, except in the case of any director elected by cumulative voting,

or by the holders of the shares of any class or series when so entitled by the provisions of the articles of incorporation.

2. *Removal without cause*. Subject to Section 6.7.2, any director or the entire board of directors of a corporation incorporated, reregistered or re-domiciled to Liberia may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors (except in the case of a corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, in which case the shareholders may not remove any or all of the directors without cause unless the articles of incorporation of such corporation permit such removal without cause). Unless the articles of incorporation otherwise provide, in the case of a corporation whose board is classified as provided in Section 6.5.1, shareholders may effect such removal only for cause. The articles of incorporation may provide that shareholders may remove directors only for cause.

3. *Limitations on removal*. The removal of directors, with or without cause, as provided in Sections 6.7.1 and 6.7.2, is subject to the following:

(a) In the case of a corporation having cumulative voting, no director may be removed when the votes cast against his removal would be sufficient to elect him if voted cumulatively at an election at which the same total number of votes were cast and the entire board, or the entire class of directors of which he is a member, were then being elected; and

(b) When by the provisions of the articles of incorporation the holders of the shares of any class or series, or holders of bonds, voting as a class, are entitled to elect one or more directors, any director so elected may be removed only by the applicable vote of the holders of the shares of that class or series, or the holders of such bonds, voting as a class.

4. As used in this Chapter, "***entire board***" means the total number of directors that the corporation would have if there were no vacancies.

§6.8. Quorum: action by the board.

1. *Quorum defined*. Unless a greater proportion is required by the articles of incorporation, a majority of the entire board, present in person or by proxy at a meeting duly assembled, shall constitute a quorum for the transaction of business or of any specified item of business, except that the articles of incorporation or the bylaws may fix the quorum at less than a majority of the entire board.

2. *Vote at meeting as action by board*. The vote of the majority of the directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the board unless the articles of incorporation require the vote of a greater number.

3. *Proxies*. Unless otherwise provided in the articles of incorporation or the bylaws, any director may be represented and vote at a meeting or consent to an action without a meeting by proxy or proxies given to another person, whether or not a director, appointed by instrument in writing, by means of electronic transmission or as otherwise permitted by applicable law. The articles of incorporation or bylaws may contain restrictions, prohibitions or limitations upon the grant or use of proxies by directors. A director may attend a meeting, or consent to an action without a meeting, by his proxy. Unless otherwise provided in the articles of incorporation or bylaws, a consent transmitted by electronic transmission by a director or by a person or persons authorized to act for a director shall be deemed to be written and signed for purposes of Section 6.8.3.

4. *Action without meeting*. Unless otherwise restricted by the articles of incorporation or bylaws, any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or electronic transmission and the writing or writings or electronic transmission are filed with the minutes of the proceedings of the board or committee. Any person (whether or not then a director) may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future date (including upon the happening of an event), and such consent shall be deemed to have been given for purposes of Section 6.8.4 on such effective date so long as such person is then a

director and did not revoke the consent prior to such date. Any such consent shall be revocable prior to its becoming effective.

5. *Participation by conference telephone*. Unless restricted by the articles of incorporation or bylaws, members of the board or any committee thereof may participate in a meeting of such board or committee by means of conference telephone or similar communication equipment which permits all persons participating in the meeting to simultaneously communicate with each other, and participation in a meeting pursuant to this paragraph shall constitute presence in person at such meeting.

6. *Greater requirement as to quorum and vote of directors*. The articles of incorporation may contain provisions specifying either or both of the following:

(a) That the proportion of directors that shall constitute a quorum for the transaction of business or of any specified item of business shall be greater than the proportion prescribed by Section 6.8.1 in the absence of such provision;

(b) That the proportion of votes of directors that shall be necessary for the transaction of business or of any specified item of business shall be greater than the proportion prescribed by Section 6.8.2 in the absence of such provision.

7. *Amendment of articles of incorporation with regard to quorum or votes of directors*. An amendment of the articles of incorporation which adds a provision permitted by Section 6.8.6, or which changes or strikes out such a provision, shall be authorized at a meeting of shareholders by vote of the holders of two-thirds of all outstanding shares entitled to vote thereon, or of such greater proportion of shares, or class or series of shares, as may be provided specifically in the articles of incorporation for adding, changing, or striking out a provision permitted by Section 6.8.6.

Prior legislation: L. 1961-62, ch. XLVII, 32(4:25(d)-(g)); 1956 Code 4:25; Lib. Corp. L., 1948, §25; 1976 Liberian Code of Laws Revised, Chapter 6, §6.8, amended effective June 19, 2002

§6.9. Meetings of the board.

1. *Time and place*. Meetings of the board, regular or special, may be held at any place within or without the Republic of Liberia, unless otherwise provided by the articles of incorporation or the bylaws. The time and place for holding meetings of the board may be fixed by or under the bylaws, or if not so fixed, by the board.

2. *Notice of meetings*. Unless otherwise provided by the articles of incorporation or bylaws, regular meetings of the board may be held without notice if the time and place of such meetings are fixed by the bylaws or the board. Special meetings of the board may be called in the manner provided in the bylaws and shall be held upon notice to the directors, which may be provided electronically (unless otherwise provided by the articles of incorporation or bylaws). The bylaws may prescribe what shall constitute notice of meeting of the board. A notice or waiver of notice need not specify the purpose of any regular or special meeting of the board, unless required by the bylaws.

3. *Waiver of notice*. Notice of a meeting need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting the lack of notice.

Prior legislation: L. 1961-62, ch. XLVII, §2 (4:25(d)-(g)); 1956 Code 4:25; Lib. Corp. L., 1948, §25.

§6.10. Executive and other committees.

1. *Appointment and powers of committees*. If the articles of incorporation or the bylaws so provide, the board, by resolution adopted by the board, may designate from among its members an executive committee and other committees, each of which, to the extent provided in the resolution or in the articles of incorporation or bylaws of the corporation, shall have and may exercise all the authority of the board of directors, but no such committee shall have the authority as to the following matters:

(a) The submission to shareholders of any action that requires shareholders' authorization under this Act;

(b) The filling of vacancies in the board of directors or in a committee;

(c) The fixing of compensation of the directors for serving on the board or on any committee;

(d) The amendment or repeal of the bylaws, or the adoption of new bylaws;

(e) The amendment or repeal of any resolution of the board which by its terms shall not be so amendable or repealable.

Section 6.10.1(c) shall not apply to a public company.

2. *Tenure; effect of committee on duty of directors*. Each committee shall serve at the pleasure of the board. The designation of any such committee and the delegation thereto of authority shall not alone relieve any director of his duty to the corporation under Section 6.14.

3. *Quorum and voting of Committee*. A majority of the directors then serving on a committee of the board shall constitute a quorum for the transaction of business by the committee unless the articles of incorporation, the bylaws, or a resolution of the board requires a greater or lesser number, provided that in no case shall a quorum be less than ⅓ of the directors then serving on the committee. The vote of the majority of the members of a committee present at a meeting at which a quorum is present shall be the act of the committee, unless the articles of incorporation, the bylaws, a resolution of the board requires a greater number.

4. *Subcommittees*. Every reference in this Act to a committee of the board of directors or a member of a committee shall be deemed to include a reference to a subcommittee or member of a subcommittee.

Prior legislation: 1956 Code 4:26; Lib. Corp. L., 1948, §26.

§6.11. Director conflicts of interest.

1. *Effect of personal financial interest or common directorship*. No contract or other transaction between a corporation and one or more of its directors, or between a corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, or have a substantial financial interest, shall be either void or voidable for this reason alone or by reason alone that such director or directors are present at the meeting of

the board, or of a committee thereof, which approves such contract or transaction, or that his or their votes are counted for such purpose:

(a) If the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the board or committee, and the board or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director or, if the votes of the disinterested directors are insufficient to constitute an act of the board as defined in Section 6.8, by unanimous vote of the disinterested directors; or

(b) If the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of such shareholders; or

(c) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors, a committee or the shareholders.

2. *Determining quorum*. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board or of a committee which approves such contract or transaction.

3. *Additional restrictions on transactions with directors*. The articles of incorporation may contain additional restrictions on contracts or transactions between a corporation and its directors and may provide that contracts or transactions in violation of such restrictions shall be void or voidable by the corporation.

4. *Compensation of board*. Unless otherwise provided in the articles of incorporation or the bylaws, the board shall have authority to fix the compensation of directors for services in any capacity.

5. *Applicability of Section 5.16*. This Section 6.11 shall not override or be construed to limit the applicability of Section 5.16.

§6.12. Loans to directors.

Unless restricted by the articles of incorporation or the bylaws, a corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiary, including any officer or employee who is a director of the corporation or its subsidiary, whenever, in the judgment of the directors, such loan, guaranty or assistance may reasonably be expected to benefit the corporation. The loan, guaranty or other assistance may be with or without interest, and may be unsecured, or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of the corporation. Nothing in Section 6.12 shall be deemed to deny, limit or restrict the powers of guaranty or warranty of any corporation at common law or under any statute.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 6, §6.12, amended effective June 19, 2002

§6.13. Indemnification of directors and officers.

1. *Actions not by or in right of the corporation*. A corporation shall have the power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of no contest, or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he

reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

2. *Actions by or in right of the corporation*. A corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by him or in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or nor opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

3. *When director or officer successful*. To the extent that a director, officer, employee or agent of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 6.13.1 or 6.13.2, or in the defense of a claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

4. *Payment of expenses in advance*. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid in advance of the final disposition of such action, suit or proceeding as authorized by the board of directors in the specific case upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in Section 6.13.

5. *Insurance*. A corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in such capacity whether or not the corporation would have the power to indemnify him against such liability under the provisions of Section 6.13.

6. *Other rights of indemnification unaffected*. The indemnification and advancement of expenses provided by, or granted pursuant to, Section 6.13 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office.

7. *Continuation of indemnification*. The indemnification and advancement of expenses provided by, or granted pursuant to, Section 6.13 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administration of such persons.

Prior legislation: L. 1961-62, ch. XLVII, & (14:2(j)); 1956 Code 4:2(k); Lib. Corp. L., 1948, §2(k); 1976 Liberian Code of Laws Revised, Chapter 6, §6.13, amended effective June 19, 2002

§6.14. Standard of care to be observed by directors and officers.

Directors and officers shall discharge the duties of their respective positions in good faith and with that degree of diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in like positions. A member of the board of directors, or a member of any committee designated by the board of directors, shall, in the performance of such member's duties, be fully protected in relying in good faith upon the records of the corporation and upon such information, opinions, reports or statements presented to the corporation by any of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within such other person's professional

or expert competence and who has been selected with reasonable care by or on behalf of the corporation.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 6, §6.14, amended effective June 19, 2002

§6.15. Officers.

1. *Appointment*. Every corporation shall have such officers with such titles and duties as shall be stated in the articles of incorporation or the bylaws or in a resolution of the board of directors which is not inconsistent with the bylaws and as may be necessary to enable it to sign instruments and share certificates which comply with provisions of this Act in respect of the signing of instruments and certificates. One of the officers shall be a secretary who shall have the duty to record the proceedings of the meetings of the shareholders and directors in a book to be kept for that purpose and otherwise acting as the secretary of the corporation.

2. *Election by shareholders*. The articles of incorporation or the bylaws may provide that all officers or that specified officers shall be elected by the shareholders instead of by the board of directors.

3. *Terms*. Unless otherwise provided in the articles of incorporation or bylaws, all officers shall be elected or appointed to hold office until the meeting of the board following the next annual meeting of shareholders, or in the case of officers elected by the shareholders, until the next annual meeting of the shareholders.

4. *Tenure*. Each officer shall hold office for the term for which he is elected or appointed, and until his successor has been elected or appointed and qualified, or until he resigns.

5. *Same person for more than one office*. Any two or more offices may be held by the same person unless the articles of incorporation or bylaws otherwise provide.

6. *Security for performance*. The board may require any officer to give security for the faithful performance of his duties. The corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

7. *Duties*. All officers as between themselves and the corporation shall have such authority and perform such duties with respect to the management of the corporation as may be provided in the bylaws or, to the extent not so provided, by the board.

8. *Status, nationality and residence*. Unless otherwise required by any statutory or administrative provision or under the terms of any license to conduct business or by the articles of incorporation, officers may be persons, natural or legal, of any nationality or citizenship and need not be residents of Liberia.

9. *Failure to elect or appoint officers not to affect status of corporation*. A failure to elect or appoint officers shall not dissolve or otherwise affect the corporation.

Prior legislation: 1956 Code 4:28; Lib. Corp. L., 1948, §28; 1976 Liberian Code of Laws Revised, Chapter 6, §6.15, amended effective June 19, 2002

§6.16. Removal of officers.

1. *Method of removal*. Any officer elected or appointed by the board may be removed by the board with or without cause except as otherwise provided in the articles of incorporation or the bylaws. An officer elected by the shareholders may be removed, with or without cause, only by vote of the shareholders, but his authority to act as an officer may be suspended by the board for cause.

2. *Effect of removal without cause*. The removal of an officer without cause shall be without prejudice to his contract rights, if any. The election or appointment of an officer shall not of itself create contract rights.

CHAPTER 7.

SHAREHOLDERS

§7.1. Meetings of shareholders.

1. *Place of meeting*. Meetings of shareholders shall be held at such place, either within or without Liberia, as may be designated in the bylaws.

2. *Time of meeting; business*. Unless directors are elected by written consent in lieu of an annual meeting as permitted by Section 7.1.2, an annual meeting of shareholders shall be held for the election of directors on a date and at a time designated by or in the manner provided in the bylaws. Shareholders may, unless the articles of incorporation otherwise provide, act by written consent to elect directors; provided, however, that, if such consent is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action. Any other proper business may be transacted at the annual meeting.

3. *Failure to hold meeting*. A failure to hold the annual meeting at the designated time or to elect a sufficient number of directors to conduct the business of the corporation shall not affect otherwise valid corporate acts or cause a dissolution of the corporation except as may be

otherwise specifically provided in this Act. If the annual meeting for election of directors is not held on the date designated therefor, the directors shall cause the meeting to be held as soon thereafter as convenient. If there is a failure to hold the annual meeting for a period of ninety (90) days after the date designated therefor, or if no date has been designated, for a period of thirteen (13) months after the organization of the corporation or after its last annual meeting, holders of not less than ten percent (10%) of the shares entitled to vote in an election of directors may, in writing, demand the call of a special meeting specifying the time thereof, which shall not be less than two nor more than three (3) months from the date of such call. An officer fulfilling the role of secretary of the corporation upon receiving the written demand shall promptly give notice of such meeting, or if he fails to do so within five (5) business days thereafter, any shareholder signing such demand may give such notice. The shares of the corporation represented at such a meeting, either in person or by proxy or attorney, and entitled to vote thereat, shall constitute a quorum notwithstanding any provision of the articles of incorporation or bylaws to the contrary. An electronic transmission demanding the call of a special meeting transmitted by a shareholder pursuant to Section 7.1.3 shall be deemed to be written for the purposes of Section 7.1.3, provided that any such electronic transmission sets forth or is delivered with information from which the corporation can determine (a) that the electronic transmission was transmitted by the shareholder and (b) the date on which such shareholder transmitted such electronic transmission.

4. *Special meetings*. Special meetings of the shareholders may be called by the board of directors or by such person or persons as may be authorized by the articles of incorporation or by the bylaws. At any such special meeting only such business as is related to the purpose or purposes set forth in the notice required by Section 7.2 shall be transacted.

5. *Ballots*. The articles of incorporation or the bylaws may provide that elections of directors shall be by written ballot.

Prior legislation: 1956 Code 4:21, 27; Lib. Corp. L., 1948, §§21, 27; 1976 Liberian code of Laws Revised, Chapter 7, §7.1, amended effective June 19, 2002

§7.2. Notice of meetings of shareholders.

1. *Requirement*. Whenever under the provisions of this Act shareholders are required or permitted to take any action at a meeting, written notice shall state the place, date and hour of the meeting and, unless it is the annual meeting, indicate that it is being issued by or at the direction of the person or persons calling the meeting. Notice of a special meeting shall also state the purpose for which the meeting is called.

2. *Manner of giving notice to registered shareholders*. A copy of the notice of any meeting shall be given personally or sent by mail, telegraph, teleprinter, email, or other electronic transmission, not less than fifteen (15) nor more than sixty (60) days before the date of the meeting, to each registered shareholder entitled to vote at such meeting. If mailed, such notice is given when deposited in the mail, directed to the shareholder at his address as it appears on the record of shareholders, or, if he shall have filed with the person fulfilling the role of secretary of the corporation a written request that notices to him be mailed to some other address, then directed to him at such other address.

3. *Manner of giving notice to bearer shareholders*. Subject to Section 5.1.7, notice of any meeting shall be given to shareholders of bearer shares in accordance with the provisions of Section 1.9 and shall conform to the provisions set forth in Section 5.15. The notice shall include a statement of the conditions under which shareholders may attend the meeting and exercise the right to vote.

4. *Adjournments*. When a meeting is adjourned to another time or place, it shall not be necessary, unless, only in the case of corporations incorporated, reregistered or re-domiciled prior to the effective date of the 2020 Amendment Act, the meeting was adjourned for a lack of quorum or unless the bylaws require otherwise, to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the board fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice under Section 7.2.1.

Prior legislation: 1956 Code 4:21; Lib. Corp. L., 1948, §21; 1976 Liberian code of Laws Revised, Chapter 7, §7.2, amended effective June 19, 2002

§7.3. Waiver of notice.

Notice of meeting need not be given to any shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Prior legislation: 1956 Code 4:21; Lib. Corp. L., 1948, §21

§7.4. Action by shareholders without a meeting.

1. *Action without meeting of shareholders*. Unless otherwise provided in the articles of incorporation or in the bylaws, any action required by this Act to be taken at any annual or special meeting of shareholders of a corporation, or any action which may be taken at any annual or special meeting of such shareholders, may be taken without a meeting without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed or electronically transmitted by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted, and shall be delivered to the corporation by delivery to an officer or agent of the corporation having custody of the book in which proceedings of meetings of shareholders are recorded.

2. *Form and timing of consent*. No written consent shall be effective to take the corporate action referred to therein unless written consents signed or electronically consented to by a sufficient number of shareholders to take action are delivered to the corporation in the manner required by Section 7.4 within sixty (60) days of the first date on which a written or electronic consent is so delivered to the corporation. Any person executing or electronically transmitting a consent may provide, whether through instruction to an agent or otherwise, that such a consent will be effective at a future time, including a time determined upon the happening of an event, no later than sixty (60) days after such instruction is given or such provision is made, if evidence of such instruction or provision is provided to the corporation. Unless otherwise provided, any such

consent shall be revocable prior to its becoming effective. An email, facsimile or other electronic transmission consenting to an action to be taken and transmitted by a shareholder, proxyholder, or person or persons authorized to act for a shareholder or proxyholder, shall be deemed to be written and signed for the purposes of Section 7.4, provided that any such email, facsimile or other electronic transmission sets forth or is delivered with information from which the corporation can determine: (i) that the email, facsimile or other electronic transmission was transmitted by the shareholder, proxyholder or person or persons authorized to act for the shareholder or proxyholder; and (ii) the date on which such shareholder proxyholder or authorized person or persons transmitted such email, facsimile or electronic transmission. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

3. *Notice and certificates*. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those shareholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for such meeting had been the date that written consents signed by a sufficient number of shareholders to take the action were delivered to the corporation as provided in Section 7.5. In the event that the action which is consented to is such as would have required the filing of a certificate under any other section of this Act, if such action had been voted on by shareholders at a meeting thereof, the certificate filed under such other section shall state, in lieu of any statement required by such section concerning any vote of shareholders, that written consent has been given in accordance with this Section.

4. *Participation by conference telephone*. Unless restricted by the articles of incorporation or bylaws, shareholders may participate in shareholders' meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can simultaneously communicate with each other, and participation in a meeting pursuant to Section 7.4.4 shall constitute presence in person at such meeting.

5. *Participation by remote communication*. If authorized by the board of directors in its sole discretion, and subject to such guidelines and procedures as the board of directors may adopt, shareholders and proxyholders not physically present at a meeting of shareholders may, by means of remote communication, be deemed present in person and vote at a meeting of shareholders, whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxyholder, (ii) the corporation shall implement reasonable measures to provide such shareholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any shareholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the corporation.

Prior legislation: 1976 Liberian code of Laws Revised, Chapter 7, §7.4, amended effective June 19, 2002

§7.5. Fixing record date.

1. *Record date for notice of or voting at a meeting*. In order that the corporation may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the board of directors, the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day preceding the day on which notice is given, or, if notice is waived, at the close of business on the day preceding the day on which the meeting is held. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for the adjourned meeting.

2. *Record date for consent to action without a meeting*. In order that the corporation may determine the shareholders entitled to consent to corporate action in writing without a meeting, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors. If no record date has been fixed by the board of directors, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting, when no prior action by the board of directors is required by this Act, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to an officer or agent of the corporation having custody of the book in which proceedings of meetings of shareholders are recorded. If no record date has been fixed by the board of directors and prior action by the board of directors is required by this Act, the record date for determining shareholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

3. *Record date for participation in dividend and other rights*. In order that the corporation may determine the shareholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the shareholders entitled to exercise any rights in respect of any change, conversion or exchange of shares, or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining shareholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

Prior legislation: 1956 Code 4:22; Lib. Corp. L., 1948, §22; 1976 Liberian code of Laws Revised, Chapter 7, §7.5, amended effective June 19, 2002

§7.6. Proxies.

1. *Voting by proxy authorized*. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person to act for him by proxy.

2. *Signing; period of validity; revocability*. Every proxy must be granted in writing, by means of electronic transmission, or as otherwise permitted by applicable law, by the shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided in Section 7.6.

3. *Revocation by death or incompetence of shareholder*. The authority of the holder of a proxy to act shall not be revoked by the death or incompetence of the shareholder who executed the proxy unless, before the authority is exercised, written notice of an adjudication of such death or of such incompetence is received by the corporate officer responsible for maintaining the list of shareholders.

4. *Issue of proxy by record holder*. Except when other provisions shall have been made by written agreement between the parties, the record holder of shares which are held by a pledgee as security or which belong to another, upon demand therefor and payment of necessary expenses thereof, shall issue to the pledgee or to such owner of such shares a proxy to vote or take other action thereon.

5. *Sale of vote forbidden*. A shareholder shall not sell his vote, or issue a proxy to vote to any person for any sum of money or anything of value, except as authorized in Section 7.6 and Sections 7.11 and 7.12.

6. *When proxy is irrevocable*. A proxy which is entitled "irrevocable proxy" and which states that it is irrevocable, is irrevocable if and as long as it is coupled with an interest sufficient to support an irrevocable power, including when it is held by any of the following or a nominee of any of the following:

(a) A pledgee;

(b) A person who has purchased or agreed to purchase the shares;

(c) A creditor of the corporation who extends or continues credit to the corporation in consideration of the proxy if the proxy states that it was given in consideration of

such extension or continuation of credit, the amount thereof, and the name of the person extending or continuing credit;

(d) A person who has contracted to perform services as an officer of the corporation, if a proxy is required by the contract of employment, if the proxy states that it was given in consideration of such contract of employment, the name of the employee and the period of employment contracted for;

(e) A person designated by or under an agreement under Section 7.13.

7. *When proxy stated to be irrevocable becomes revocable*. Notwithstanding a provision in a proxy stating that it is irrevocable, the proxy becomes revocable after:

(a) The pledge is redeemed;

(b) The debt of the corporation is paid;

(c) The period of employment provided for in the contract of employment has terminated;

(d) The agreement under Section 7.13 has been terminated; or

(e) In a case provided for in Section 7.6.6(d), at the end of the period, if any, specified therein as the period during which it is irrevocable, or three (3) years after the date of the proxy, whichever period is less, unless the period of irrevocability is renewed from time to time by the execution of a new irrevocable proxy as provided in this Section 7.6. This paragraph does not affect the duration of a proxy under Section 7.6.2.

8. *Purchaser without knowledge of irrevocable proxy*. A proxy may be revoked, notwithstanding a provision making it irrevocable, by a purchaser of shares without knowledge of the existence of the provision unless the existence of the proxy and its irrevocability is noted conspicuously on the face or back of the certificate representing such shares.

9. *Electronic Transmission*. Unless otherwise provided in the articles of incorporation or bylaws, a proxy transmitted by electronic transmission by a shareholder or a person or persons authorized to act for a shareholder shall be deemed to be written and signed for purposes of Section 7.6.2.

10. *Proxy by Phone*. Shareholders of a public company may grant a proxy by telephone, so long as there is a method designed to authenticate the identity of the shareholder, in which case such proxy shall be regarded as "means of electronic transmission" for purposes of Section 7.6.2.

Prior legislation: 1956 Code 4:23; Lib, Corp. L., 1948, §23; 1976 Liberian code of Laws Revised, Chapter 7, §7.6, amended effective June 19, 2002

§7.7. Quorum of shareholders.

1. *Number constituting quorum*. Unless otherwise provided in the articles of incorporation or bylaws, a majority of shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders, but in no event shall a quorum consist of fewer than one-third of the shares entitled to vote at a meeting.

2. *Withdrawal of shareholders after quorum present*. When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.

3. *Adjournment by less than quorum*. The shareholders present may adjourn the meeting despite the absence of a quorum.

§7.8. Vote of shareholders required.

1. *Election of directors*. Directors shall, except as otherwise required by this Act or by the articles of incorporation as permitted by this Act, be elected by a plurality of the votes cast at a meeting of shareholders by the holders of shares entitled to vote in the election.

2. *Cumulative voting*. The articles of incorporation of any corporation may provide that in all elections of directors of such corporation each shareholder shall be entitled to as many votes as shall equal the number of votes which, except for such provisions as to cumulative voting, he would be entitled to cast for the election of directors with respect to his shares multiplied by the

number of directors to be elected, and that he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them, as he may see fit. This right, when exercised, shall be termed cumulative voting.

3. *Action other than election of directors*. Whenever any corporate action, other than the election of directors, is to be taken under this Act by vote of the shareholders, it shall, except as otherwise required or permitted by this Act or by the articles of incorporation as permitted by this Act, be authorized by a majority of the votes cast at a meeting of shareholders by the holders of shares entitled to vote thereon.

Prior legislation: 1956 Code 4:24, 27; Lib. Corp. L., 1948, §§24, 27; 1976 Liberian Code of Laws Revised, Chapter 7, §7.8, amended effective June 19, 2002

§7.9. Greater requirement as to quorum and vote of shareholders.

1. *Greater requirement permitted*. Unless specifically prohibited by this Act, including Section 5.16.5, the articles of incorporation may contain provisions specifying either or both of the following:

(a) That the proportion of shares, or the proportion of shares of any class or series thereof, the holders of which shall be present in person or by proxy at any meeting of shareholders in order to constitute a quorum for the transaction of any business or of any specified item of business, including amendments to the articles of incorporation, shall be greater than the proportion prescribed by this Act in the absence of such provision;

(b) That the proportion of votes of the holders of shares, or of the holders of shares of any class or series thereof, that shall be necessary at any meeting of shareholders for the transaction of any business or of any specified item of business, including amendments to the articles of incorporation, shall be greater than the proportion prescribed by this Act in the absence of such provision.

2. *Amendment of articles of incorporation*. An amendment of the articles of incorporation which adds a provision permitted by Section 7.9 or which changes or strikes out such a provision, shall be authorized at a meeting of shareholders, by vote of the holders of two-thirds

of all outstanding shares entitled to vote thereon, or of such greater proportion of shares, or class or series of shares, as may be provided specifically in the articles of incorporation for adding, changing, or striking out a provision permitted by Section 7.9.

Prior legislation: 1976 Liberian code of Laws Revised, Chapter 7, §7.9, amended effective June 19, 2002

§7.10. List of shareholders at meetings.

A list of registered shareholders as of the record date, and subject to Section 5.1.7, of holders of bearer shares who as of the record date have qualified for voting, certified by the corporate officer responsible for its preparation or by a transfer agent, shall be produced at any meeting of shareholders upon request of any shareholder at the meeting or prior thereto. If the right to vote at any meeting is challenged, the inspector of election, or person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

Prior legislation: 1956 Code 4:22 (2nd par.); Lib. Corp. L., 1948, §22 (2nd par.).

§7.11. Qualification of voters.

1. *Right of shareholder*. Every registered shareholder as of the record date and every holder of bearer shares who, as of the record date, has qualified for voting, shall be entitled at every meeting of shareholders to one vote for every share standing in his name, unless otherwise provided in the articles of incorporation. Persons holding shares in a fiduciary capacity shall be entitled to vote the shares so held. If the articles of incorporation provide that the holder of shares shall have more or less voting power than one vote per share on any matter, every reference in this Act to a majority or other proportion of shares shall refer to a majority or other proportion of the votes relating to the shares, including Sections 7.7 and 7.8.

2. *Treasury shares*. Treasury shares are not shares entitled to vote or to be counted in determining the total number of outstanding shares.

3. *Shares held by subsidiary corporation*. Shares of a parent corporation held by a subsidiary corporation are not shares entitled to vote or to be counted in determining the total number of outstanding shares.

4. *Shares held by fiduciary*. Shares held by an administrator, executor, guardian, conservator, committee, or other fiduciary, except a trustee, may be voted by him, either in person or by proxy, without transfer of such shares into his name. Shares held by a trustee may be voted by him, either in person or by proxy, only after the shares have been transferred into his name as trustee or into the name of his nominee.

5. *Shares held by receiver*. Shares held by or under the control of a receiver may be voted by him without the transfer thereof into his name if authority so to do is contained in an order of the court by which such receiver was appointed.

6. *Pledged shares*. Persons whose shares are pledged shall be entitled to vote, unless in the transfer by the pledgor on the books of the corporation he has expressly empowered the pledgee to vote thereon, in which case only the pledgee or his proxy or attorney may represent such shares and vote thereon. This provision shall not be deemed to invalidate any irrevocable proxy which is otherwise not illegal.

7. *Shares in the name of another corporation or legal entity*. Shares standing in the name of another domestic or foreign corporation or any other domestic or foreign legal entity of any type or kind may be voted by such officer, agent or proxy as the bylaws or other constitutional documents of such corporation or other legal entity may provide, or, in the absence of such provision, as the board or other governing body of such corporation or other legal entity may determine.

8. *Limitations on right to vote*. The articles of incorporation, except as limited by Section 5.1, may provide, either absolutely or conditionally, that the holder of any designated class or series of shares shall not be entitled to vote, or it may otherwise limit or define the respective voting powers of the several classes or series of shares, and, except as otherwise provided in this Act, such provisions of such articles of incorporation shall prevail, according to their tenor, in all

elections and in all proceedings, over the provisions of this Act which authorize any action by the shareholders.

Prior legislation: Par. 1: 1956 Code 4:22; Lib. Cap L., 1948, §22; Par. 2: 1956 Code 4:5(e); Lib. Corp. L., 1945, §4.5(e); 1976 Liberian code of Laws Revised, Chapter 7, §7.11, amended effective June 19, 2002

§7.12. Voting trusts.

1. *Voting trusts authorized*. Any shareholder, under an agreement in writing, may transfer his shares to a voting trustee for the purpose of conferring the right to vote thereon for a period not exceeding ten (10) years upon the terms and conditions stated therein. The certificates for shares so transferred shall be surrendered and cancelled and new certificates therefor issued to such trustee stating that they are issued under such agreement, and in the entry of such ownership in the record of the corporation that fact shall also be noted, and such trustee may vote the shares so transferred during the term of such agreement. At the termination of the agreement, the shares surrendered shall be reissued to the owner in accordance with the terms of the trust agreement.

2. *Right of inspection by certificate holders*. The trustee shall keep available for inspection by holders of voting trust certificates at his office or at a place designated in such agreement or of which the holders of voting trust certificates have been notified in writing, correct and complete books and records of account relating to the trust, and a record containing the names and addresses of all persons who are holders of voting trust certificates and the number and class of shares represented by the certificates held by them and the dates when they became the owners thereof. The record may be in written form or any other form capable of being converted into written form within a reasonable time.

3. *Records in office of corporation*. A copy of every such agreement and amendment(s) thereto shall be delivered to the office of the corporation and it and the record of voting trust certificate holders shall be subject to the same right of inspection by a shareholder of record or a holder of a voting trust certificate, in person or by agent or attorney, as are the records of the corporation under Section 8.2. The shareholder or holder of a voting trust certificate shall be entitled to the remedies provided in Section 8.4.

4. *Extension agreements*. At any time within six (6) months before the expiration of such voting trust agreement as originally fixed or as extended one or more times under Section 7.12, one or more holders of voting trust certificates may, by agreement in writing, extend the duration of such voting trust agreement, nominating the same or a substitute trustee, for an additional period not exceeding ten (10) years. Such extension agreement shall not affect the rights or obligations of persons not parties thereto and shall in every respect comply with and be subject to all the provisions of Section 7.12 applicable to the original voting trust agreement.

5. *Power of trustee to vote*. The voting trustee or trustees may vote the shares so issued or transferred during the period specified in the agreement. Shares standing in the name of the voting trustee or trustees may be voted either in person or by proxy, and in voting the shares, the voting trustee or trustees shall incur no responsibility as shareholder, trustee or otherwise, except for their own individual malfeasance. In any case where two or more persons are designated as voting trustees, and the right and method of voting any shares standing in their names at any meeting of the corporation are not fixed by the agreement appointing the trustees, the right to vote the shares and the manner of voting them at the meeting shall be determined by a majority of the trustees, or if they be equally divided as to the right and manner of voting the shares in any particular case, the vote of the shares in such case shall be divided equally among the trustees.

Prior legislation: 1956 Code 4:16; Lib. Corp. L., 1948, §16; 1976 Liberian code of Laws Revised, Chapter 7, §7.12, amended effective June 19, 2002

§7.13. Agreements among shareholders as to voting.

An agreement between two or more shareholders, if in writing and signed by the parties thereto, may provide that in exercising any voting rights, the shares held by them shall be voted as therein provided, or as they may agree, or as determined in accordance with a procedure agreed upon by them.

§7.14. Conduct of shareholders' meetings.

1. *Selection of inspectors*. Unless otherwise provided in the bylaws, the board, in advance of any shareholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders'

meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint one or more inspectors. In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take an oath faithfully to execute the duties of inspector at such meeting.

2. *Duties of inspectors*. Unless otherwise provided in the bylaws, the inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots, or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the results, and do such acts as are proper to conduct the election or vote with fairness to all shareholders entitled to vote thereat. Unless waived by vote of the shareholders, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a sworn certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated and of the vote as certified by them.

3. *Applicability*. Section 7.14 shall apply only to a corporation that is a public company.

§7.15. Preemptive rights.

1. *When shares are subject to preemptive rights*. In the case of any corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, except as otherwise provided in the articles of incorporation or in Section 7.15, in the event of:

(a) The proposed issuance by the corporation of shares, whether or not of the same class as those previously held, which would adversely affect the voting rights or rights to current and liquidating dividends of such holders, or

(b) The proposed issuance by the corporation of securities convertible into or carrying an option to purchase shares referred to in Section 7.15(a), or

(c) The granting by the corporation of any options or rights to purchase shares or securities referred to in Section 7.15(a) or Section 7.15(b), the holders of shares of

any class shall have the right, during a reasonable time and on reasonable terms, to be determined by the board, to purchase such shares or other securities, as nearly as practicable, in such proportion as would, if such preemptive right were exercised, preserve the relative rights to current and liquidating dividends and voting rights of such holders and at a price or prices no less favorable than the price at which such shares, securities, options or rights are to be offered to other holders. The holders of shares entitled to the preemptive right, and the number of shares for which they have a preemptive right, shall be determined by fixing a record date in accordance with Section 7.5.

2. *When shares are not subject to preemptive rights*. Except as otherwise provided in the articles of incorporation, shareholders shall have no preemptive right to purchase:

(a) Shares or other securities issued to effect a merger or consolidation; or

(b) Shares or other securities issued or optioned to directors, officers, or employees of the corporation as an incentive to service or continued service with the corporation pursuant to an authorization given by the shareholders, and by the vote of the holders of the shares entitled to exercise preemptive rights with respect to such shares; or

(c) Shares issued to satisfy conversion or option rights previously granted by the corporation; or

(d) Treasury shares; or

(e) Shares or securities which are part of the shares or securities of the corporation authorized in the first filed articles of incorporation and are issued, sold or optioned within two years from the date of filing such articles of incorporation.

3. *Notice to shareholders of right*. The holders of shares entitled to the preemptive right shall be given prompt notice setting forth the period within which and the terms and conditions upon which such shareholders may exercise their preemptive right. Such notice shall be given

personally or by mail at least fifteen (15) days prior to the expiration of the period during which the right may be exercised.

4. Except as otherwise provided in Section 7.15.1, no shareholder shall have any preemptive right to purchase shares or any other securities to be issued or subjected to rights or options to purchase unless, and except to the extent that, such right is expressly granted to such shareholder in the articles of incorporation. Nothing in Section 7.15 shall prevent a corporation from granting preemptive rights contractually.

Prior legislation: 1956 Code 4:17; Lib. Corp. L., §17.

§7.16. Shareholders' derivative actions.

1. *Right to bring action*. An action may be brought by a holder of shares or of voting trust certificates of the corporation or of a beneficial interest in such shares or certificates in any Liberian court of competent jurisdiction or in any other jurisdiction as permitted by the laws of such jurisdiction in the right of a domestic or authorized foreign corporation to procure a judgment in its favor.

2. *Ownership requirement*. In any such action, it shall be made to appear that the plaintiff is such a holder at the time of bringing the action and that he was such a holder at the time of the transaction of which he complains, or that his shares or his interest therein devolved upon him by operation of law.

3. *Effort by plaintiff to secure action by board*. In any such action, the complaint shall set forth with particularity the efforts of the plaintiff to secure the initiation of such action by the board or the reasons for not making such effort.

4. *Settlement of action*. Such action shall not be discontinued, compromised or settled, without the approval of the court having jurisdiction of the action. If the court shall determine that the interests of the shareholders or any class thereof will be substantially affected by such discontinuance, compromise, or settlement, the court, in its discretion, may direct that notice, by publication or otherwise, shall be given to the shareholders or class thereof whose interests it determines will be so affected; if notice is so directed to be given, the court may determine which

one or more of the parties to the action shall bear the expense of giving such notice, in such amount as the court shall determine and find to be reasonable in the circumstances, and the amount of such expense shall be awarded as special costs of the action and recoverable in the same manner as statutory taxable costs.

5. *Disposition of proceeds*. If the action on behalf of the corporation was successful, in whole or in part, or if anything was received by the plaintiff or a claimant as the result of a judgment, compromise or settlement of an action or claim, the court may award the plaintiff or claimant reasonable expenses, including reasonable attorney's fees, and shall direct him to account to the corporation for the remainder of the proceeds so received by him.

6. *Security for expenses*. In any action authorized by Section 7.16, if the plaintiff holds less than five percent (5%) of any class of the outstanding shares or holds voting trust certificates or beneficial interest in shares representing less than five percent (5%) of any class of such shares, then unless the shares, voting trust certificates or beneficial interest of such plaintiff has a fair value in excess of Fifty Thousand United States Dollars (US$50,000.00), the corporation in whose right such action is brought shall be entitled at any stage of the proceedings before final judgment to require the plaintiff to give security for the reasonable expenses, including attorney's fees, which may be incurred by it in connection with such an action, in such amount as the court having jurisdiction of such action shall determine upon the termination of such action. The amount of such security may thereafter from time to time be increased or decreased in the discretion of the court having jurisdiction of such action upon showing that the security provided has or may become inadequate or excessive.

CHAPTER 8.

CORPORATE RECORDS AND REPORTS

§8.1. Requirement for keeping accounting records, minutes and records of shareholders.

1. *Accounting records*. Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep reliable and complete books and records which shall be sufficient to correctly explain all transactions, and enable the financial position of the corporation to be determined with reasonable accuracy at any time. Each domestic and foreign corporation authorized to do business in Liberia shall keep underlying documentation for accounting records maintained pursuant to Section 8.1, such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the corporation. A resident domestic corporation shall keep all accounting records and underlying documentation as described in Section 8.1.1 in the Republic of Liberia.

2. *Applicability of accounting records and ownership information*. The requirements regarding complete and accurate accounting records and information on ownership of shares or interest in corporations stated herein shall be applicable to all legal entities formed under the laws of Liberia or authorized to do business in Liberia, which shall include corporations, limited liability companies, general partnerships, limited partnerships, trusts, foundations and other legal entities of whatever form or nature. With respect to the beneficial ownership information required to be kept pursuant to Section 8.1.4, owners, beneficial owners, trustees, nominees, and any other legal representatives, legal and natural, holding in their names the shares or interest of the beneficial owners shall provide all the information required to be kept pursuant to Section 8.1.4 regarding beneficial ownership of shares with respect to which he/she/it acts as nominee or shareholder of record.

3. *Minutes*. Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep minutes of all meetings of shareholders, of actions taken on consent by its shareholders, of all meetings of the board of directors, of actions taken on consent by its directors and of meetings of the executive committee, if any. Resident domestic corporations shall keep such minutes in the Republic of Liberia.

4. *Records of shareholders*. Every domestic corporation and foreign corporation authorized to do business in Liberia shall keep up-to-date records containing the names and addresses of all registered shareholders and, except with respect to public companies, beneficial owners of the corporation, the respective number and class of shares held by each and the dates of ownership thereof. In addition, any such corporation which issues bearer shares subject to the provisions of Section 5.8 shall maintain a record of all certificates issued in bearer form, including the number, class and dates of issuance of such certificates. A resident domestic corporation shall keep the records required to be maintained by Section 8.1.4 in the Republic of Liberia.

5. *Forms of records*. Any records maintained by a domestic corporation and foreign corporation authorized to do business in Liberia in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible written form within seven working days upon instruction of the appropriate authority of the Government of Liberia or upon the request of any person entitled to inspect the same. When records are kept in such manner, a clearly legible written form produced from the cards, tapes, photographs, microphotographs, or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.

6. *Retention Period*. All records required to be kept, retained, or maintained under Section 8.1 shall be kept, retained, or maintained for a minimum of five (5) years.

7. *Failure to maintain records*. All legal entities formed under the laws of Liberia or authorized to do business in Liberia wilfully or recklessly failing or refusing to keep, retain, or maintain records as required under this Chapter shall be liable to a fine not less than Three

Thousand United States Dollars (US$3,000.00) but not exceeding Five Thousand United States Dollars (US$5,000.00), or subject to withdrawal of the legal status of good standing, revocation of formation documents/license to operate, certificate to do business, or dissolution, or any combination of the penalties prescribed herein as the Registrar shall deem appropriate or commensurate to the gravity of the violation.

8. *Right to Inspection*. The Registrar or the Deputy Registrar may request from any domestic corporation any records of shareholders, ownership information and books of account as the Registrar shall deem necessary to ensure that the corporation is in compliance with applicable law. Any failure to respond to an official request by the Registrar or the Deputy Registrar for records of shareholders, ownership information or books of account on or before the stated due date shall subject the corporation to a fine of not less than One Thousand United States Dollars (US$1,000.00) and render the corporation not in good standing, and Sections 1.7.3 and 1.7.4 shall apply, until the Registrar or the Deputy Registrar is satisfied that the corporation has complied with such enquiry. Notwithstanding the above, a continued failure to provide such records after sufficient notice from the Registrar or the Deputy Registrar to provide such records, shall, on the determination of the Registrar or the Deputy Registrar, be subject to dissolution.

9. All domestic and foreign trusts shall maintain accounting records in the same manner and with similar information that corporations maintain in accordance with Section 8.1.

Prior legislation: 1956 Code 4:45; Lib. Corp. L., 1948, §45; 1976 Liberian Codes of Laws Revised, Chapter 8, §8.1, amended effective June 19, 2002; amended effective May 6, 2016; amended effective April 23, 2018

§8.2. Shareholders' right to inspect books and records.

1. *Right stated*. Any shareholder, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours of business to inspect, for any proper purpose the corporation's share register, a list of its shareholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a shareholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which

authorizes the attorney or other agent to so act on behalf of the shareholder. The demand under oath shall be directed to the corporation at its principal place of business.

2. *Effect of refusal of right*. If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a shareholder or attorney or other agent acting for the shareholder pursuant to Section 8.2.1 or does not reply to the demand within five (5) business days after the demand has been made, the shareholder may apply to the court for an order to compel such inspection.

3. *Ground for refusal of right*. Any inspection authorized by Section 8.2.1 may be denied to a shareholder or other person who within five (5) years sold or offered for sale a list of shareholders of a corporation or aided or abetted any person in procuring for sale any such list of shareholders or who seeks such inspection for a purpose which is not in the interest of a business other than the business of the corporation or who refuses to furnish an affidavit attesting to his right to inspect under Section 8.2.3.

4. *Limitation of right forbidden*. The right of inspection stated by Section 8.2 may not be limited in the articles of incorporation or bylaws.

Prior legislation: 1976 Liberian Codes of Laws Revised, Chapter 8, §8.2, amended effective June 19, 2002

§8.3. Directors' right of inspection.

1. *Right stated*. Any director, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose the corporation's share register, a list of its shareholders, and its other books and records, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to such person's interest as a director. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the director. The demand under oath shall be directed to the corporation at its principal place of business. In the case of authorized foreign

corporations this right extends only to such books, records, documents and properties of such corporation as are kept or located in the Republic of Liberia.

2. *Effect of refusal of right*. If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a director or attorney or other agent acting for the director pursuant to Section 8.3.1 or does not reply to the demand within five (5) business days after the demand has been made, the director may apply to the court for an order to compel such inspection.

3. *Limitation of right forbidden*. The right of inspection stated by this Section 8.3 shall not be limited in the articles of incorporation or bylaws.

Prior legislation: 1976 Liberian Codes of Laws Revised, Chapter 8, §8.3, amended effective June 19, 2002

§8.4. Enforcement of right of inspection.

1. *Application to court*. If the corporation, or an officer or agent thereof, refuses to permit an inspection sought by a shareholder or director or attorney or other agent acting for the shareholder or director pursuant Sections 8.2 or 8.3 or does not reply to the demand within five (5) business days after the demand has been made, the shareholder or director may apply to a court of competent jurisdiction for an order to compel such inspection. The court may order the corporation to permit the shareholder or director to inspect the corporation's share register, an existing list of shareholders, and its other books and records, and to make copies or extracts therefrom; or the court may order the corporation to furnish to the shareholder or director a list of its shareholders as of a specific date on condition that the shareholder or director first pay to the corporation the reasonable cost of obtaining and furnishing such list and on such other conditions as the court deems appropriate.

2. *Qualification to be established by shareholder or director*. Where the shareholder or director seeks to inspect the corporation's books and records, other than its share register or list of shareholders, such shareholder or director shall first establish:

(a) That such shareholder or director has complied with this Chapter respecting the form and manner of making demand for inspection of such documents; and

(b) That the inspection such shareholder or director seeks is for a proper purpose, and where the shareholder or director seeks to inspect the corporation's share register or list of shareholders and such shareholder or director has complied with this Chapter respecting the form and manner of making demand for inspection of such documents, the burden of proof shall be upon the corporation to establish that the inspection such shareholder or director seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions with reference to the inspection, or award such other or further relief as the court may deem just and proper.

Prior legislation: 1976 Liberian Codes of Laws Revised, Chapter 8, §8.5, amended effective June 19, 2002

§8.5. Annual report.

Upon the written request of any person who shall have been a shareholder of record for at least six (6) months immediately preceding his request, or of any person holding, or thereunto authorized in writing by the holders of, at least five percent (5%) of any class of the outstanding shares, the corporation shall give or mail to such shareholder an annual balance sheet and profit and loss statement for the preceding fiscal year, and, if any interim balance sheet or profit and loss statement has been distributed to its shareholders or otherwise made available to the public, the most recent such interim balance sheet or profit and loss statement. The corporation shall be allowed a reasonable time to prepare such annual balance sheet and profit and loss statement.

§8.6. Information regarding shares in bearer form.

1. If any corporation has authorization to issue shares in bearer form or has shares issued and outstanding in bearer form on the first anniversary of its date of incorporation subsequent to December 31, 2018, such corporation shall submit to the Registrar, within thirty (30) days of such first anniversary and each anniversary of its date of incorporation thereafter, an affidavit confirming:

(i) the number of its shares issued and outstanding in bearer form on the relevant anniversary, and the number of shares evidenced by certificates

deposited with a Custodian pursuant to a Custodial Agreement in accordance with Section 5.15 and, in respect of each such certificate, the name of the Custodian; or

(ii) that no shares are issued and outstanding in bearer form.

2. Any corporation that fails to comply with Section 8.6 shall be liable to a fine not less than Three Thousand United States Dollars (US$3,000.00) but not exceeding Five Thousand United States Dollars (US$5,000.00), or be subject to revocation or cancellation of the corporation's articles of incorporation, certificate to do business, or dissolution, or any combination of the penalties herein prescribed.

Effective: April 23, 2018

CHAPTER 9.

AMENDMENTS OF ARTICLES OF INCORPORATION

§9.1. Right to amend articles of incorporation.

A corporation may amend its articles of incorporation from time to time in any and as many respects as may be desired, provided such amendment contains only such provisions as might lawfully be contained in the articles of incorporation filed at the time of making such amendment.

Prior legislation: 1956 Code 4:4 (1st par.); Lib. Corp. L., 1948, §4

§9.2. Reduction of stated capital by amendment.

Reduction of stated capital which is not authorized by action of the board may be effected by an amendment of the articles of incorporation, but no reduction of stated capital shall be made by amendment unless after such reduction the stated capital exceeds the aggregate preferential amount payable upon involuntary liquidation upon all issued shares having preferential rights in assets plus the par value of all other issued shares with par value.

Prior legislation: 1956 Code 4:19; Lib. Corp. L., 1948, §19.

§9.3. Procedure for amendment.

1. *General method of amending*. Amendment of the articles of incorporation may be authorized by vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders or by written consent of all shareholders entitled to vote thereon. The articles of incorporation may require that such amendment of the articles of incorporation

must also be approved by the board of directors prior to such authorization by vote or written consent of the shareholders.

2. *Certain amendments may be approved by board*. Notwithstanding Section 9.3.1, any one or more of the following amendments may be approved by the board without seeking authorization of the shareholders:

(a) To specify or change the location of the office or registered address of the corporation;

(b) To make, revoke or change the designation of a registered agent, or to specify or change the address of its registered agent.;

(c) To comply with the provisions of Section 5.12.5;

(d) In compliance with Section 5.1.5;

(e) To change its name; and

(f) Unless otherwise prohibited by its articles of incorporation, to delete (i) such provisions of the initial articles of incorporation that named the incorporator or incorporators, the initial board of directors and the initial subscribers for shares, or (ii) such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective. Notwithstanding the foregoing, a corporation formed on or prior to May 31, 2018 shall not amend its articles of incorporation to permit the issuance of bearer shares.

3. *Amendment by incorporators*. Before a corporation has received any payment for any of its shares, it may amend its articles of incorporation at any time or as many times, in any and as many respects as may be desired, subject to Section 9.1. The amendment of articles of incorporation authorized by this Section 9.3.3 shall be adopted by a majority of the incorporators, if directors were not named in the articles of incorporation or have not yet been elected, or, if directors were named in the articles of incorporation or have been elected and have

qualified, by a majority of the directors. A certificate setting forth the amendment and certifying that the corporation has not received any payment for any of its shares and that the amendment has been duly adopted in accordance with this Section 9.3.3 shall be executed, acknowledged and filed with the Registrar or the Deputy Registrar in accordance the Section 1.4 and for this purpose an incorporator shall be deemed to be an officer of the corporation. Upon such filing by the Registrar or the Deputy Registrar, the corporation's articles of incorporation shall be deemed to be amended accordingly as of the date on which the articles of incorporation became effective, except as to those persons who are substantially and adversely affected by the amendment and as to those persons the amendment shall be effective from the filing date.

4. *Amendment by subscribers*. The articles of incorporation may be amended by consent in writing of the holders of all outstanding subscription rights to shares of the corporation, provided that such holders verify that no shares have been issued.

5. *Other provisions for amendment unaffected*. Section 9.3 shall not alter the vote required under any other section for the adoption of an amendment referred to therein, nor alter the authority of the board to authorize amendments under any other section. No shareholder approval is necessary to file any statement in accordance with Section 5.1.5.

6. *Requirement in articles of incorporation in excess of statutory requirement*. Whenever the articles of incorporation shall require action by the board of directors, by the holders of any class or series of shares or by the holders of any other securities having voting power, the vote of a greater number or proportion than is required by any section of this Act, the provision of the articles of incorporation requiring such greater vote shall not be altered, amended or repealed except by such greater vote.

7. *Abandonment of proposed amendment*. The resolution authorizing a proposed amendment to the articles of incorporation may provide that at any time prior to the effectiveness of the filing of the amendment with the Registrar or the Deputy Registrar, notwithstanding authorization of the proposed amendment by the shareholders of the corporation, the board of directors may abandon such proposed amendment without further action by the shareholders.

Prior legislation: 1956 Code 4:4 (3rd par.); Lib. Corp. L., 1948, §4; 1976 Liberian Code of Laws Revised, Chapter 9, §9.3, amended effective June 19, 2002

§9.4. Class voting on amendments.

Notwithstanding any provisions in the articles of incorporation, the holders of the outstanding shares of a class shall be entitled to vote as a class upon a proposed amendment, and in addition to the authorization of an amendment by vote of the holders of a majority of all outstanding shares entitled to vote thereon, the amendment shall be authorized by vote of the holders of a majority of all outstanding shares of the class if the amendment would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. If any proposed amendment would alter or change the powers, preferences, or special rights of one or more series of any class so as to affect them adversely, but shall not so affect the entire class, then only the shares of the series so affected by the amendment shall be considered a separate class for the purposes of Section 9.4.

Prior legislation: 1956 Code 4:4 (2nd par.) (c); Lib. Corp. L., 1948, §4 (3rd par.) (c).

§9.5. Articles of amendment.

The articles of amendment shall be executed for the corporation by any officer or other authorized signatory of the corporation, and where that officer or other authorized signatory is not a natural person, the instruments shall be signed by the person or persons who are the authorized signatories of that legal entity, and acknowledged and filed in accordance with provisions of Section 1.4 and shall set forth:

(a) The name of the corporation;

(b) The date its articles of incorporation and any amendments thereof were filed;

(c) Each section affected thereby;

(d) If any such amendment provides for a change in or elimination of issued shares and, if the manner in which the same shall be effected is not set forth in the articles of amendment, then a statement of the manner in which the same shall be effected shall be included in or annexed to the articles of amendment or furnished without cost to any shareholder who requests a copy of such statement;

(e) If any amendment reduces stated capital, then a statement of the manner in which the same is effected and the amounts from which and to which stated capital is reduced;

(f) The manner in which the amendment of the articles of incorporation was authorized.

The articles of amendment shall be filed with the Registrar or the Deputy Registrar in accordance with the provisions of Section 1.4.

Prior legislation: 1956 Code 4:4 (par. 2); Lib. Corp. L., 1948, §4 (par. 2); 1976 Liberian Code of Laws Revised, Chapter 9, §9.5, amended effective June 19, 2002

§9.6. Effectiveness of amendment.

1. *Time when effective*. Upon filing of the articles of amendment with the Registrar or the Deputy Registrar, the amendment shall become effective as of the filing date stated thereon and the articles of incorporation shall be deemed to be amended accordingly.

2. *Limitations on effect of amendment*. No amendment shall affect any existing cause of action in favor of or against the corporation, or any pending suit to which it shall be a party, or the existing rights of persons other than shareholders; and in the event the corporation name shall be changed, no suit brought by or against the corporation under its former name shall abate for that reason.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 9, §9.6, amended effective June 19, 2002

§9.7. Right of dissenting shareholders to payment.

A holder of any adversely affected shares who does not vote in favor of or consent in writing to an amendment in the articles of incorporation shall, subject to and by complying with the provisions of Section 10.8, have the right to dissent and to receive payment for such shares, if the articles of amendment (a) alter or abolish any preferential right of any outstanding shares having preferences; or (b) create, alter, or abolish any provision or right in respect of the redemption of any outstanding shares; or (c) alter or abolish any preemptive right of such holder to acquire

shares or other securities; or (d) exclude or limit the right of such holder to vote on any matter, except as such right may be limited by the voting rights given to new shares then being authorized of any existing or new class.

§9.8. Restated articles of incorporation.

1. *Procedure for integrating document*. At any time after its articles of incorporation have been amended, a corporation may by action of its board, without necessity of vote of the shareholders, cause to be prepared a document entitled "Restated Articles," which will integrate into one document its articles of incorporation (or articles of consolidation) and all amendments thereto, including those affected by articles of merger.

2. *Required statement of no change*. The restated articles shall also set forth that this document purports merely to restate but not to change the provisions of the articles of incorporation as amended and that there is no discrepancy between the said provisions and the provisions of the restated articles.

3. *Execution and filing*. The restated articles shall be executed and filed as provided in Section 9.5.

4. *Effect of restated articles.* A copy of the restated articles filed with the Registrar or the Deputy Registrar as provided in Section 1.4 shall be presumed, until otherwise shown, to be the full and true articles of incorporation of the corporation as in effect on the date filed.

5. *Other method of integrating*. A corporation may also integrate its articles of incorporation and amendments thereto by the procedure provided in this Chapter for amending the articles of incorporation.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 9, §9.8, amended effective June 19, 2002

CHAPTER 10.

MERGER OR CONSOLIDATION

§10.1. Definitions.

Whenever used in this Chapter:

(a) "***Merger***" means a procedure whereby any two or more corporations or other legal entities merge into a single surviving corporation or legal entity, which is any one of the constituent corporations or legal entities;

(b) "***Consolidation***" means a procedure whereby any two or more corporations or other legal entities consolidate into a new resulting corporation or legal entity formed by the consolidation;

(c) "***Constituent corporation***" or "***constituent entity***" means an existing corporation or legal entity that is participating in the merger or consolidation with one or more other corporations or legal entities;

(d) "***Surviving corporation***" or "***surviving entity***" means the constituent corporation or legal entity into which one or more other constituent corporations or legal entities are merged.

(e) "***Consolidated corporation***" or "***consolidated entity***" means the new corporation or legal entity into which two or more constituent corporations or legal entities are consolidated.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 10, §10.1, amended effective June 19, 2002

§10.2. Merger or consolidation of domestic corporations.

1. *Power stated*. Two or more domestic corporations may merge or consolidate as provided in Section 10.2 and Section 10.3, and Section 10.4 shall apply.

2. *Plan of merger or consolidation*. The board of each domestic corporation proposing to participate in a merger or consolidation under Section 10.2 shall approve a plan of merger or consolidation setting forth:

(a) The name of each constituent corporation, and if the name of any of them has been changed, the name under which it was formed; and the name of the surviving corporation, or the name, or the method of determining it, of the consolidated corporation;

(b) As to each constituent corporation, the designation and number of outstanding shares of each class and series, specifying the classes and series entitled to vote and further specifying each class and series, if any, entitled to vote as a class;

(c) The terms and conditions of the proposed merger or consolidation, including the manner and basis of converting the shares of each constituent corporation into shares, bonds or other securities of the surviving or consolidated corporation, or the cash or other consideration to be paid or delivered in exchange for shares of each constituent corporation, or combination thereof;

(d) In case of merger, a statement of any amendment in the articles of incorporation of the surviving corporation to be effected by such merger; in case of consolidation, all statements required to be included in articles of incorporation

for a corporation formed under this Act, except statements as to facts not available at the time the plan of consolidation is approved by the board;

(e) Such other provisions with respect to the proposed merger or consolidation as the board considers necessary or desirable.

3. *Authorization by shareholders*. Subject to Sections 10.2.6, 10.2.14, and 10.3, the board of each constituent corporation, upon approving such plan of merger or consolidation, shall submit such plan to a vote of shareholders of each such corporation in accordance with the following:

(a) Notice of the meeting, accompanied by a copy of the plan of merger or consolidation, shall be given to each shareholder of record, whether or not entitled to vote.

(b) The plan of merger or consolidation shall be authorized at a meeting of shareholders or in accordance with Section 7.4 by vote of the holders of a majority of the outstanding shares entitled to vote thereon, unless any class of shares of any such corporation is entitled to vote thereon as a class, in which event, as to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of a majority of the shares of each class entitled to vote thereon as a class and of the total shares entitled to vote thereon. The shareholders of the outstanding shares of a class shall be entitled to vote as a class if: (i) such shares will remain outstanding after the merger or consolidation or will be converted into the right to receive shares of stock of the surviving or consolidated corporation or another corporation; and (ii) the articles of incorporation of the surviving or consolidated corporation or of such other corporation immediately after the effectiveness of the merger or consolidation would contain any provision which, is not contained in the articles of incorporation of the corporation and which, if contained in an amendment to the articles of incorporation, would entitle the holders of shares of such class or such one or more series to vote and to vote as a separate class thereon pursuant to Section 9.4. In such case, in addition to the authorization of the merger or consolidation by the requisite number of votes of all outstanding shares entitled to

vote thereon pursuant to the first sentence of Section 10.2.3(b), the merger or consolidation shall be authorized by a majority of the votes of all outstanding shares of the class entitled to vote as a separate class. If any provision referred to in Section 10.2.3(b) would affect the rights of the holders of shares of only one or more series of any class but not the entire class, then only the holders of those series whose rights would be affected shall together be considered a separate class for purposes of Section 10.2.3(b).

4. *Articles of merger or consolidation*. After approval of the plan of merger or consolidation by the board and, if required by Section 10.2, by the shareholders of each constituent corporation, the articles of merger or consolidation shall be executed by each corporation by any officer or other authorized signatory of each corporation, unless the same person is appointed to be an officer of each corporation, in which case by that one person, and where that officer or other authorized signatory is not a natural person, the instruments shall be signed by the person or persons who are the authorized signatories of that legal entity, and shall set forth:

(a) The plan of merger or consolidation, and, in case of consolidation, any statement required to be included in the articles of incorporation for a corporation formed under this Act but which was omitted under Section 10.2(d);

(b) The date when the articles of incorporation and each amendment of each constituent corporation were filed with the Registrar or the Deputy Registrar;

(c) The manner in which the merger or consolidation was authorized with respect to each constituent corporation.

5. *Filing of articles of merger or consolidation*. The surviving or consolidated corporation shall deliver the articles of merger or articles of consolidation to the Registrar or the Deputy Registrar and the articles shall be filed in accordance with Section 1.4.

6. *No authorization by shareholders required*. Notwithstanding the requirements of Section 10.2.3, unless required by the articles of incorporation, no vote of shareholders of a constituent corporation surviving a merger shall be necessary to authorize a merger or consolidation if:

(a) The plan of merger does not amend in any respect the articles of incorporation of such constituent corporation; and

(b) Each share of such constituent corporation outstanding immediately prior to the effective date of the merger is to be an identical outstanding or treasury share of the surviving corporation after the effective date of the merger; and

(c) Either no shares of the surviving corporation and no shares, securities or obligations convertible into such shares are to be issued or delivered under the plan of merger, or the authorized unissued shares or the treasury shares of the surviving corporation to be issued or delivered under the plan of merger plus those initially issuable upon conversion of any other shares, securities or obligations to be issued or delivered under such plan do not exceed twenty percent (20%) of the shares of such constituent corporation outstanding immediately prior to the effective date of the merger; or

(d) No shares of such corporation shall have been issued prior to the adoption by the board of directors of the resolution approving the plan of merger or consolidation.

7. *Filing of merger plan*. If a plan of merger is adopted by the constituent corporation surviving the merger, by action of its board of directors and without any vote of its shareholders pursuant to Section 10.2.6, any officer or other authorized signatory of that corporation shall state such on the plan that the plan has been adopted pursuant to that section and:

(a) If it has been adopted pursuant to Sections 10.2.6(a), (b) and (c), that the conditions therein specified have been satisfied; or

(b) If it has been adopted pursuant to Sections 10.2.6(d), that no shares of such corporation were issued prior to the adoption by the board of directors of the resolution approving the plan of merger or consolidation,

and the plan adopted in accordance with Section 10.2.6 and these provisions shall then be filed with the Registrar or the Deputy Registrar and shall become effective in accordance with Section

1.4, and such filing shall constitute a representation by the person who executes the plan that the facts stated therein remain true immediately prior to such filing.

8. *Certificate of merger or consolidation*. In lieu of filing the articles of merger or consolidation required by Sections 10.2.4 and 10.2.5, the surviving or consolidated corporation shall file with the Registrar or the Deputy Registrar a certificate of merger or consolidation, executed in accordance with Section 1.4, which states:

(a) The name and jurisdiction of incorporation of each of the constituent corporations;

(b) That a plan of merger or consolidation has been approved and executed by each of the constituent corporations in accordance with Section 10.2;

(c) The name of the surviving or consolidated corporation;

(d) In the case of a merger, such amendments or changes in the articles of incorporation of the surviving corporation as are desired to be effected by the merger, or, if no such amendments or changes are desired, a statement that the articles of incorporation of the surviving corporation shall be the articles of incorporation;

(e) In the case of a consolidation, that the articles of incorporation of the consolidated corporation shall be as set forth in an attachment to the certificate;

(f) That the executed plan of merger or consolidation is on file at an office of the surviving corporation; and

(g) That a copy of the plan of merger or consolidation will be furnished by the surviving corporation, on request and without cost, to any shareholder of any constituent corporation.

9. *Shareholders entitled to consider plan where directors' approval terminated*. The terms of a plan of merger or consolidation may require that the plan be submitted to the shareholders

whether or not the board of directors determines at any time subsequent to declaring approval that the plan is no longer advisable and recommends that the shareholders reject it.

10. *Plan may be conditional*. Any of the terms of the plan of merger or consolidation may be made dependent upon facts ascertainable outside of such plan, provided that the manner in which such facts shall operate upon the terms of the plan is clearly and expressly set forth in the plan of merger or consolidation. The term "facts", as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

11. *Plan of merger or consolidation may be terminated*. Any plan of merger or consolidation may contain a provision that at any time prior to the time that the articles of merger or consolidation or the certificate of merger or consolidation filed with Registrar or the Deputy Registrar become effective in accordance with Section 1.4 the plan may be terminated by the board of directors of any constituent corporation notwithstanding approval of the plan by the shareholders of all or any of the constituent corporations, and in the event the plan of merger or consolidation is terminated after the filing of articles of merger or the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of termination of merger or consolidation shall be filed in accordance with Section 1.4.

12. *Plan of merger or consolidation may be amended*. Any plan of merger or consolidation may contain a provision that the boards of directors of the constituent corporations may amend the plan at any time prior to the time that the articles of merger or the certificate of merger or consolidation filed with the Registrar or the Deputy Registrar becomes effective in accordance with Section 1.4, provided that an amendment made subsequent to the adoption of the plan by the shareholders of any constituent corporation shall not alter or change:

(a) The amount or kind of shares, securities, cash, property and/or rights to be received in exchange for or on conversion of all or any of the shares of any class or series thereof of such constituent corporation;

(b) Any term of the articles of incorporation of the surviving corporation to be effected by the merger or consolidation; or

(c) Any of the terms and conditions of the plan if such alteration or change would adversely affect the holders of any class or series thereof of such constituent corporation,

and in the event the plan of merger or consolidation is amended after the filing of the articles of merger or the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of amendment of merger or consolidation shall be filed in accordance with Section 1.4.

13. *Liability of shareholder of former corporation*. The personal liability, if any, of any shareholder in a constituent corporation existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such shareholder and shall not become the liability of any subsequent transferee of any share in such surviving or consolidated corporation or of any other shareholder of such surviving or consolidated corporation.

14. *No vote of shareholders of public company required*. Notwithstanding the requirements of Section 10.2.3, unless expressly required by its articles of incorporation, no vote of shareholders of a constituent corporation that is a public company immediately prior to the execution of the plan of merger by such constituent corporation shall be necessary to authorize a merger if:

(a) The plan of merger expressly (i) permits or requires such merger to be effected under Section 10.2.14 and (ii) provides that such merger shall be effected as soon as practicable following the consummation of the offer referred to in Section 10.2.14(b) if such merger is effected under Section 10.2.14;

(b) A corporation consummates an offer for all of the outstanding stock of such constituent corporation on the terms provided in such plan of merger that, absent Section 10.2.14, would be entitled to vote on the adoption or rejection of the plan of merger; provided, however, that such offer may be conditioned on the tender of a minimum number or percentage of shares of the stock of such constituent

corporation, or of any class or series thereof, and such offer may exclude any excluded stock and provided further that the corporation may consummate separate offers for separate classes or series of the stock of such constituent corporation;

(c) Immediately following the consummation of the offer referred to in Section 10.2.14(b), the stock irrevocably accepted for purchase or exchange pursuant to such offer and received by the depository prior to expiration of such offer, together with the stock otherwise owned by the consummating corporation or its affiliates and any rollover stock, equals at least such percentage of the stock of such constituent corporation, and of each class or series thereof, that, absent Section 10.2.14, would be required to adopt the plan of merger by this Chapter and by the articles of incorporation of such constituent corporation;

(d) The corporation consummating the offer referred to in Section 10.2.14 merges with or into such constituent corporation pursuant to such agreement; and

(e) Each outstanding share (other than shares of excluded stock) of each class or series of stock of such constituent corporation that is the subject of and is not irrevocably accepted for purchase or exchange in the offer referred to in Section 10.2.14(b) is to be converted in such merger into, or into the right to receive, the same amount and kind of cash, property, rights or securities to be paid for shares of such class or series of stock of such constituent corporation irrevocably accepted for purchase or exchange in such offer.

(f) As used in Section 10.2.14 only, the terms;

(i) "***consummates***" (and with correlative meaning, "***consummation***" and "***consummating***") means irrevocably accepts for purchase or exchange stock tendered pursuant to an offer;

(ii) "***depository***" means an agent, including a depository, appointed to facilitate consummation of the offer referred to in Section 10.2.14(b);

(iii) "***Excluded stock***" means (i) stock of such constituent corporation that is owned at the commencement of the offer referred to in Section 10.2.14(b) by such constituent corporation, the corporation making the offer referred to in Section 10.2.14(b), any person that owns, directly or indirectly, all of the outstanding stock of the corporation making such offer, or any direct or indirect wholly-owned subsidiary of any of the foregoing and (ii) rollover stock;

(iv) "***received***" (solely for purposes of Section 10.2.14(c)) means (a) with respect to certificated shares, physical receipt of a stock certificate accompanied by an executed letter of transmittal, (b) with respect to uncertificated shares held of record by a clearing corporation as nominee, transfer into the depository's account by means of an agent's message, and (c) with respect to uncertificated shares held of record by a person other than a clearing corporation as nominee, physical receipt of an executed letter of transmittal by the depository; provided, however, that shares shall cease to be "received" (i) with respect to certificated shares, if the certificate representing such shares was canceled prior to consummation of the offer referred to in Section 10.2.14(b), or (ii) with respect to uncertificated shares, to the extent such uncertificated shares have been reduced or eliminated due to any sale of such shares prior to consummation of the offer referred to in Section 10.2.14(b); and

(v) "***Rollover stock***" means any shares of stock of such constituent corporation that are the subject of a written agreement requiring such shares to be transferred, contributed or delivered to the consummating corporation or any of its affiliates in exchange for stock or other equity interests in such consummating corporation or an affiliate thereof; provided, however, that such shares of stock shall cease to be rollover stock for purposes of Section 10.2.14(c) if, immediately prior to the time the merger becomes effective under this Chapter, such shares have not

been transferred, contributed or delivered to the consummating corporation or any of its affiliates pursuant to such written agreement.

15. If a plan of merger is adopted without the vote of shareholders of a corporation pursuant to Section 10.2.14, the officer fulfilling the role of secretary of the surviving corporation shall certify on the agreement that the agreement has been adopted pursuant to Section 10.2.14 and that the conditions specified in Section 10.2.14 (other than the condition listed in Section 10.2.14(d)) have been satisfied; provided that such certification on the agreement shall not be required if a certificate of merger is filed in lieu of filing a plan of merger. The agreement so adopted and certified shall then be filed with the Registrar or the Deputy Registrar. Such filing shall constitute a representation by the person who executes the agreement that the facts stated in the certificate remain true immediately prior to such filing.

Prior legislation: 1956 Code 4:31, 32, 33; Lib. Corp. L., 1948 §§ 31, 32, 33; 1976 Liberian Code of Laws Revised, Chapter 10, §10.2, amended effective June 19, 2002

§10.3. Merger of subsidiary corporations.

1. *Without approval of shareholders' authorization*. Any domestic corporation owning at least ninety percent (90%) of the outstanding shares of each class of another domestic corporation or corporations may merge such other corporation or corporations into itself without the authorization of the shareholders of any such corporation. Its board shall approve a plan of merger, setting forth:

(a) The name of each subsidiary corporation to be merged and the name of the surviving corporation, and if the name of any of them has been changed, the name under which it was formed;

(b) The designation and number of outstanding shares of each class of each subsidiary corporation to be merged and the number of such shares of each class owned by the surviving corporation;

(c) The terms and conditions of the proposed merger, including the manner and basis of converting the shares of each subsidiary corporation to be merged not owned by the surviving corporation, into shares, bonds or other securities of the

surviving corporation, or the cash or other consideration to be paid or delivered in exchange for shares at each subsidiary corporation, or a combination thereof;

(d) Such other provisions with respect to the proposed merger as the board considers necessary or desirable.

2. *Plan of merger*. A copy of such plan of merger or an outline of the material features thereof shall be delivered, personally or by mail, to all shareholders of record of each subsidiary corporation to be merged not owned by the surviving corporation, unless the giving of such copy or outline has been waived by such shareholders.

3. *Filing of articles of merger*. The surviving corporation shall deliver the articles of merger to the Registrar or the Deputy Registrar to be filed in accordance with Section 1.4. The articles of merger shall set forth:

(a) The plan of merger;

(b) The date when the articles of incorporation of each constituent corporation were filed with the Registrar or the Deputy Registrar;

(c) If the surviving corporation does not own all the shares of each subsidiary corporation to be merged, either the date of the giving to shareholders of record of each such subsidiary corporation not owned by the surviving corporation of a copy of the plan of merger or an outline of the material features thereof, or a statement that the giving of such copy or outline has been waived, if such is the case.

4. *Application of Section 10.2*. Section 10.2.8 and Sections 10.2.10 through 10.2.13 shall apply to a merger under Section 10.3.

Prior legislation: 1956 Code 4:34; Lib. Corp. L., 1948, §34; 1976 Liberian Code of Laws Revised, Chapter 10, §10.3, amended effective June 19, 2002

§10.4. Effect of merger or consolidation.

1. *When effective*. Upon the filing of the articles of merger or consolidation or the certificate of merger or consolidation with the Registrar or the Deputy Registrar or on such date subsequent thereto, not to exceed ninety (90) days, as shall be set forth in such articles of merger or consolidation, the merger or consolidation shall be effective.

2. *Effects stated*. When such merger or consolidation has been effected:

(a) The separate existence of all constituent corporations, or of all the constituent corporations except the one into which the other or others of such constituent corporations have been merged, as the case may be, shall cease and the constituent corporations shall become a new corporation or be merged into one of such corporations;

(b) The surviving or consolidated corporation shall thereafter, consistent with its articles of incorporation as altered or established by the merger or consolidation, possess all the rights, privileges, immunities, powers and purposes of each of the constituent corporations;

(c) All the property, real and personal, including subscriptions to shares, causes of action and every other asset of each of the constituent corporations, shall vest in such surviving or consolidated corporation without further act or deed;

(d) The surviving or consolidated corporation shall assume and be liable for all the liabilities, obligations and penalties of each of the constituent corporations. No liability or obligation due or to become due, claim or demand for any cause existing against any such corporation, or any shareholder, officer or director thereof, shall be released or impaired by such merger or consolidation. No action or proceeding, whether civil or criminal, then pending by or against any such constituent corporation, or any shareholder, officer or director thereof, shall abate or be discontinued by such merger or consolidation, but may be enforced, prosecuted, settled or compromised as if such merger or consolidation had not

occurred, or such surviving or consolidated corporation may be substituted in such action or special proceeding in place of any constituent corporation;

(e) In the case of a merger, the articles of incorporation of the surviving corporation shall be automatically amended to the extent, if any, that changes in its articles of incorporation are set forth in the plan of merger; and, in the case of a consolidation, the statements set forth in the articles of consolidation and which are required or permitted to be set forth in the articles of incorporation of a corporation formed under this Act, shall be its articles of incorporation;

(f) The constituent corporation which is not the surviving corporation or the consolidated corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets.

Prior legislation: 1956 Code 4:32, 36; Lib. Corp. L., 1948, §§32, 36; 1976 Liberian Code of Laws Revised, Chapter 10, §10.4, amended effective June 19, 2002

§10.5. Merger or consolidation of domestic and foreign corporations.

1. *Method*. One or more foreign corporations and one or more domestic corporations may be merged or consolidated with each other in the following manner, if such merger or consolidation is permitted by the laws of the jurisdiction under which each such foreign corporation is organized:

(a) Each domestic corporation shall comply with the provisions of this Act with respect to the merger or consolidation, as the case may be, of domestic corporations and each foreign corporation shall comply with the applicable provisions of the laws of the jurisdiction under which it is organized;

(b) If the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign corporations if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(i) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any domestic corporation which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such domestic corporation against the surviving or consolidated corporation;

(ii) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(iii) An undertaking that it will promptly pay to the dissenting shareholders of any such domestic corporation the amount, if any, to which they shall be entitled under the provisions of this Act with respect to the rights of dissenting shareholders; and

(iv) Notice executed in accordance with Section 1.4 by any officer or any authorized signatory of the surviving or consolidated corporation that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

2. *Effect*. The effect of such merger or consolidation shall be the same as in the case of the merger or consolidation of domestic corporations if the surviving or consolidated corporation is to be governed by the laws of Liberia. If the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of domestic corporations except insofar as the laws of such other jurisdiction provide otherwise.

3. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated corporation is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

4. *Merger of subsidiary corporation*. The procedure for the merger of a subsidiary corporation or corporations under Section 10.3 shall be available where either a subsidiary corporation or the corporation owning at least ninety percent (90%) of the outstanding shares of

each class of a subsidiary is a foreign corporation, and such merger is permitted by the laws of the jurisdiction under which such foreign corporation is incorporated.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 10, §10.5, amended effective June 19, 2002

§10.5. A. Merger or consolidation of Liberian corporation, partnership and limited partnership.

1. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more partnerships or limited partnerships, formed under this Act, or in another jurisdiction, unless the laws of such other jurisdiction forbid such merger or consolidation. Such one or more Liberian corporations and such one or more constituent partnerships or limited partnerships may merge with or into a corporation, which may be any one of such corporations, or they may merge with or into a partnership or limited partnership, which may be any one of such partnerships or limited partnerships, or they may consolidate into a new corporation or a partnership or limited partnership formed by the consolidation, which shall be a Liberian corporation or a partnership or limited partnership formed under this Act or a partnership or limited partnership formed under the laws of another jurisdiction which permits such merger or consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying and approved in accordance with Section 10.5A.

2. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and the provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated corporation whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the partnership interests of the constituent partnership or limited partnership into shares and other securities of the surviving or consolidated corporation, or partnership interests of the surviving or consolidated partnership or limited partnership, as the case may be; and

(b) If any shares of any constituent corporation or any partnership interests of any constituent partnership or limited partnership are not to be converted solely into shares or other securities of the surviving or consolidated corporation, or partnership interests of the surviving or consolidated partnership or limited partnership, the cash or other consideration to be paid or delivered, in the case of a constituent corporation, in exchange for shares of that constituent corporation, and, in the case of a constituent partnership or limited partnership, in exchange for partnership interests.

3. *Additional matters in respect of surviving or consolidated foreign partnerships or limited partnerships*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in partnership or limited partnership agreements by the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated partnership or limited partnership and that can be stated in the case of a merger or consolidation.

4. *Method in respect of constituent partnerships or limited partnerships and surviving or consolidated partnerships or limited partnerships formed under this Act*. The plan of merger or consolidation required by Section 10.5A shall be approved, and executed by each constituent partnership formed under Chapter 30 or limited partnership formed under Chapter 31 in accordance with the partnership or limited partnership agreement and, in the case of a surviving or consolidated partnership or limited partnership formed under that Chapter, the requirements of that Chapter in respect of filing of a certificate shall be read to require the filing of a certificate in accordance with Chapter 30 in the case of a surviving partnership if so required by Chapter 30, or the filing of a certificate in accordance with Chapter 31, in the case of a surviving limited partnership, setting out the changes in the matters contained in the certificate as a result of the merger, and in the case of a consolidated partnership or limited partnership, filing as required by that section.

5. *Method to be followed by constituent or consolidated foreign partnerships or limited partnerships*. Each constituent or consolidated foreign partnership or limited partnerships shall comply with the applicable laws of the jurisdiction under which it is organized.

6. *Additional filing where surviving or consolidated partnership or limited partnership governed by laws of another jurisdiction*. If the surviving or consolidated partnership or limited partnership is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation, partnership or limited partnership formed under this Act which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder or partner of any such Liberian corporation, partnership or limited partnership against the surviving or consolidated partnership or limited partnership;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder or partner of any such Liberian corporation, partnership or limited partnership formed under this Act the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated partnership or limited partnership that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

7. *Effect*. The effect of a merger or consolidation under Section 10.5A and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with partnerships or limited partnerships formed under this Act if the surviving or consolidated corporation, partnership or limited partnership is to be governed by the laws of Liberia. If the surviving or consolidated partnership or limited partnership is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or

consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with partnerships or limited partnerships formed under this Act except insofar as the laws of such other jurisdiction provide otherwise.

8. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated partnership or limited partnership is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

9. *Application of Other Sections*. The provisions of Chapter 30 or Chapter 31 shall apply to a surviving or consolidated partnership or limited partnership, respectively.

10. *Liability of partner in former partnership or limited partnership*. The personal liability, if any, of any partner in a constituent partnership or limited partnership existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such partner and shall not become the liability of any subsequent transferee of any share or partnership interest in such surviving or consolidated corporation, partnership or limited partnership or of any other shareholder or partner of such surviving or consolidated corporation, partnership or limited partnership as the case may be.

Effective: June 19, 2002

§10.5. B. Merger or consolidation of Liberian corporation and limited liability company.

1. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more limited liability companies, formed under Chapter 14, or in another jurisdiction, unless the laws of such other jurisdiction forbid such merger or consolidation. Such one or more Liberian corporations and such one or more limited liability companies may merge with or into a corporation, which may be any one of such corporations, or they may merge with or into a limited liability company, which may be any one of such limited liability companies, or they may consolidate into a new corporation, or into a limited liability company, formed by the consolidation, which may be a Liberian corporation, or limited liability company formed under Chapter 14, or limited liability company formed in another jurisdiction which permits such

merger or consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying and approved in accordance with this Section 10.5B.

2. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated corporation whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the limited liability company interests of the constituent limited liability company into shares or other securities of the surviving or consolidated corporation, or limited liability company interests of the surviving or consolidated limited liability company, as the case may be; and

(b) If any shares of any constituent corporation or limited liability company interests of any constituent limited liability company are not to be converted solely into shares or other securities of the surviving or consolidated corporation or limited liability company interests of the surviving limited liability company, the cash or other consideration to be paid or delivered, in the case of a constituent corporation and, in the case of a constituent limited liability company, in exchange for limited liability company interests.

3. *Additional matters in respect of surviving or consolidated foreign limited liability companies*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in limited liability company agreements by the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated limited liability company and that can be stated in the case of a merger or consolidation.

4. *Method in respect of constituent limited liability companies and surviving or consolidated limited liability companies formed under Chapter 14*. The plan of merger or consolidation required by Section 10.5B shall be approved and executed by each constituent

limited liability company formed under Chapter 14 in accordance with the limited liability company agreement and, in the case of a surviving or consolidated limited liability company formed under that Chapter, the requirements of that Chapter in respect of filing of a certificate shall be read to require the filing of a certificate in accordance with Section 14.2.1, in the case of a surviving limited liability company setting out the changes in the matters contained in the certificate as a result of the merger, and in the case of a consolidated limited liability company, filing as required by that section.

5. *Method to be followed by constituent or consolidated foreign limited liability companies*. Each constituent or consolidated foreign limited liability company shall comply with the applicable laws of the jurisdiction under which it is organized.

6. *Additional filing where surviving or consolidated corporation or limited liability company governed by laws of another jurisdiction*. If the surviving or consolidated limited liability company is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation or limited liability company formed under this Act which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such Liberian corporation or member or manager of any limited liability company against the surviving or consolidated limited liability company;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder of any such Liberian corporation or member or manager of any limited liability company formed under this Act the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated limited liability company that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

7. *Effect*. The effect of a merger or consolidation under Section 10.5B and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with limited liability companies formed under this Act if the surviving or consolidated corporation or the surviving or consolidated limited liability company is to be governed by the laws of Liberia. If the surviving or consolidated limited liability company is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with limited liability companies formed under this Act except insofar as the laws of such other jurisdiction provide otherwise.

8. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated limited liability company is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

9. *Application of Chapter 14*. The provisions of Chapter 14 shall apply to a surviving or consolidated limited liability company.

10. *Liability of member or manager of former limited liability company*. The personal liability, if any, of any member or manager of a constituent limited liability company existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such member or manager and shall not become the liability of any subsequent transferee of any share in such surviving or consolidated corporation or of any membership or managership of such surviving or consolidated limited liability company or of any other shareholder of such surviving or consolidated corporation or member or manager of such surviving or consolidated limited liability company, as the case may be.

Effective: June 19, 2002

§10.5. C. Merger or consolidation of Liberian corporation and foundation.

1. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more private foundations registered under Chapter 60, or foundations established in another jurisdiction, unless the laws of such other jurisdiction forbid such merger or consolidation. Such one or more Liberian corporations and such one or more foundations may merge with or into a corporation, which may be any one of such corporations, or they may merge with or into a foundation, which may be any one of such foundations, or they may consolidate into a new corporation or foundation formed by the consolidation, which shall be a Liberian corporation or private foundation formed or registered under this Act or foundation formed under the laws of another jurisdiction which permits such merger or consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying and approved in accordance with Section 10.5C.

2. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and the provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated corporation whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the assets of the constituent foundation into shares or other securities of the surviving or consolidated corporation, or assets of the surviving or consolidated foundation, as the case may be; and

(b) If any shares of any constituent corporation or assets of any constituent foundation are not to be converted solely into shares or other securities of the surviving or consolidated corporation or assets of the surviving or consolidated foundation, the cash or other consideration to be paid or delivered, in the case of a constituent corporation, in exchange for shares of that constituent corporation, and, in the case of a constituent foundation, in exchange for assets.

3. *Additional matters in respect of surviving or consolidated foreign foundations*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in memorandum of endowment and management articles of foundations by the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated foundation and that can be stated in the case of a merger or consolidation.

4. *Method in respect of constituent private foundations and surviving or consolidated foundations formed under this Act*. The plan of merger or consolidation required by Section 10.5C shall be approved and executed by each constituent private foundation registered under Chapter 60 in accordance with the memorandum of endowment of the foundation and, in the case of a surviving or consolidated private foundation formed under that Chapter, the requirements of that Chapter in respect of registration shall be read to require the registration of an amendment to the memorandum of endowment in accordance with Section 60.50, in the case of a surviving private foundation, setting out the changes in the matters contained in the memorandum as a result of the merger, and in the case of a consolidated private foundation, registration as required by that Chapter.

5. *Method to be followed by constituent and consolidated foreign foundations*. Each constituent or consolidated foreign foundation shall comply with the applicable laws of the jurisdiction under which it is organized.

6. *Additional filing where surviving or consolidated foundation governed by laws of another jurisdiction*. If the surviving or consolidated foundation is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation or private foundation formed under this Act which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such Liberian corporation or donor, officer, member

of supervisory board, or beneficiary of any such private foundation against the surviving or consolidated foundation;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder of any such Liberian corporation or donor, officer, member of supervisory board, or beneficiary of any such private foundation formed under this Act the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated foundation that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

7. *Effect*. The effect of a merger or consolidation under Section 10.5C and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with private foundations registered under this Act if the surviving or consolidated corporation or private foundation is to be governed by the laws of Liberia. If the surviving or consolidated foundation is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with private foundations formed under this Act except insofar as the laws of such other jurisdiction provide otherwise.

8. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated foundation is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

9. *Application of Chapter 60*. The provisions of Chapter 60 shall apply to a surviving or consolidated private foundation formed under Chapter 60.

10. *Liability of officer of former private foundation*. The personal liability, if any, of any officer in a constituent private foundation existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such officer and shall not become the liability of any subsequent transferee of any share or officership in such surviving or consolidated corporation or foundation or of any other shareholder or officer of such surviving or consolidated corporation or foundation, as the case may be.

Effective: June 19, 2002

§10.5. D. Merger or consolidation of Liberian corporation and other associations.

1. *Definitions*. In this Section 10.5.D only:

"***Association***" includes any association, partnership, trust or other entity having legal personality or registered as a legal entity under the laws of Liberia or elsewhere and whether formed by agreement or under statutory authority or otherwise, but does not include a corporation, by whatever name described, limited partnership, limited liability company, or foundation; and

"***Shareholder***" includes every member or partner of such an association or holder of a share or person having present or future direct financial or beneficial interest therein.

2. *Power to merge or consolidate*. One or more Liberian corporations may merge or consolidate with one or more associations, except an association formed under the laws of a jurisdiction which forbids such merger or consolidation. Such Liberian corporations and such one or more associations may merge into a single corporation or association, which may be any one of such corporations or associations, or may consolidate into a new corporation or association established in Liberia or elsewhere, pursuant to a plan of merger or consolidation, as the case may be, complying with and approved in accordance with Section 10.5D. The surviving or consolidated entity may be organized for profit or not organized for profit.

3. *Method in respect of constituent corporations*. In the case of a constituent Liberian corporation, the provisions of Sections 10.2.2 to 10.2.5 and 10.2.8 to 10.2.12 shall apply, and the provisions of Sections 10.2.5 and 10.2.8 to 10.2.12 shall apply to a surviving or consolidated

association whether or not Liberian, with the variation that the plan of merger or consolidation of each constituent Liberian corporation shall state:

(a) The manner of converting the shares of the constituent corporation and the shares, memberships or financial or beneficial interests in the constituent association into shares, or other securities of the surviving or consolidated corporation, or shares, memberships or financial or beneficial interests of the surviving or consolidated association, as the case may be; and

(b) If any shares of any constituent corporation or shares, memberships or financial or beneficial interests in any constituent association are not to be converted solely into shares or other securities of the surviving or consolidated corporation or shares, memberships or financial or beneficial interests in the surviving or consolidated association, the cash or other consideration to be paid or delivered, in the case of a constituent corporation, in exchange for shares of that constituent corporation, and, in the case of a constituent association, in exchange for shares, memberships or financial or beneficial interests in the association, as the case may be.

4. *Additional matters in respect of surviving or consolidated foreign associations*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in instruments by which an association is organized in the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated association and that can be stated in the case of a merger or consolidation.

5. *Method in respect of constituent associations and surviving or consolidated associations organized in Liberia*. The plan of merger or consolidation required by Section 10.5D shall be approved and executed by each constituent association organized or registered in Liberia and, in the case of a surviving or consolidated association organized or registered in Liberia filed by that association in accordance with the relevant statutory requirements.

6. *Method to be followed by constituent and surviving or consolidated foreign associations*. Each constituent and each surviving or consolidated foreign association shall comply with the applicable laws of the jurisdiction under which it is organized.

7. *Additional filing where surviving or consolidated association governed by laws of another jurisdiction*. If the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any Liberian corporation or association organized or registered in Liberia which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting shareholder of any such Liberian corporation or shareholder of any association against the surviving or consolidated association;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting shareholder of any such Liberian corporation or shareholder of any such association organized or registered in Liberia the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 by any officer or other authorized signatory of the surviving or consolidated association that the merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

8. *Effect*. The effect of a merger or consolidation under Section 10.5D and having one or more foreign constituent entities shall be the same as in the case of the merger or consolidation of Liberian corporations with associations organized or registered in Liberia if the surviving or consolidated corporation or association is to be governed by the laws of Liberia. If the surviving

or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of Liberian corporations with associations organized or registered in Liberia except insofar as the laws of such other jurisdiction provide otherwise.

9. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

10. *Liability of shareholder of former association*. The personal liability, if any, of any shareholder of a constituent association existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such shareholder and shall not become the liability of any subsequent transferee of any share in such surviving or consolidated corporation or association or of any other shareholder of such surviving or consolidated corporation or association.

Effective: June 19, 2002

§10.6. Sale, lease, exchange or other disposition of assets.

1. *Method of authorizing*. A sale, lease, exchange or other disposition of all or substantially all the assets of a corporation, if not made in the usual or regular course of the business actually conducted by such corporation, shall be authorized only in accordance with the following procedure:

(a) The board shall approve the proposed sale, lease, exchange or other disposition and direct its submission to a vote of the shareholders.

(b) Notice of meeting shall be given to each shareholder of record, whether or not entitled to vote.

(c) At such meeting the shareholders may authorize such sale, lease, exchange or other disposition and may fix or may authorize the board to fix any or all terms and conditions thereof and the consideration to be received by the corporation therefor. Such authorization shall require the affirmative vote of the holders of a

majority of the shares of the corporation entitled to vote thereon, and, except in the case of a corporation incorporated, reregistered or re-domiciled prior to the effective date of the 2020 Amendment Act, the vote shall be two-thirds of the shares of the corporation entitled to vote thereon unless the articles of incorporation of any such corporation provide otherwise, unless any class of shares is entitled to vote thereon as a class, in which event such authorization shall require the affirmative vote of the holders of a majority of the shares of each class of shares entitled to vote as a class thereon and of the total shares entitled to vote thereon.

2. *Mortgage or pledge of corporate property*. The board may authorize any mortgage or pledge of, or the creation of a security interest in, all or any part of the corporate property, or any interest therein, wherever situated. Unless the articles of incorporation provide otherwise, no vote or consent of shareholders shall be required to authorize such action by the board.

3. *Subsidiary*. For purposes of Section 10.6 only, the property and assets of the corporation include the property and assets of any subsidiary of the corporation. As used in Section 10.6.3 and Section 10.7.2, "subsidiary" means any entity wholly-owned and controlled, directly or indirectly, by the corporation and includes, without limitation, corporations, partnerships, limited partnerships, limited liability companies, trusts and other business entities. The provisions of Section 10.6 shall not apply, unless the articles of incorporation so provide, to the sale, lease, exchange or other disposition by the corporation to its subsidiary.

Prior legislation: 1956 Code 4:30; Lib. Corp. L., 1948, §30.

§10.7. Right of dissenting shareholder to receive payment for shares.

1. Any shareholder of a corporation shall have the right to dissent from any of the following corporate actions and receive payment of the fair value of his shares:

(a) Any plan of merger or consolidation to which the corporation is a party;

(b) Any sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation not made in the usual and regular course of

its business, including a sale in dissolution, but not including a sale pursuant to an order of a court having jurisdiction in the premises or a sale for cash on terms requiring that all or substantially all the net proceeds of sale be distributed to the shareholders in accordance with their respective interests within one year after the date of sale; or

(c) Any re-domiciliation or de-registration and reregistration as another legal entity.

2. The provisions of Section 10.7 shall not apply to any corporation incorporated, reregistered or re-domiciled on or after the effective date of the 2020 Amendment Act and which is a public company with regard to its voting equity, at the record date fixed to determine the shareholders entitled to receive notice of a meeting of shareholders to act upon (1) a plan of merger or consolidation, (2) an agreement for the sale, lease, exchange or other disposition of all or substantially all of the property and assets of the corporation not made in the usual and regular course of its business or (3) any re-domiciliation or de-registration and reregistration as another legal entity. The provisions of Section 10.7 shall not apply, unless the articles of incorporation so provide, to the sale, lease, exchange or other disposition by the corporation to its subsidiary.

Prior legislation: 1956 Code 4:30; Lib. Corp. L., 1948, §§30, 32; 1976 Liberian Code of Laws Revised, Chapter 10, §10.7, amended effective June 19, 2002

§10.8. Procedure to enforce shareholder's right to receive payment for shares.

1. *Objection by shareholder to proposed corporate action*. A shareholder intending to enforce rights under Section 9.7 or 10.7 to receive payment for shares if the proposed corporate action referred to therein is taken shall file with the corporation, before the meeting of shareholders at which the action is submitted to a vote, or at such meeting but before the vote, written objection to the action. The objection shall include a statement that the shareholder intends to demand payment for the shares if the action is taken. Such objection is not required from any shareholder to whom the corporation did not give notice of such meeting in accordance with this Act or where the proposed action is authorized by written consent of the shareholders without a meeting.

2. *Notice by corporation to shareholders of authorized action*. Within twenty (20) days after the shareholders' authorization date, which term as used in Section 10.8 means the date on which the shareholders' vote authorizing such action was taken, or the date on which such consent without a meeting was obtained from the requisite shareholders, the corporation shall give written notice of such authorization or consent by registered mail, email, facsimile or other electronic transmission to each shareholder who filed written objection or from whom written objection was not required, excepting any who voted for or consented in writing to the proposed action.

3. *Notice by shareholder of election to dissent*. Within twenty (20) days after giving notice, any shareholder to whom the corporation was required to give such notice and who elects to dissent shall file with the corporation a written notice of such election, stating the name and residence address, the number and classes of shares as to which the shareholder dissents, and a demand for payment of the fair value of the shares.

4. *Dissent as to fewer than all shares*. A shareholder may not dissent as to fewer than all the shares of record held by him, and which he owns beneficially. A nominee or fiduciary may not dissent on behalf of any beneficial owner as to fewer than all the shares of such owner held of record by such nominee or fiduciary.

5. *Effect of filing notice of election to dissent*. Upon filing a notice of election to dissent, the shareholder shall cease to have any of the rights of a shareholder except the right to be paid the fair value of his shares.

6. *Offer by corporation or other surviving or consolidated entity, or by re-domiciled corporation or reregistered legal entity to dissenting shareholder to pay for shares*. Within seven (7) days after the expiration of the period within which shareholders may file their notices of election to dissent, or within seven (7) days after the proposed corporate action is consummated, whichever is later, the corporation or, in the case of a merger or consolidation, the surviving or consolidated corporation or other entity, or in the case of re-domiciliation, the re-domiciled corporation or in the case of de-registration the reregistered entity, shall make a written offer by registered mail to each shareholder who has filed such notice of election to pay for his shares at a specified price which the offering entity considers to be their fair value. If within thirty (30) days

after the making of such offer, the offering entity and any shareholder agree upon the price to be paid for his shares, payment therefor shall be made within thirty (30) days after the making of such offer upon the surrender of the certificates representing such shares.

7. *Procedure on failure of corporation or other entity to pay dissenting shareholder*. The following procedures shall apply if the corporation or other entity fails to make such offer within such period of seven (7) days, or if it makes the offer and any dissenting shareholder fails to agree with it within the period of thirty (30) days thereafter upon the price to be paid for shares owned by such shareholder:

(a) The corporation or other legal entity shall, within twenty (20) days after the expiration of whichever is applicable of the two periods last mentioned, institute a special proceeding in a Liberian court of competent jurisdiction or any other court of competent jurisdiction in which the corporation or other entity maintains offices to determine the rights of dissenting shareholders and to fix the fair value of their shares. If, in the case of merger, consolidation, re-domiciliation or reregistration the offering entity is a foreign entity without an office in Liberia, such proceeding shall be brought in the country where the office of the domestic corporation or other entity, whose shares are to be valued, was located or any other court of competent jurisdiction;

(b) If the corporation or other entity fails to institute such proceedings within such period of twenty (20) days, any dissenting shareholder may institute such proceeding for the same purpose not later than thirty (30) days after the expiration of such twenty (20) day period. If such proceeding is not instituted within such thirty (30) day period, all dissenter's rights shall be lost unless the relevant court, for good cause shown, shall otherwise direct;

(c) All dissenting shareholders, excepting those who, as provided in Section 10.8.6, have agreed with the corporation or other entity upon the price to be paid for their shares, shall be made parties to such proceeding, which shall have the effect of an action quasi in rem against their shares. The corporation or other entity shall serve

a copy of the petition in such proceeding upon each dissenting shareholder in the manner provided by law for the service of a summons;

(d) The court shall determine whether each dissenting shareholder, as to whom the corporation or other entity requests the court to make such a determination, is entitled to receive payment for his shares. If the corporation or other entity does not request any such determination or if the court finds that any dissenting shareholder is so entitled, it shall proceed to fix the value of the shares, which, for the purposes of Section 10.8, shall be the fair value as of the close of business on the day prior to the shareholder's authorization date, excluding any appreciation or depreciation directly or indirectly induced by such corporate action or its proposal. The court may, if it so elects, appoint an appraiser to receive evidence and recommend a decision on the question of fair value; and

(e) The final order in the proceeding shall be entered against the corporation or other entity in favor of each dissenting shareholder who is a party to the proceeding and is entitled thereto for the value of his shares so determined. Within sixty (60) days after the final determination of the proceeding, the corporation or other entity shall pay to each dissenting shareholder the amount found to be due him, upon surrender of the certificates representing his shares, unless such shares are uncertificated in which case such surrender shall not be required.

8. *Disposition of shares acquired by the corporation or other entity*. Shares acquired by the corporation or other entity upon the payment of the agreed value therefor or of the amount due under the final order, as provided in Section 10.8, shall become treasury shares or be cancelled except that, in the case of a merger, consolidation or reregistration, they may be held and disposed of as the plan of merger, consolidation or deregistration and reregistration may otherwise provide.

9. *Right to receive payment by dissenting shareholder as exclusive*. The enforcement by a shareholder of his right to receive payment for his shares in the manner provided herein shall exclude the enforcement by such shareholder of any right to which he might otherwise be entitled by virtue of share ownership, except that Section 10.8.9 shall not exclude the right of

such shareholder to bring or maintain an appropriate action to obtain relief on the ground that such corporate action will be or is illegal or fraudulent as to such shareholder.

Prior legislation: 1956 Code 4:41; Lib. Corp. L., 1948, §41; 1976 Liberian Code of Laws Revised, Chapter 10, §10.8, amended effective June 19, 2002

§10.9. Power of corporation to re-domicile into Liberia.

1. *Application of section*. This Section 10.9 shall apply to a corporation or other legal entity, referred to in Section 10.9 as a "***corporation***", which is established outside Liberia and re-domiciles into Liberia as a Liberian corporation.

2. *Eligibility to apply to establish domicile in Liberia as a Liberian corporation*. A corporation domiciled outside Liberia may, if not prohibited to do so by its constitutional documents, apply to establish domicile in Liberia as a Liberian corporation. The re-domiciliation shall be approved in the manner provided for in the constitutional documents governing the corporation seeking to establish domicile in Liberia and the conduct of its business and by applicable non-Liberian law, as appropriate, and articles of incorporation shall be approved by the same authorization required to approve the re-domiciliation.

3. *Filing requirements to establish domicile in Liberia as a Liberian corporation*. A corporation seeking to establish domicile in Liberia as a Liberian corporation shall file with the Registrar or the Deputy Registrar:

(a) A certificate of application setting out:

(i) The name of the corporation, and, if the name has been changed, the name with which the corporation was established, and the name, if different, under which re-domiciliation as a Liberian corporation is sought;

(ii) The date of establishment of the corporation, and if registered, the date of registration;

(iii) The jurisdiction of establishment of the corporation;

(iv) The date on which it is proposed to re-domicile as a Liberian corporation;

(v) That the re-domiciliation has been approved in accordance with the relevant law and the constitutional documents of the corporation;

(vi) Confirmation by any officer or other authorized signatory of the corporation that no proceedings for insolvency or dissolution have been commenced with respect to the corporation in the jurisdiction in which it is established; and

(vii) Such other provisions with respect to the proposed re-domiciliation as a Liberian corporation as the governing body of the corporation considers necessary or desirable;

(b) Where the corporation is registered in the jurisdiction in which it is established, a certificate of good standing in respect of the corporation issued by the competent authority in that jurisdiction or other evidence to the satisfaction of the Registrar or the Deputy Registrar that the corporation is in compliance with registration requirements of that jurisdiction; corporation is established, that reference shall, in respect of a corporation domiciled in a jurisdiction other than that in which it is established, be read to mean the jurisdiction of domicile.

(c) Any amendments to the constitutional documents of the corporation that are to take effect on the registration of the corporation as a Liberian corporation so that the constitutional documents accord with this Act;

(d) Articles of incorporation in accordance with Section 4.4 which are to be the articles of incorporation of the Liberian corporation;

(e) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment; and

(f) Where in Section 10.9 there is reference to the jurisdiction in which the corporation is established, that reference shall, in respect of a corporation domiciled in a jurisdiction other than that in which it is established, be read to include a reference to the jurisdiction of domicile; and

(g) The provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 shall apply, with the variation that execution shall be by any officer or other authorized signatory for this purpose.

4. *Name of corporation on re-domiciliation*. The provisions of Section 4.2 shall apply in respect of the name in which a corporation may apply to re-domicile as a Liberian corporation.

5. *Re-domiciliation into Liberia*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation as a Liberian corporation have been met, certify that the corporation has established domicile in Liberia and has existence as the Liberian corporation specified in the documents supplied in compliance with Section 10.9.3, in accordance with those documents on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.9.6 applies, on the specified date.

6. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) or any other provisions of this Act, where, at the time of the making of an application under Section 10.9.3, the corporation applying for re-domiciliation as a Liberian corporation has specified a date (in this Section 10.9 referred to as "the specified date") no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

7. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.9.5 in respect of any re-domiciled corporation shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the corporation is authorized to be so re-domiciled;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.9.6 applies, from the specified date, unless endorsed in accordance with Section 10.9.9.

8. *Obligation to amend the constitutional documents of the corporation*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of re-domiciliation in accordance with Section 10.9.5, any provisions of the constitutional documents of the corporation do not, in any respect, accord with this Act:

(a) The constitutional documents of the corporation shall continue to govern the re-domiciled corporation until:

(i) The articles of incorporation complying with this Act are in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate or, in the case of a certificate to which Section 10.9.6 applies, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the corporation that are in any respect in conflict with this Act cease to govern the re-domiciled corporation when the articles of incorporation in accordance with this Act are in effect.

9. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.9.6 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

the Registrar or the Deputy Registrar is satisfied that:

(c) The re-domiciled corporation has ceased to be a corporation under the relevant provisions of the law in the jurisdiction in which it was established; and

(d) The articles of incorporation, if any, accord in all respects with this Act and the objects of the re-domiciled corporation,

he may, on the application of the re-domiciled corporation to which the certificate has been issued endorse that certificate to the effect that the re-domiciled corporation is from the date of the endorsement to be deemed to be re-domiciled and in existence in Liberia under this Act and that shall be the effective date of re-domiciliation and the provisions of Section 1.4.7 shall apply.

10. *Failure to complete re-domiciliation and registration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.9.5 or, in the case of a certificate to which Section 10.9.6 applies, following the specified date, the re-domiciled corporation has not satisfied the Registrar or the Deputy Registrar that:

(a) It has ceased to be a corporation under the relevant provisions of the law in the jurisdiction in which it was established; and

(b) The articles of incorporation, if any, accord in all respects with this Act and the objects of the corporation as a Liberian corporation,

the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.9.5; and

(c) That certificate and any re-domiciliation under Section 10.9 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the re-domiciled corporation from the register.

11. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The Liberian corporation to which the certificate relates:

(i) Is a corporation re-domiciled and deemed to be incorporated in Liberia under this Act and having as its existence date the date on which it was established in another jurisdiction; and

(ii) Shall be a corporation incorporated in Liberia for the purpose of any other law;

(b) The articles of incorporation of the corporation as filed in accordance with Section 10.9.3(d) are the articles of incorporation of the Liberian corporation;

(c) The property of every description and the business of the corporation are vested in the Liberian corporation;

(d) The Liberian corporation is liable for all of the claims, debts, liabilities and obligations of the corporation;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the corporation or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings, whether civil or criminal, pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the corporation or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the Liberian corporation or against the officer or agent thereof, as the case may be;

(g) Unless otherwise provided in a resolution approving the re-domiciliation in accordance with the relevant law and the constitutional documents of the corporation, the corporation re-domiciling as a Liberian corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the re-domiciliation shall constitute a continuation of the existence of the re-domiciling corporation as the Liberian corporation and shall not:

(i) Constitute a dissolution of the corporation;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the Liberian corporation as a re-domiciled corporation.

Effective: June 19, 2002.

§10.10. Power of corporation to re-domicile out of Liberia.

1. *Application of section*. This Section 10.10 shall apply to a corporation incorporated or deemed to be incorporated in Liberia which re-domiciles into another jurisdiction.

2. *Eligibility to apply to establish domicile in another jurisdiction; Vote*. A Liberian corporation may, if not prohibited to do so by its articles of incorporation, apply to establish domicile outside Liberia in another jurisdiction. Re-domiciliation of a Liberian corporation may be authorized by vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders or by written consent

3. *Application to establish domicile in another jurisdiction*. An application by a Liberian corporation to establish domicile outside Liberia in another jurisdiction and to cease to be a Liberian corporation shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate of application for re-domiciliation setting out:

(i) The name of the Liberian corporation, and, if the name has been changed, the name with which the Liberian corporation was established, and the name, if different, under which registration as a re-domiciled corporation is sought;

(ii) The date of existence of the Liberian corporation;

(iii) The jurisdiction to which the Liberian corporation proposes to re-domicile and the name and address of the competent authority in that jurisdiction;

(iv) The date on which the Liberian corporation proposes to re-domicile;

(v) The address for service of the corporation in the jurisdiction of re-domiciliation;

(vi) That the proposed re-domiciliation has been approved in accordance with Section 10.10.2 and the articles of incorporation of the Liberian corporation;

(vii) Confirmation by any officer or other authorized signatory of the Liberian corporation that at the date of re-domiciliation the Liberian corporation will have done everything required by this Act preparatory to re-domiciliation in another jurisdiction and that, on re-domiciliation in the other jurisdiction, the Liberian corporation will cease to be a corporation domiciled in Liberia;

(viii) Confirmation by an officer or other authorized signatory of the Liberian corporation that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the Liberian corporation; and

(ix) Such other provisions with respect to the proposed re-domiciliation as the shareholders consider necessary or desirable;

(b) A certificate of good standing in respect of the Liberian corporation issued by the Registrar or the Deputy Registrar;

(c) The address of the registered agent in Liberia which shall be retained during the period of one (1) year or such longer period until the Liberian corporation has been deemed to be a corporation domiciled in the other jurisdiction, and evidence of acceptance of the appointment by the registered agent; and

(d) Any amendments to the articles of incorporation that are to take effect on the registration of the re-domiciled corporation in the other jurisdiction,

and the provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 shall apply.

4. *Consent to establish domicile in another jurisdiction*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation to another jurisdiction have been met:

(a) Certify that the Liberian corporation is permitted to establish domicile in the jurisdiction specified in the documents supplied in compliance with Section 10.10.3, in accordance with those documents, and that it may cease to be registered in Liberia on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.10.5 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a Liberian corporation to which a certificate has been issued under Section 10.10 the fact of the issue of the certificate,

and the provisions of Section 1.4.7 shall apply.

5. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) or any other provisions of this Act, where, at the time of making an application under Section 10.10.3, the Liberian corporation applying for re-domiciliation has specified a date (in Section 10.10 referred to as "the specified date") no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

6. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.10.4(a) in respect of any Liberian corporation shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the corporation is authorized to be so re-domiciled; and

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.10.5 applies, from the specified date, unless endorsed in accordance with Section 10.10.7.

7. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.10.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

if the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate of continuation, or a similar instrument executed by the governing body of the re-domiciled corporation, that the corporation has become a corporation under the relevant provisions of the law in the jurisdiction specified in the certificate of re-domiciliation, he may endorse the certificate of re-domiciliation to the effect that the corporation is from the date of the endorsement to be deemed to be re-domiciled and no longer registered in Liberia under this Act and that shall be the effective date of re-domiciliation.

8. *Failure to complete re-domiciliation*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.10.4(a) or, in the case of a certificate to which Section 10.10.5 applies, following the specified date, the Liberian corporation has not satisfied the Registrar or the Deputy Registrar that it has become a corporation under the relevant provisions of the law in the jurisdiction to which it proposed to re-domicile, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.10.4(a), and:

(a) That certificate and any re-domiciliation under this Section 10.10 shall be of no further force or effect; and

(b) The Liberian corporation shall continue as a Liberian corporation in Liberia under the provisions of this Act.

9. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The corporation to which the certificate relates shall cease to be:

(i) A Liberian corporation registered in Liberia under this Act; and

(ii) A Liberian corporation registered in Liberia for the purpose of any other law;

(b) The articles of incorporation of the re-domiciled corporation (or other constitutional documents of the corporation), as amended by the resolution or equivalent document establishing domicile in the other jurisdiction, are the articles of incorporation of the re-domiciled corporation;

(c) The property of every description and the business of the Liberian corporation are vested in the re-domiciled corporation;

(d) The re-domiciled corporation is liable for all of the claims, debts, liabilities and obligations of the Liberian corporation;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the Liberian corporation or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the Liberian corporation or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the re-domiciled corporation or against the officer or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the re-domiciliation, the Liberian corporation re-domiciling as a re-domiciled corporation in another jurisdiction shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the re-domiciliation shall constitute a continuation of the existence of the re-domiciling corporation and shall not:

(i) Constitute a dissolution of the Liberian corporation;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the re-domiciled corporation.

10. *Index of Liberian corporations re-domiciled to another jurisdiction.* The Registrar or the Deputy Registrar shall maintain an index of Liberian corporations in respect of which a certificate issued in accordance with Section 10.10.4(a) is in force and in that index shall record the name in which the corporation is re-domiciled in the other jurisdiction and the address for service of the corporation in that jurisdiction, and whether the corporation has ceased to be registered under this Act in accordance with Section 10.10.7.

Effective: June 19, 2002.

§10.11. Reregistration of another legal entity as a corporation.

1. *Power to reregister*. A limited liability company, a partnership, a limited partnership, a private foundation, or any other legal entity existing under the laws of Liberia, which is referred to as a "legal entity" in Section 10.11, may, if not prohibited to do so by its constitutional documents, apply to reregister as a corporation. The reregistration shall be approved in the manner provided for by the constitutional documents of the legal entity and the conduct of its business and by applicable Liberian law, as appropriate, and the articles of incorporation shall be approved by the same authorization required to approve the reregistration.

2. *Application to reregister as a corporation*. An application by a legal entity to reregister as a corporation shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by:

(a) A certificate of reregistration setting out:

(i) The name of the legal entity, and, if the name has been changed, the name with which the legal entity was formed, and the name, if different, under which reregistration as a reregistered and continued corporation is sought;

(ii) The date of formation of the legal entity;

(iii) The relevant law of Liberia under which the legal entity has its existence;

(iv) The date on which the legal entity proposes to reregister;

(v) That the proposed reregistration has been approved in accordance with the relevant law of Liberia and the constitutional documents of the legal entity;

(vi) Confirmation that at the date of reregistration as a corporation the legal entity will have obtained all internal and other approvals required by the relevant legislation preparatory to de-registration and reregistration, and that the entity will cease to be a legal entity registered under that legislation; and

(vii) Any other provisions with respect to the proposed reregistration deemed necessary or desirable by governing body or governing persons of the legal entity that is proposing to reregister;

(b) A certificate of good standing in respect of the legal entity;

(c) Any amendments to the constitutional documents of the legal entity that are to take effect on the reregistration as a reregistered corporation;

(d) Articles of incorporation in accordance with Section 4.4 which are to be the articles of incorporation of the reregistered corporation;

(e) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment,

and the provisions of Section 1.4 shall apply with the variation that execution shall be by any authorized person.

3. *Name of corporation on reregistration*. The provisions of Section 4.2 shall apply in respect of the name under which the legal entity may apply to reregister as a corporation.

4. *Reregistration and continuation as a corporation*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of reregistration as a corporation have been met, register the legal entity as a corporation and certify that it is registered and continued as the corporation specified in the documents supplied in compliance with Section 10.11.2, in accordance with those documents, on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.11.5 applies, on the specified date.

5. *Deferred date of reregistration*. Notwithstanding Section 1.4.7(c) or any other provisions of this Act, where, at the time of the making of an application under Section 10.11.2, the legal entity applying for reregistration as a corporation has specified a date (in Section 10.11 referred to as "the specified date") no later than one (1) year after the date of the making of the application as the date of reregistration, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of reregistration.

6. *Status of a certificate of reregistration*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.11.4 in respect of any legal entity reregistered as a corporation shall be:

(a) Conclusive evidence that all the requirements of the Act in respect of that reregistration, and matters precedent and incidental thereto, have been complied with and that the legal entity is authorized to be so reregistered;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.11.5 applies, from the specified date, unless endorsed in accordance with Section 10.11.8.

7. *Obligation to amend constitutional documents of the legal entity*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of reregistration in accordance

with Section 10.11.4, any provisions of the constitutional documents of the legal entity do not, in any respect, accord with this Act:

(a) The constitutional documents of the legal entity shall continue to govern the reregistered corporation until:

(i) Articles of incorporation complying with this Act are in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate or, in the case of a certificate to which Section 10.11.5 applies, the specified date, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the legal entity that are in any respect in conflict with this Act cease to govern the corporation when the articles of incorporation in accordance with this Act are in effect.

8. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of reregistration or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.11.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

the Registrar or the Deputy Registrar is satisfied that:

(c) The legal entity has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(d) The articles of incorporation accord in all respects with this Act and the objects of the corporation, he may, on the application of the corporation to which the certificate has been issued, endorse that certificate to the effect that the

corporation is from the date of the endorsement to be deemed to be reregistered under this Act and that shall be the effective date of reregistration and continuation and the provisions of Section 1.4.7 shall apply.

9. *Failure to complete reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.11.4 or, in the case of a certificate to which Section 10.11.5 applies, following the specified date, the legal entity has not satisfied the Registrar or the Deputy Registrar that:

(a) It has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(b) The articles of incorporation accord in all respects with this Act and the objects of the corporation, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.11.4; and

(c) That certificate and any reregistration under Section 10.11 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the corporation from the register.

10. *Effect of reregistration*. With effect from the date of the endorsement of a certificate of reregistration:

(a) The reregistered corporation to which the certificate relates:

(i) Is a corporation reregistered and continued and deemed to be registered under this Act and having as its existence date the date on which it was established under the other relevant law, or in another jurisdiction, as the case may be; and

(ii) Shall be a corporation registered in Liberia for the purpose of any other law;

(b) The articles of incorporation as filed in accordance with Section 10.11.2(d) are the articles of incorporation of the corporation;

(c) The property of every description and the business of the legal entity are vested in the corporation;

(d) The corporation is liable for all of the claims, debts, liabilities and obligations of the legal entity;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the legal entity or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of reregistration by or against the legal entity or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the corporation or against the officer or agent thereof, as the case may be; and

(g) Unless otherwise provided in the resolution of reregistration and the constitutional documents of the legal entity, the legal entity reregistering as the corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the reregistration and continuation shall not:

(i) Constitute a dissolution of the legal entity and shall constitute a continuation of the existence of the reregistered legal entity as the corporation; or

(ii) Prejudice or affect the continuity of the legal entity as a corporation.

11. *Exchange or Conversion of Stock*. In connection with a reregistration hereunder, rights or securities of, or interests in, the other legal entity which is to be reregistered as a Liberian corporation may be exchanged for or converted into cash, property, or shares of stock, rights or

securities of such domestic corporation or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, or shares of stock, rights or securities of or interests in another domestic corporation or other entity or may be cancelled.

12. *Approval of reregistration*. The resolution approving the registration to a corporation may, among other things, approve a new name of the corporation; the method of converting the share capital of the corporation into securities of the reregistered corporation; the organizational documents of the reregistered corporation; and who will be the officers and directors of the reregistered corporation.

Effective: June 19, 2002.

§10.12. De-registration and reregistration of corporation as another entity.

1. *Eligibility to apply to de-register and reregister as another legal entity, Vote*. A corporation registered in Liberia may, if not prohibited to do so by its articles of incorporation, apply to de-register upon reregistration as another legal entity under the laws of Liberia. De-registration and reregistration of a Liberian corporation shall be authorized by vote of the holders of a majority of all outstanding shares entitled to vote thereon at a meeting of shareholders or by written consent in accordance with Section 7.4 of holders of a majority of all outstanding shares entitled to vote thereon.

2. *Application to de-register and reregister as another legal entity*. An application by a corporation to de-register and reregister as another legal entity in Liberia and to cease to be a corporation registered under this Act shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate of de-registration and reregistration setting out:

(i) The name of the corporation, and, if the name has been changed, the name with which the corporation was established, and the name, if different, under which registration as another legal entity is sought;

(ii) The date of registration of the corporation, and if established under any other law, the date of establishment;

(iii) The law under which the corporation proposes to reregister;

(iv) The date on which the corporation proposes to de-register and reregister;

(v) That the proposed de-registration and reregistration have been approved in accordance with the relevant law and the articles of incorporation of the corporation;

(vi) Confirmation by any officer or other authorized signatory of the corporation that at the date of de-registration and reregistration the corporation will have done everything required by this Act preparatory to de-registration and reregistration as another legal entity and that, on deregistration and reregistration, the corporation will cease to be a corporation;

(vii) Confirmation by an officer or other authorized signatory of the corporation that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the corporation; and

(viii) Such other provisions with respect to the proposed de-registration and reregistration as the shareholders consider necessary or desirable.

(b) A certificate of good standing in respect of the corporation issued by the Registrar or the Deputy Registrar; and

(c) Any amendments to the articles of incorporation that are to take effect on the deregistration of the corporation and reregistration as the other legal entity,

and the provisions of Section 1.4 shall apply.

3. *Consent to de-register and reregister as another legal entity*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of deregistration of a corporation prior to reregistration as another legal entity have been met:

(a) Certify that the corporation is permitted to de-register and reregister as the other legal entity specified in the documents supplied in compliance with Section 10.12.2, in accordance with those documents, and that it may cease to be registered as a corporation on the date of the issue of the certificate, or, in the case of a certificate to which Section 10.12.4 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a corporation to which a certificate has been issued under Section 10.12 the fact of the issue of the certificate.

4. *Deferred date of de-registration.* Notwithstanding Section 1.4.7(c), where, at the time of making an application under Section 10.12.2, the corporation applying for de-registration has specified a date, which is referred to as "the specified date" in Section 10.12, no later than one (1) year after the date of the making of the application as the date of de-registration, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of de-registration.

5. *Status of a certificate of de-registration and reregistration*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 10.12.3(a) in respect of any de-registered corporation shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that deregistration, and matters precedent and incidental thereto, have been complied with and that the corporation is authorized to be so de-registered;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in the case of a certificate to which Section 10.12.4 applies, from the specified date, unless endorsed in accordance with Section 10.12.6.

6. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of de-registration and reregistration or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 10.12.4 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date,

and the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate of de-registration and reregistration, or a similar instrument executed by the governing body of the reregistered legal entity that the corporation has reregistered under the relevant provisions of the law specified in the certificate of de-registration and reregistration, he shall endorse the certificate of de-registration and reregistration to the effect that the corporation is from the date of the endorsement to be deemed to be de-registered and no longer registered and that shall be the effective date of de-registration.

7. *Failure to complete de-registration and reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 10.12.3(a) or, in the case of a certificate to which Section 10.12.4 applies, following the specified date, the corporation has not satisfied the Registrar or the Deputy Registrar that it has become the other legal entity under the relevant provisions of the law under which it proposed to reregister, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 10.12.3(a), and:

(a) That certificate and any de-registration under Section 10.12 shall be of no further force or effect; and

(b) The corporation shall continue as a corporation under the provisions of this Act.

8. *Effect of de-registration*. With effect from the date of the endorsement of a certificate of de-registration and reregistration:

(a) The corporation to which the certificate relates shall cease to be:

(i) A corporation registered under this Act; and

(ii) A corporation registered in Liberia for the purpose of any other law;

(b) The articles of incorporation, or other constitutional documents of the corporation, as amended by the resolution or equivalent document for the purpose of reregistration as another legal entity in Liberia, shall be the constitutional documents of the other legal entity;

(c) The property of every description and the business of the corporation are vested in the other legal entity;

(d) The other legal entity is liable for all of the claims, debts, liabilities and obligations of the corporation;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the corporation or against any officer or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of deregistration by or against the corporation or against any officer or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the other legal entity or against the officer or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the reregistration, the corporation reregistering as the other legal entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets,

and the reregistration shall constitute a continuation of the existence of the de-registering corporation and shall not:

(h) Constitute a dissolution of the corporation;

(i) Create a new legal entity; or

(j) Prejudice or affect the continuity of the de-registering corporation as a legal entity.

9. *Index of corporations de-registered and reregistered as another legal entity*. The Registrar or the Deputy Registrar shall maintain an index of corporations in respect of which a certificate issued in accordance with Section 10.12.3(a) is in force and in that index shall record the name in which the corporation is reregistered as another legal entity and whether the corporation has ceased to be registered under this Act in accordance with Section 10.12.6.

10. *Exchange or Conversion of Stock*. In connection with a reregistration of a domestic corporation as another legal entity pursuant to Section 10.12, shares of stock of the Liberian corporation that is to be reregistered may be exchanged for or converted into cash, property, rights or securities of, or interests in, the legal entity to which the corporation is being reregistered or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, shares of stock, rights or securities of, or interests in, another domestic corporation or other entity or may be cancelled.

11. *Approval of de-registration and reregistration*. The resolution approving the deregistration and registration may, among other things, approve a new name of the corporation; the method of converting the share capital of the corporation into securities of the reregistered entity; the organizational documents of the reregistered entity; and who will be the person or persons sitting on the relevant governing body or acting as manager, limited partner, general partner or otherwise.

Effective: June 19, 2002

CHAPTER 11.

DISSOLUTION

§11.1. Manner of effecting dissolution.

1. *Meeting of shareholders*. Except as otherwise provided in its articles of incorporation, and except where this Chapter otherwise provides, a corporation may be dissolved if, at a meeting of shareholders, the holders of a majority of all outstanding shares entitled to vote on a proposal to dissolve, by resolution consent that the dissolution shall take place, except in the case of a corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, in which case the vote shall be two-thirds of all outstanding shares entitled to vote on a proposal to dissolve, unless the articles of incorporation of any such corporation provide for a majority of outstanding shares.

2. *Consent without meeting*. Whenever the shareholders entitled to vote on a proposal to dissolve shall consent in writing to a dissolution in accordance with Section 7.4, no meeting of shareholders shall be necessary.

3. *Articles of dissolution; contents, filing*. Articles of dissolution shall be signed and filed with the Registrar or the Deputy Registrar in accordance with Section 1.4. The articles of dissolution shall set forth the name of the corporation, the date of filing of the articles of incorporation, that the corporation elects to dissolve, and the manner in which the dissolution was authorized by the shareholders, a statement that the directors shall be the trustees of the corporation for the purpose of winding up the affairs of the corporation, and a listing of either the names and addresses of the directors and officers or the address of the corporation and the name and address of the corporation's legal representative for the purpose of winding up its affairs.

4. *Time when effective*. The dissolution shall become effective as of the filing date stated on the articles of dissolution.

5. *Dissolution before issuance of shares or beginning of business*. If a corporation has not issued shares or has not commenced the business for which the corporation was organized, a majority of the incorporators, or, if directors were named in the articles of incorporation or have been elected, a majority of the directors, may dissolve the corporation by filing in the Office of the Registrar or the Deputy Registrar a certificate, executed and acknowledged by a majority of the incorporators or directors, stating that:

(a) No shares have been issued or that the business or activity for which the corporation was organized has not begun;

(b) No part of the capital of the corporation has been paid, or, if some capital has been paid, that the amount actually paid in for the corporation's shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto;

(c) If the corporation has begun business but it has not issued shares, all debts of the corporation have been paid;

(d) If the corporation has not begun business but has issued share certificates, all issued share certificates, if any, have been surrendered and cancelled; and

(e) All rights and interests of the corporation are surrendered, and upon such certificate being filed in accordance with Section 1.4, the corporation shall be dissolved.

6. *Rescission of dissolution*. A corporation may rescind articles of dissolution filed in error upon adoption of a resolution of the board of directors and a resolution adopted by the holders of a majority of all outstanding shares entitled to vote, except in the case of a corporation incorporated, reregistered or re-domiciled before the effective date of the 2020 Amendment Act, in which case the vote shall be two-thirds of all outstanding shares entitled to vote. After being satisfied that all arrears of statutory fees have been paid, that the corporation has retained a

registered agent and that fees in respect of the period from the date of dissolution to the date on which rescission is to take place have been paid to the former registered agent, the corporation may be restored to full existence.

Prior legislation: 1956 Code 4:37; Lib. Corp. L., 1948, §37; 1976 Liberian Code of Laws Revised, Chapter 11, §11.1, amended effective June 19, 2002

§11.2. Judicial dissolution.

1. *Dissolution of corporation by court; general procedure*. Notwithstanding any other provision of this Act, a court outside Liberia shall not impose a corporate dissolution. A shareholders' meeting to consider adoption of a resolution to institute a special proceeding on any of the grounds specified below, may be called, notwithstanding any provision in the articles of incorporation or bylaws, by the holders of ten percent (10%) of all outstanding shares entitled to vote thereon, or if the articles of incorporation authorize a lesser proportion of shares to call the meeting, by such lesser proportion. A meeting under Section 11.2.1 may not be called more often than once in any period of twelve consecutive months. Except as otherwise provided in the articles of incorporation, the holders of one-half of all outstanding shares of a corporation entitled to vote in an election of directors may adopt at the meeting a resolution and institute a special proceeding in Liberia for dissolution on one or more of the following grounds:

(a) That the directors are so divided respecting the management of the corporation's affairs that the votes required for action by the board cannot be obtained;

(b) That the shareholders are so divided that the votes required for the election of directors cannot be obtained;

(c) That there is internal dissension and two or more factions of shareholders are so divided that dissolution would be beneficial to the shareholders;

(d) That the acts of the directors are illegal, oppressive or fraudulent;

(e) That the corporate assets are being misapplied or wasted.

If it appears, following due notice to all interested persons and hearing that any of the foregoing grounds for dissolution of the corporation exists, the court in Liberia shall make a judgment that the corporation shall be dissolved. The clerk of the court shall transmit certified copies of the judgment to the Minister of Foreign Affairs who shall provide a copy to the Deputy Registrar who shall treat the judgment as equivalent of articles of dissolution. Upon filing the judgment with the Registrar, the corporation shall be deemed dissolved.

2. *Dissolution of joint venture corporation having two shareholders*. If the shareholders of a corporation having only two shareholders each of which owns fifty percent (50%) of the shares therein, shall be engaged in the prosecution of a joint venture and if such shareholders shall be unable to agree upon the desirability of discontinuing such joint venture and disposing of the assets used in such venture, either shareholder may, unless otherwise provided in the articles of incorporation of the corporation or in a written agreement between the shareholders, file with a court of competent jurisdiction in Liberia a petition stating that it desires to discontinue such joint venture and to dispose of the assets used in such venture in accordance with a plan to be agreed upon by both shareholders or that, if no such plan shall be agreed upon by both shareholders, the corporation be dissolved. Such petition shall have attached thereto a copy of the proposed plan of discontinuance and distribution and a certificate stating that copies of such petition and plan have been transmitted in writing to the other shareholder and to the directors and officers of such corporation. The petition and certificate shall be executed and acknowledged in accordance with Section 1.4.

3. Unless both shareholders file with the court:

(a) Within ninety (90) days of the date of the filing of such petition, a certificate similarly executed and acknowledged stating that they have agreed on such plan, or a modification thereof; and

(b) Within one (1) year from the date of the filing of such petition, a certificate similarly executed and acknowledged stating that the distribution provided by such plan had been completed, the court may dissolve such corporation and may by appointment of one or more trustees or receivers with all the powers and title of a trustee or receiver appointed under Section 11.4.3, administer and wind up its

affairs. Either or both of the above periods may be extended by agreement of the shareholders, evidenced by a certificate similarly executed, acknowledged and filed with the court prior to the expiration of such period.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 11, §11.2, amended effective June 19, 2002

§11.3. Dissolution on failure to pay annual registration fee, appoint or maintain a registered agent, maintain adequate accounting records, or meet the custodial requirements of this Act.

1. *Procedure for dissolution*. On failure of a corporation to (i) pay the annual registration fee or (ii) comply with Section 8.1.1, 8.1.7, or 8.6 or (iii) maintain a registered agent for a period of one (1) year or (iv) provide records requested in accordance with Section 8.1.8 after six (6) months has elapsed since the request to provide such records, the Registrar or the Deputy Registrar shall cause a notification to be sent to the corporation through its last recorded registered agent that its articles of incorporation will be revoked unless within ninety (90) days of the date of the notice, payment of the annual registration fee has been received or affidavit provided in accordance with Section 8.6 or a registered agent has been reappointed, as the case may be. On the expiration of the ninety (90) day period, the Registrar or the Deputy Registrar, in the event the corporation has not remedied its default, may issue a proclamation declaring that the articles of incorporation have been revoked and the corporation dissolved as of the date stated in the proclamation. The proclamation of the Minister of Foreign Affairs shall be filed in the Office of the Minister of Foreign Affairs and the Minister shall mark on the record of the articles of incorporation of the corporation named in the proclamation the date of revocation and dissolution, and he shall give notice thereof to the last recorded registered agent. Thereupon the affairs of the corporation shall be wound up in accordance with the procedure provided in this Chapter. Furthermore, if a corporation does not comply with the custodial requirements of its issued and outstanding shares in bearer form, to the extent applicable, and/or the corporation fails to comply with requirements of provisions of Section 5.1.6, the Registered Agent in its sole discretion shall have the power to resign as registered agent of such corporation.

2. *Rescission of dissolution*. Whenever the articles of incorporation of a corporation have been revoked and the corporation dissolved pursuant to Section 11.3, the corporation may

request the Minister to reinstate the corporation. After being satisfied that all arrears of statutory fees have been paid, that the corporation has retained a registered agent and that fees in respect of the period from the date of dissolution to the date on which rescission is to take place have been paid to the former registered agent, the corporation may be restored to full existence. In addition to the above, any corporation dissolved as the result on noncompliance with Section(s) 5.1.6 or 8.6 may be reinstated if the Minister is satisfied that the corporation has complied with Section(s) 5.1.6 or 8.6, as applicable.

Prior legislation: L. 1959-60, ch. IX; 1956 Code 4:48; Lib. Corp. L., 1948, §48; 1976 Liberian Code of Laws Revised, Chapter 11, §11.3, amended effective June 19, 2002; amended effective May 6, 2016; amended effective April 23, 2018

§11.4. Winding up affairs of corporation after dissolution.

1. *Continuation of corporation for winding up*. All corporations, whether they expire by their own limitations or are otherwise dissolved, shall nevertheless be continued for the term of three (3) years from such expiration or dissolution as bodies corporate for the purpose of prosecuting and defending suits by or against them, and of enabling them gradually to settle and close their business, to dispose of and convey their property, to discharge their liabilities, and to distribute to the shareholders any remaining assets, but not for the purpose of continuing the business for which the corporation was organized. With respect to any action, suit, or proceeding begun by or against the corporation either prior to or within three years after the date of its expiration or dissolution, and not concluded within such period, the corporation shall be continued as a body corporate beyond that period for the purpose of concluding such action, suit or proceeding and until any judgment, order, or decree therein shall be fully executed.

2. *Trustees*. Upon the dissolution of any corporation, or upon the expiration of the period of its corporate existence, the directors shall be trustees thereof, with full power to settle the affairs, collect the outstanding debts, sell and convey the property, real and personal, as may be required by the laws of the country where situated, prosecute and defend all such suits as may be necessary or proper for the purposes aforesaid, distribute the money and other property among the shareholders after paying or adequately providing for payment of its liabilities and obligations, and do all other acts which might be done by the corporation, before dissolution, that may be necessary for the final settlement of the unfinished business of the corporation.

3. *Supervision by court of liquidation*. At any time within three (3) years after the filing of the articles of dissolution, a court of competent jurisdiction, in a special proceeding instituted under Section 11.4, upon the petition of the corporation, or of a creditor, claimant, director, officer, shareholder, subscriber for shares, incorporator or the Minister of Justice, may continue the liquidation of the corporation under the supervision of the court of competent jurisdiction and may make all such orders as it may deem proper in all matters in connection with the dissolution or in winding up the affairs of the corporation, including the appointment or removal of a receiver, who may be a director, officer or shareholder of the corporation.

Prior legislation: 1956 Code 4:37 (par. 4), 38, 39, 40; Lib. Corp L., 1948, §§37 (par.4), 38, 39, 40.

§11.5. Settlement of claims against the corporation.

1. *Notice to creditors*. Any time within one (1) year after dissolution, a corporation whose principal place of business is within Liberia shall, and a corporation whose principal place of business is outside Liberia may, give notice requiring all creditors and claimants, including any with unliquidated or contingent claims and any with whom the corporation has unfulfilled contracts, to present their claims in writing and in detail at a specified place and by a specified day, which shall not be less than six (6) months after the first publication of such notice. Such notice by a corporation whose principal place of business is within Liberia shall, and by a corporation whose principal place of business is outside Liberia may, be published at least once a week for four (4) successive weeks in a newspaper of general circulation in the county (or, if there is no county in such area, in the province, state or country) in which the principal office of the corporation was located at the date of dissolution, or if none exists, in a newspaper of general circulation in Liberia or elsewhere in a location in which the corporation regularly conducted its business. On or before the date of the first publication of such notice, if applicable, the corporation shall mail a copy thereof, postage prepaid and addressed to his last known address, to each person believed to be a creditor of or claimant against the corporation whose name and address are known to or can with due diligence be ascertained by the corporation. The giving of such notice shall not constitute a recognition that any person is a proper creditor or claimant, and shall not revive or make valid or operate as a recognition of the validity of, or a waiver of any defense or counter claim in respect of any claim against the corporation, its assets, directors, officers or shareholders, which has been barred by any statute of limitations or become invalid

by any cause, or in respect of which the corporation, its directors, officers or shareholders, have any defense or counterclaim.

2. *Filing or barring claim*. Any claims which shall have been filed as provided in such notice and which shall be disputed by the corporation may be submitted for determination to any court of competent jurisdiction. Any person whose claim is, at the date of the first publication of such notice, barred by any statute of limitations is not a creditor or claimant entitled to any notice under Section 11.5. The claim of any such person and all other claims which are not timely filed as provided in such notice except claims which are the subject of litigation on the date of the first publication of such notice, and all claims which are so filed but are disallowed by the court, shall be forever barred as against the corporation, its assets, directors, officers and shareholders, except to such extent, if any, as the court may allow them against any remaining assets of the corporation in the case of a creditor who shows satisfactory reason for his failure to file his claim as so provided. Any claim not so barred may be reviewed by the court to determine the amount and form of security sufficient to compensate claimants.

3. *Claims by Government*. Notwithstanding Section 11.5, tax claims and other claims by the Government shall not be required to be filed under Section 11.5, and such claims shall not be barred because not so filed, and distribution of the assets of the corporation, or any part thereof, may be deferred until determination of any such claims.

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 11, §11.5, amended effective June 19, 2002

CHAPTER 12.

FOREIGN CORPORATIONS

§12.1. Authorization of foreign corporations.

1. *Authorization required*. A foreign corporation shall not do business in Liberia until it has been authorized to do so as provided in this Chapter. A foreign corporation may be authorized to do in Liberia any business which it is authorized to do in the jurisdiction of its incorporation, and which may be done in Liberia by a domestic corporation.

2. *Activities which do not constitute doing business*. Without excluding other activities which may not constitute doing business in Liberia, a foreign corporation shall not be considered to be doing business in Liberia, for the purposes of this Act, by reason of carrying on in Liberia any one or more of the following activities:

(a) Maintaining or defending any action or proceeding, or effecting settlement thereof or the settlement of claims or disputes;

(b) Holding meetings of its directors or shareholders;

(c) Maintaining bank accounts;

(d) Maintaining facilities or agencies only for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(e) For a foreign maritime entity to maintain a registered agent and registered address or carry on activities authorized by Section 13.2; and

(f) Maintaining a registered agent in Liberia.

Prior legislation: L. 1966-67, An Act to amend the Associations Law to require all foreign corporations desiring to engage in business in Liberia to register (4:60).

§12.2. Application to existing authorized foreign corporations.

Every foreign corporation which on the effective date of this Act is authorized to do business in Liberia shall continue to have such authority. Such foreign corporation, its shareholders, directors and officers shall have the same rights, franchises and privileges and shall be subject to the same limitations, restrictions, liabilities and penalties as a foreign corporation authorized under this Act, its shareholders, directors and officers respectively. Reference in this Act to an application for authority shall, unless the context otherwise requires, include the statement and designation and any amendment thereof required to be filed with the Registrar or the Deputy Registrar under prior statutes to obtain authority to do business.

§12.3. Application for authority to do business.

1. *Contents*. A foreign corporation, in order to procure authority to transact business in Liberia, shall make an application to the Minister of Foreign Affairs. The application shall be signed by an officer or attorney-in-fact for the corporation and shall set forth:

(a) The name of the foreign corporation;

(b) The jurisdiction and date of its incorporation;

(c) The address of the principal office of the corporation in the state or country under the laws of which it is incorporated;

(d) A statement of the business which it proposes to do in Liberia and a statement that it is authorized to do that business in the jurisdiction of its incorporation;

(e) The city or town and the county within Liberia in which its office is to be located;

(f) The name and address within Liberia of the registered agent and a statement that the registered agent is to be its agent upon whom process against it may be served;

(g) A designation of the Minister of Foreign Affairs as its agent upon whom process against it may be served under the circumstances stated in Section 3.2 and the post office address within or without Liberia to which the Minister of Foreign Affairs shall mail a copy of any process against it served upon him;

(h) A statement that the foreign corporation has not since its incorporation or since the date its authority to do business in Liberia was last surrendered, engaged in any activity constituting the doing of business therein contrary to law, or the date the foreign corporation first did business in Liberia.

2. *Certificate of incorporation.* Attached to the application for authority shall be a certificate by an officer of the jurisdiction of its incorporation that the foreign corporation is an existing corporation. If such certificate is in a foreign language, a translation thereof under oath of the translator shall be attached thereto.

Prior legislation: L. 1966-67, An Act to amend the Associations Law to require all foreign corporations desiring to engage in business in Liberia to register (4:60, 61).

§12.4. Filing of application for authority to do business.

The application of a foreign corporation for authority to do business together with a copy of its articles of incorporation duly authenticated by the proper officer of the jurisdiction under the laws of which it is incorporated, together with a translation of such articles of incorporation and authentication under oath of the translator, shall be filed with the Minister of Foreign Affairs in accordance with the provisions of Section 1.4 and shall thereupon be effective as an authorization to the foreign corporation to do business in Liberia.

Prior legislation: L. 1966-67, An Act to amend the Associations Law to require all foreign corporations desiring to engage in business in Liberia to register (4:60, 61).

§12.5. Amendment of authority to do business.

1. *Requirement stated*. A foreign corporation authorized to do business in Liberia may have its authority amended to effect any of the following changes:

(a) To change its corporate name if such change has been effected under the laws of the jurisdiction of its incorporation;

(b) To enlarge, limit or otherwise change the business which it proposes to do in Liberia;

(c) To change the location of its office in Liberia;

(d) To specify or change the post office address to which the Minister of Foreign Affairs shall mail a copy of any process against it served upon him;

(e) To make, revoke or change the designation of a registered agent or to specify or change his address.

Every foreign corporation authorized to do business in Liberia which shall amend its articles of incorporation or shall be a party to a merger or consolidation shall, within thirty days after the amendment or merger or consolidation becomes effective, file with the Minster of Foreign Affairs a copy of the amendment or a copy of the articles of merger or consolidation, duly certified by the proper officer of the jurisdiction in which the corporation was incorporated or under the laws of which the merger or consolidation was effected, together with a translation of the amendment or articles of incorporation under oath of the translator.

2. *Procedure*. An application to have its authority to do business amended shall be made to the Minster of Foreign Affairs. The requirements in respect to the form and contents of such application, the manner of its execution, and filing thereof with the Minster of Foreign Affairs shall be the same as in the case of an application for authority to do business.

§12.6. Termination of authority of foreign corporation.

1. *Surrender of authority*. A foreign corporation authorized to transact business in Liberia may withdraw from Liberia upon filing with the Minster of Foreign Affairs an application for withdrawal, which shall set forth:

(a) The name of the corporation and the jurisdiction in which it is incorporated;

(b) The date it was authorized to do business in Liberia;

(c) That the corporation surrenders its authority to do business in Liberia;

(d) That the corporation revokes the authority of its registered agent in Liberia to accept service of process and consents that service of process in any action, suit, or proceeding based upon any cause of action arising in Liberia during the time the corporation was authorized to do business in Liberia may thereafter be made on such corporation by service thereof on the Minister of Foreign Affairs;

(e) A post office address to which the Minister of Foreign Affairs may mail a copy of any process against the corporation that may be served on him.

The application for withdrawal shall be made on forms prescribed and furnished by the Minster of Foreign Affairs and shall be executed by the corporation by its president or a vice president and by its secretary or an assistant secretary, or if the corporation is in the hands of a receiver or trustee, shall be executed on behalf of the corporation by such receiver or trustee. The application for withdrawal shall be filed with the Minster of Foreign Affairs in accordance with the provisions of Section 1.4. Upon such filing by the Minster of Foreign Affairs the authorization of the corporation to do business in Liberia is terminated.

2. *Termination of existence in foreign jurisdiction*. When an authorized foreign corporation is dissolved or its authority or existence is otherwise terminated or cancelled in the jurisdiction of its incorporation or when such foreign corporation is merged into or consolidated with another foreign corporation and such corporation does not file the documentation set forth in Section 12.5 within the thirty (30) day period established in Section 12.5, a certificate of the official in charge of corporate records in the jurisdiction of incorporation of such foreign corporation,

which certificate attests to the occurrence of any such event, or a certified copy of an order or decree of a court of such jurisdiction directing the dissolution of such foreign corporation or the termination of its existence, shall be delivered to the Minster of Foreign Affairs, who shall file such document in accordance with Section 1.4. The authority of the corporation to transact business in Liberia shall thereupon cease. Service of process in any action, suit or proceeding based upon any cause of action which arose in Liberia during the time the corporation was authorized to transact business in Liberia may thereafter be made on such corporation by service on the Minister of Foreign Affairs.

§12.7. Revocation of authority to do business.

The authority of a foreign corporation to do business in Liberia may be revoked by the Minster of Foreign Affairs on the same grounds and in the same manner as provided in Section 11.3 with respect to revocation of articles of incorporation.

§12.8. Rights and liabilities of unauthorized foreign corporation doing business.

1. *Actions or special proceedings by corporation*. A foreign corporation doing business in Liberia without authority shall not maintain any action or special proceeding in Liberia unless and until such corporation has been authorized to do business in Liberia and it has paid to the Minster of Foreign Affairs all fees, penalties and taxes for the years or parts thereof during which it did business in Liberia without authority. This prohibition shall apply to any successor in interest of such foreign corporation.

2. *Validity of contracts or acts by unauthorized corporation; defending action*. The failure of a foreign corporation to obtain authority to do business in Liberia shall not impair the validity of any contract or act of the foreign corporation or the right of any other party to the contract to maintain any action or special proceeding thereon, and shall not prevent the foreign corporation from defending any action or special proceeding in Liberia.

§12.9. Actions or special proceedings against foreign corporations.

1. *By resident of Liberia or domestic corporation*. Subject to the limitations with regard to personal jurisdiction contained in Sections 3.2 or 3.3 of the Civil Procedure Law, an action or

special proceeding against a foreign corporation may be maintained by a resident of Liberia or by a domestic corporation of any type or kind.

2. *By another foreign corporation or non-resident.* Except as otherwise provided in this Chapter, an action or special proceeding against a foreign corporation may be maintained in Liberia by another foreign corporation of any type or kind or by a non-resident in the following cases only:

(a) Where the action is brought to recover damages for the breach of a contract made or to be performed within Liberia, or relating to property situated within Liberia at the time of the making of the contract;

(b) Where the cause of action arose within Liberia, except where the object of the action or special proceeding is to affect the title of real property situated outside Liberia;

(c) Where the subject matter of the litigation is situated within Liberia;

(d) Where the action or special proceeding is based on a liability for acts done within Liberia by a foreign corporation;

(e) Where the defendant is a foreign corporation doing business in Liberia, subject to the provisions of Section 12.9.3.

3. *Dismissal for inconvenience to parties.* Any action upon a cause of action not arising out of business transacted or activities performed within Liberia brought against a foreign corporation by a non-resident of Liberia or a foreign corporation may in the discretion of the Liberian court be dismissed if it appears that the convenience of the parties would be better served by an action brought in some other jurisdiction.

§12.10. Record of shareholders.

Any resident of Liberia who shall have been a shareholder of record of an authorized foreign corporation for at least six (6) months preceding his demand, upon at least ten (10) days' written demand may require such foreign corporation to produce a record of its registered shareholders

containing the names and addresses of such shareholders, the number and class of shares held by each and the date when they respectively became the owners of record thereof, and, if such corporation issues bearer shares, a record of all certificates issued in bearer form, including the number, class and dates of issuance of such certificates. The shareholder requiring production of such records shall have the right to examine in person or by agent or attorney at the office of the foreign corporation in Liberia or at such other place in Liberia as may be designated by the foreign corporation, the record of shareholders or an exact copy thereof certified as correct by the corporate officer or agent for keeping or producing such record, and to make extracts therefrom. Any inspection authorized by Section 12.10 may be denied to such shareholder or other person upon his refusal to furnish to the corporation an affidavit that such inspection is not desired for a purpose which is in the interest of a business or object other than the business of the foreign corporation and that such shareholder or other person has not within five (5) years sold or offered for sale any list of shareholders of any domestic or foreign corporation or aided or abetted any person in procuring any such record of shareholders for any such purpose.

§12.11. Liability of foreign corporations for failure to disclose information.

A foreign corporation doing business in Liberia shall, in the same manner as a domestic corporation, disclose to its shareholders of record who are residents of Liberia the information required under Sections 5.10.3, 5.12.4, or 5.13.3.

§12.12. Applicability to foreign corporations of other provisions.

In addition to Chapter 1 (General provisions), Chapter 3 (Service of process), and the other sections of this Chapter, the following provisions to the extent provided therein, shall apply to a foreign corporation doing business in Liberia, its directors, officers and shareholders:

(a) Section 7.16 (Shareholders' derivative actions);

(b) Section 8.1 (Requirement for keeping accounting records, minutes and records of shareholders);

(c) Section 10.5 (Merger or consolidation of domestic and foreign corporations);

(d) Section 10.8 (Procedure to enforce shareholder's right to receive payment for shares); and

(e) Section 11.3 (Dissolution on failure to pay annual registration fee, appoint or maintain a registered agent, maintain adequate accounting records, or meet the custodial requirements of this Act).

Prior legislation: 1976 Liberian Code of Laws Revised, Chapter 12, §12.12, amended effective May 6, 2016

CHAPTER 13.

FOREIGN MARITIME ENTITIES

§13.1. Method of registration.

1. *Eligibility*. A foreign entity whose indenture or instrument of trust, charter or articles of incorporation, agreement of partnership or other document recognized by the foreign jurisdiction of its creation as the basis of its existence, which document directly or by force of law of the jurisdiction of creation comprehends the power to own or operate vessels, and which confers or recognizes the capacity under the law of the jurisdiction of creation to sue and be sued in the name of the entity or its lawful fiduciary or legal representative, may apply to the Registrar or the Deputy Registrar to be registered as a foreign maritime entity. The burden of establishing the capacity to sue and be sued shall be upon the applicant for such registration.

2. *Form of Application*. The application shall be executed by any officer or an authorized signatory of the entity or by an attorney-in-fact or in law, so authorized. The application shall be dated and shall state the following:

(a) The name of the entity;

(b) The legal character or nature of the entity;

(c) The jurisdiction and date of its creation;

(d) Whether the entity has the power to own or operate vessels;

(e) Whether the entity has the capacity to sue and be sued in its own name or, if not, in the name of its lawful fiduciary or legal representative;

(f) The address of the principal place of business of the entity and, if such place is not in the jurisdiction of the creation of the entity, either the address of its place of business or the name and address of its lawful fiduciary or legal representative within the jurisdiction of the creation of the entity;

(g) The full names and addresses of the persons currently vested under law with management of the entity;

(h) The name and address within Liberia of the registered agent designated in accordance with the requirement of Section 3.1.1 and a statement that the registered agent is to be its agent upon whom process against it may be served; and

(i) The title of the person authorized to execute the document and where he is not an officer of the corporation the basis of his authority to so execute.

3. *Certified copy of document; certification of legal existence*. To each application shall be attached a full copy of the indenture or instrument of trust or charter or articles of incorporation or agreement of partnership or other documents upon which the existence of the entity is based, and, if such copy is in a foreign language, a translation thereof into English certified by a translator. Each such copy shall be certified by an authorized official of government or, if government certification cannot be obtained, by a lawyer admitted to practice in the jurisdiction of creation of the entity, stating that the entity is in existence. If such certificate is in a foreign language, a translation thereof in English certified by a translator shall be attached thereto. Each application, with attachments, shall be filed with the Registrar or the Deputy Registrar in accordance with the provisions of Section 1.4, and the applicant is registered as a foreign maritime entity as of the filing date stated thereon.

4. *Power to vary*. The Registrar or Deputy Registrar may vary the requirements of this Section 13.1 in respect of execution, acknowledgement and filing but only to the extent that the burden of such requirement is reduced.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and Corporations (4:49). Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.1, amended effective June 19, 2002

§13.2. Powers granted on registration.

A registered foreign maritime entity shall have the following powers:

(a) To own and operate vessels registered under the Laws of the Republic of Liberia provided all requirements of the Maritime Law are met;

(b) To do all things necessary to the conduct of the business of ownership and operation of Liberian-flag vessels and, for that purpose, to have one or more offices in Liberia and to hold, purchase, lease, mortgage and convey real and personal property, subject to the organic law of the Republic of Liberia.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and corporations (4:49). Amended eff. August 31, 1989

§13.3. Subsequent change of business address of lawful fiduciary or legal representative; amendment of document upon which existence is based.

1. *Change of address*. Whenever a change occurs in the address or addresses stated under Section 13.1.2(f) written notice of such change, stating the new information, shall be filed with the registered agent named under Section 13.1.2(h).

2. *Amendment of document*. Whenever the indenture or instrument of trust or charter or articles of incorporation or agreement of partnership or other document upon which the existence of the entity is based is amended, a duly certified copy of such amendment in accordance with Section 13.1.3 shall be filed with the Registrar or the Deputy Registrar. If such amendment is in a foreign language, a translation thereof into English certified by a translator shall be attached.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and corporations (4:49). Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.3, amended effective June 19, 2002

§13.4. Revocation of registration.

The registration of a foreign maritime entity may be revoked by the Registrar or the Deputy Registrar on the same grounds and in the same manner provided in Section 11.3 with respect to dissolution of a corporation

Prior legislation: August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.4, amended effective June 19, 2002

§13.5. Fees.

The following fees shall be paid to the Registrar or the Deputy Registrar by a foreign maritime entity:

(a) Upon application for registration, US$500.00; and

(b) An annual registration fee of US$200.00.

Prior legislation: L. 1972-73, An Act to amend the Associations Law with respect to foreign maritime trusts and corporations (4:49). Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.5, amended effective June 19, 2002

§13.6. Termination of registration of foreign maritime entity.

1. *Application to terminate*. A foreign maritime entity registered in Liberia under this Chapter may terminate that registration by filing with the Registrar or the Deputy Registrar an application for termination, which shall set forth:

(a) The name of the foreign maritime entity and the jurisdiction in which it is created;

(b) The date the foreign maritime entity was registered in Liberia;

(c) That the foreign maritime entity applies to terminate its registration in Liberia;

(d) That the foreign maritime entity revokes the authority of its registered agent in Liberia to accept service of process and consents that service of process in any action, suit, or proceeding based upon any cause of action arising in Liberia

during the time the entity was authorized to do business in Liberia may thereafter be made on such entity by service thereof on the Minister of Foreign Affairs;

(e) The address of the foreign maritime entity's place of business or the name and address of its lawful fiduciary or legal representative within the jurisdiction of the creation of the foreign maritime entity to which the Minister may mail a copy of any process against the foreign maritime entity that may be served on him.

The application for termination shall be made on forms furnished by the Registrar or the Deputy Registrar and shall be executed in accordance with Section 13.1 or if the foreign maritime entity is in the hands of a receiver or trustee, shall be executed on behalf of the foreign maritime entity by such receiver or trustee and notarized. The application for termination shall be filed with the Registrar or the Deputy Registrar in accordance with the provisions of Section 1.4. Upon the acceptance of such filing by the Registrar or the Deputy Registrar, the registration of the foreign maritime entity in Liberia is terminated.

2. *Termination of existence in foreign jurisdiction*. When a registered foreign maritime entity is dissolved or its authority or existence is otherwise terminated or cancelled in the jurisdiction of its creation or when such foreign maritime entity is merged into or consolidated with another foreign entity, a certificate of the official in charge of the records relevant to the entity in the jurisdiction of creation of such foreign entity, which certificate attests to the occurrence of any such event, or a certified copy of an order or decree of a court of such jurisdiction directing the dissolution of such foreign entity or the termination of its existence shall be delivered to the Registrar or the Deputy Registrar who shall file such document in accordance with Section 1.4. The registration of the foreign maritime entity in Liberia shall thereupon cease. Service of process in any action, suit or proceeding based upon any cause of action which arose during the time the foreign maritime entity was registered in Liberia may thereafter be made on such corporation by service on the Minister of Foreign Affairs.

Prior legislation: Amended eff. August 31, 1989; 1976 Liberian Code of Laws Revised, Chapter 13, §13.6, amended effective June 19, 2002

§13.7. Actions or special proceedings against foreign maritime entities.

1. *By resident of Liberia or domestic corporation*. Subject to the limitations with regard to personal jurisdiction contained in Sections 3.2 or 3.3 of the Civil Procedure Law, an action or special proceeding against a foreign maritime entity may be maintained by a resident of Liberia or by a domestic entity of any type or kind.

2. *By another foreign corporation*. Except as otherwise provided in this Chapter, an action or special proceeding against a foreign maritime entity may be maintained in Liberia by another foreign entity of any type or kind in the following cases only:

(a) Where the action is brought to recover damages for the breach of a contract made or to be performed within Liberia, or relating to property situated within Liberia at the time of the making of the contract;

(b) Where the cause of action arose within Liberia, except where the object of the action or special proceeding is to affect the title of real property situated outside Liberia;

(c) Where the subject matter of the litigation is situated within Liberia;

(d) Where the action or special proceeding is based on a liability for acts done within Liberia by a foreign maritime entity;

(e) Where the defendant is a foreign maritime entity doing business in Liberia, subject to the provisions of Section 13.7.3.

3. *Dismissal for inconvenience to parties*. Any action upon a cause of action not arising out of business transacted or activities performed within Liberia brought against a foreign maritime entity by a foreign entity may in the discretion of the Liberian court be dismissed if it appears that the convenience of the parties would be better served by an action brought in some other jurisdiction.

Effective: June 19, 2002

CHAPTER 14.

LIMITED LIABILITY COMPANIES

SUBCHAPTER I.

GENERAL PROVISIONS

§14.1.1. Definitions.

As used in this Act unless the context otherwise requires:

(a) "***Bankruptcy***" means any of the events set forth in Section 14.3.4;

(b) "***Certificate of formation***" means the certificate referred to in Section 14.2.1, and the certificate as amended;

(c) "***Contribution***" means any cash, property, services rendered or a promissory note or other obligation to contribute cash or property or to perform services, which a person contributes to a limited liability company in his capacity as a member;

(d) "***Foreign limited liability company***" means a limited liability company formed under the laws of another jurisdiction. When used in this Act in reference to a foreign limited liability company, the terms "limited liability company agreement," "limited liability company interest," "manager" or "member" shall mean a limited liability company agreement, limited liability company interest, manager or member, respectively, under the laws of the state or foreign country or other foreign jurisdiction under which the foreign limited liability company is formed, and "authorized" when used with respect to a foreign limited liability

company means having authority to do business in Liberia under Chapter 12 of Part I of this Act, as applied to a foreign limited liability company;

(e) "***Knowledge***" means a person's actual knowledge of a fact, rather than the person's constructive knowledge of the fact.

(f) "***Limited liability company***" and "***domestic limited liability company***" mean a limited liability company formed under the laws of the Republic of Liberia and having one or more members;

(g) "***Limited liability company agreement***" means any agreement, whether referred to as a limited liability company agreement, operating agreement or otherwise, written, or in the case of non-resident limited liability companies only, oral or implied, of the member or members as to the affairs of a limited liability company and the conduct of its business. A member or manager of a limited liability company or an assignee of a limited liability company interest is bound by the limited liability company agreement, whether or not the member or manager or assignee executes the limited liability company agreement, which may be signed electronically. A limited liability company is not required to execute its limited liability company agreement. A limited liability company is bound by its limited liability company agreement whether or not the limited liability company executes the limited liability company agreement. A limited liability company agreement of a limited liability company having only one member shall not be unenforceable by reason of there being only one person who is a party to the limited liability company agreement. A limited liability company agreement may provide rights to any person, including a person who is not a party to the limited liability company agreement, to the extent set forth therein. A written limited liability company agreement or another written agreement or writing:

(i) May provide that a person shall be admitted as a member of a limited liability company, or shall become an assignee of a limited liability company interest or other rights or powers of a member to the extent

assigned, and shall become bound by the limited liability company agreement:

(aa) If such person (or a representative authorized by such person orally, in writing or by other action such as payment for a limited liability company interest) executes the limited liability company agreement or any other writing evidencing the intent of such person to become a member or assignee; or

(bb) Without such execution, if such person (or a representative authorized by such person orally, in writing, or by other action such as payment for a limited liability company interest) complies with the conditions for becoming a member or assignee as set forth in the limited liability company agreement or any other writing; and

(ii) Shall not be unenforceable by reason of its not having been signed by a person being admitted as a member or becoming an assignee as provided in Section 14.1.1(g)(i), or by reason of its having been signed by a representative as provided in this Act; and

(iii) May be entered into either before, after, or at the time of the filing of the certificate of formation and, whether entered into before, after, or at the time of such filing, may be made effective as of the formation of the limited liability company or at such other time or date as provided in the limited liability company agreement.

(h) "***Limited liability company interest***" means a member's share of the profits and losses of a limited liability company and a member's right to receive distributions of the limited liability company's assets.

(i) "***Liquidating trustee***" means a person carrying out the winding up of a limited liability company.

(j) "***Manager***" means a person who is named as a manager of a limited liability company in, or designated as a manager of a limited liability company pursuant to, a limited liability company agreement or similar instrument under which the limited liability company is formed.

(k) "***Member***" means a person who has been admitted to a limited liability company as a member as provided in Section 14.3.1.

(l) "***Non-resident limited liability company***" means either a domestic limited liability company or a foreign limited liability company not doing business in Liberia. A limited liability company shall not be considered to be doing business in Liberia by reason of carrying out one or more of the following activities:

(1) Maintaining or defending any action or proceeding, or effecting settlement thereof or the settlement of claims or disputes;

(2) Holding meetings, including meetings of its managers or members;

(3) Maintaining facilities or agencies only for the transfer, exchange and registration of its securities, or appointing and maintaining trustees or depositaries with relation to its securities;

(4) Maintaining a registered agent or an administrative, management or statutory office in Liberia;

(5) Investing in stock (or other equity ownership interests) or securities in a resident legal person (unless the investment is in an entity that provides to the investor a distributive share of adjusted income consisting of income derived from operations carried on in Liberia); or

(6) Maintaining a bank account in Liberia.

(m) "***Person***" means a natural person, partnership (whether general or limited), limited liability company, trust, estate, association, corporation, foundation,

custodian, nominee or any other natural person or entity in its own or any representative capacity.

(n) "***Personal representative***" means, as to a natural person, the executor, administrator, guardian, conservator or other legal representative thereof and, as to a person other than a natural person, the legal representative or successor thereof.

(o) "***Resident limited liability company***" means a domestic limited liability company doing business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.1.2. Name set forth in certificate.

1. The name of each limited liability company as set forth in its certificate of formation:

(a) Shall contain the words "Limited Liability Company" or the abbreviation "L.L.C." or the designation "LLC";

(b) May contain the name of a member or manager;

(c) Shall not contain a word, the use of which by the limited liability company would in the opinion of the Registrar or the Deputy Registrar:

(i) constitute a criminal offense; or

(ii) be offensive or undesirable;

(d) Must be such as to distinguish it upon the records in the office of the Registrar or the Deputy Registrar from the name on such records of any corporation, partnership, limited partnership, business trust, foreign maritime entity, limited liability company, or foundation reserved, registered, formed or organized under the laws of the Republic of Liberia or qualified to do business or registered as a foreign corporation, foreign partnership, foreign limited partnership or foreign limited liability company;

(e) May contain any of the following words: “Company”, “Association”, ‘‘Club”, “Foundation”, “Fund”, “Institute”, “Society”, “Union”, “Syndicate”, “Limited” or “Trust” (or abbreviations of like import);

(f) Shall not contain the words “Chamber of Commerce”, “Building Society”, “Bank” or “Insurance”, or words of similar connotation or a translation of those words, unless the limited liability company is authorized to use the words by virtue of a license granted by the Government of Liberia or under any other relevant Liberian law;

(g) Shall not contain words which in the opinion of the Registrar suggest, or are calculated to suggest, the patronage of the Government of Liberia or any ministry or agency thereof; and

(h) Shall not contain words specified by the Registrar for this purpose, except with his consent.

2. The Registrar or Deputy Registrar may specify by notice, words or expressions for the registration of which as or as part of a limited liability company name, his approval is required under Section 14.1.2.1(h), and may make different provisions for different cases or classes of case and may make such transitional provisions and exceptions as he thinks appropriate.

3. Where a limited liability company has been formed by a name which:

(a) Is the same as or, in the opinion of the Registrar or the Deputy Registrar, too similar to a name appearing at the time of registration in the index of names; or

(b) Is the same as or, in the opinion of the Registrar or the Deputy Registrar, too similar to the name which should have appeared in that index at that time,

the Registrar or the Deputy Registrar may, within one (1) year of the time of formation, direct the limited liability company in writing to change its name within such period as he may specify. The provisions of Section 14.1.2 apply in determining whether the name is the same as or too similar to another.

4. If it appears to the Registrar or the Deputy Registrar that misleading information has been given for the purpose of formation with a particular name, or that undertakings or assurances have been given for that purpose and have not been fulfilled, he shall within one (1) year of the date of disclosure or discovery of that fact direct the limited liability company, in writing, to change its name within such period as he may specify, and where a direction has been given under Section 14.1.2.3 or Section 14.1.2.4 the Registrar or the Deputy Registrar may by a further direction in writing extend the period within which the limited liability company has to change its name at any time before the end of that period.

5. Certificates of formation may include the name of a limited liability company in foreign characters only if accompanied by a translation to English letters, to the extent permitted by the Registrar or the Deputy Registrar. The Registrar or the Deputy Registrar shall treat the name in English characters for all purposes as the name of the limited liability company.

6. In determining for the purposes of Section 14.1.2 whether one name is the same as another, there are to be disregarded:

(a) The definite article, where it is the first word of the name;

(b) The following words, expressions, and or abbreviations where they appear before or at the end of a name, that is to say: "Limited Liability Company" or "and Limited Liability Company" or "LLC" or "and LLC" or "L.L.C." or "and L.L.C.", or a translation of into, or words with an equivalent meaning in, another language;

(c) Type and case of letters, accents, spaces between letters and punctuation marks, and "and" and "&" are to be taken as the same.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.1.3. Reservation of name.

1. *Right to reserve*. The exclusive right to the use of a name may be reserved by:

(a) Any person intending to form a limited liability company under this Chapter and to adopt that name;

(b) Any domestic limited liability company or any foreign limited liability company authorized in Liberia which, in either case, proposes to change its name;

(c) Any foreign limited liability company intending to re-domicile into Liberia and adopt that name;

(d) Any legal entity intending to reregister as a limited liability company. and adopt that name; and

(e) Any person intending to form a foreign limited liability company and intending to have it register in Liberia and adopt that name.

2. *Method of making reservation*. The reservation of a specified name shall be made by filing with the Registrar or the Deputy Registrar an application, executed by the applicant, specifying the name to be reserved and the name and address of the applicant. If the Registrar or the Deputy Registrar finds that the name is available for use by a domestic limited liability company, he shall reserve the name for the exclusive use of the applicant for a period of one hundred twenty (120) days. Once having so reserved a name, the same applicant may again reserve the same name for successive one hundred twenty (120) day periods, after which the reservation shall be cancelled.

3. There shall be maintained at the office of the Registrar or the Deputy Registrar, as a public record, an index of limited liability companies registered under this Act together with a register of all documents required by this Act to be filed with the Registrar or the Deputy Registrar. The Registrar or the Deputy Registrar shall keep an alphabetical index of all names of all existing domestic limited liability companies, re-domiciled limited liability companies, cancelled limited liability companies and foreign limited liability companies authorized to do business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.4. Service of process; registered agent.

The provisions of Chapter 3 of Part I of this Act shall apply to a limited liability company as they apply to a corporation.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.5. Nature of business permitted; powers.

1. *Lawful business*. A limited liability company may carry on any lawful business, purpose or activity. A limited liability company to which the New Financial Institutions Act or the Insurance Law is applicable shall also be subject to this Act, provided that New Financial Institutions Act or the Insurance Law, as the case may be, shall prevail over any conflicting provisions of this Act.

2. *General powers*. A limited liability company shall possess and may exercise all the powers and privileges granted by this Act or by any other law or by its limited liability company agreement, together with any powers incidental thereto, including such powers and privileges as are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the limited liability company.

3. Notwithstanding any provision of this Act to the contrary, without limiting the general powers enumerated in Section 14.1.5.2, a limited liability company shall, subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, have the power and authority to make contracts of guaranty and suretyship and enter into interest rate, basis, currency, hedge or other swap agreements or cap, floor, put, call, option, exchange or collar agreements, derivative agreements, or other agreements similar to any of the foregoing.

4. Unless otherwise provided in a limited liability company agreement, a limited liability company has the power and authority to grant, hold or exercise a power of attorney, including an irrevocable power of attorney.

5. A non-resident limited liability company is not required to register with and shall not be regulated by the Ministry of Commerce and Industry or the Ministry of Transport or any similar

regulatory agency and shall not be subject to any enactment intended to regulate the conduct of business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.6. Business transactions of member or manager with the limited liability company.

Except as provided in a limited liability company agreement, a member or manager may lend money to, borrow money from, act as a surety, guarantor or endorser for, guarantee or assume one or more obligations of, provide collateral for, and transact other business with a limited liability company and, subject to other applicable law, has the same rights and obligations with respect to any such matter as a person who is not a member or manager.

Effective: November 26, 1999; amended effective June 19, 2002

§14.1.7. Indemnification.

Subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, a limited liability company shall have the power to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever.

Effective: November 26, 1999; amended effective June 19, 2002

CHAPTER 14.

SUBCHAPTER II.

FORMATION, AMENDMENT, MERGER, CONSOLIDATION, RE-DOMICILIATION, REREGISTRATION, AND CANCELLATION

§ 14.2.1. Certificate of formation.

1. *Filing of certificate*. In order to form a limited liability company, one or more persons shall execute a certificate of formation. The certificate of formation shall be filed in the Office of the Registrar or the Deputy Registrar and shall set forth:

(a) The name of the limited liability company;

(b) The name and address of the registered agent for service of process required to be maintained by Section 14.1.4; and

(c) If the limited liability company is to have a specific date of dissolution, the latest date on which the limited liability company is to dissolve; and

(d) Any other matters the members determine to include therein.

2. *Formation*. A limited liability company is formed at the time of the filing of the initial certificate of formation in the office of the Registrar or the Deputy Registrar or at any later date specified in the certificate of formation if, in either case, there has been substantial compliance with the requirements of Section 14.2.1. A limited liability company formed under this Act shall be a separate legal entity, the existence of which as a separate legal entity shall continue until cancellation of the limited liability company's certificate of formation or as otherwise specified in relation to limited liability companies which re-domicile or cancel and reregister.

3. A limited liability company agreement shall be entered into or otherwise existing either before, after or at the time of the filing of a certificate of formation and, whether entered into or otherwise existing before, after or at the time of such filing, may be made effective as of the effective time of such filing or at such other time or date as provided in or reflected by the limited liability company agreement.

Effective: November 26, 1999; amended effective June 19, 2002.

§ 14.2.2. Amendment to certificate of formation.

1. *Filing of amendment*. A certificate of formation is amended by filing a certificate of amendment thereto in the office of the Registrar or the Deputy Registrar. The certificate of amendment shall set forth:

(a) The name of the limited liability company and the date of the initial filing of the certificate of formation; and

(b) The amendment to the certificate of formation.

2. *Duty of manager*. A manager or, if there is no manager then any member, who becomes aware that any statement in a certificate of formation was false or misleading when made, or that any matter described has changed making the certificate of formation false in any material respect, shall promptly amend the certificate of formation.

3. *Timing and purpose of amendment*. A certificate of formation may be amended at any time for any other proper purpose.

4. *Effective date*. Unless otherwise provided in this Act or unless a later effective date or time (which shall be a date or time certain) is provided for in the certificate of amendment, a certificate of amendment shall be effective at the time of its filing with the Registrar or the Deputy Registrar.

Effective: November 26, 1999; amended effective June 19, 2002.

§ 14.2.3. Cancellation of certificate.

1. A certificate of formation shall be cancelled upon the dissolution and the completion of winding up of a limited liability company, or as provided in Sections 14.8.1, 14.8.2, and 14.8.3, or upon the filing of a certificate of merger or consolidation if the limited liability company is not the surviving or resulting entity in a merger or consolidation, or upon the cancellation and reregistration of a domestic limited liability company approved in accordance with Section 14.2.16. A certificate of cancellation shall be filed in the Office of the Registrar or the Deputy Registrar to accomplish the cancellation of a certificate of formation upon the dissolution and the completion of winding up of a limited liability company and shall set forth:

(a) The name of the limited liability company;

(b) The date of filing of its certificate of formation;

(c) The reason for filing the certificate of cancellation;

(d) The future effective date (which shall be a date certain) of cancellation if it is not to be effective upon the filing of the certificate;

(e) In the case of the cancellation and reregistration of a domestic limited liability company, the name of the legal entity to which the domestic limited liability company has been cancellation and reregistered; and

(f) Any other information the person filing the certificate of cancellation determines.

2. A certificate of cancellation that is filed in the office of the Registrar or Deputy Registrar prior to the dissolution or the completion of winding up of a limited liability company may be

corrected as an erroneously executed certificate of cancellation by filing with the office of the Registrar or the Deputy registrar a certificate of correction of such certificate of cancellation in accordance with Section 14.2.6.

3. The Registrar or the Deputy Registrar shall not issue a certificate of goodstanding with respect to a limited liability company if its certificate of formation is cancelled.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.4. Execution.

1. *Application of Chapter 1*. Except where otherwise provided in this Act, Section 1.4 of this Title shall apply in respect of any document to be filed with the Registrar or the Deputy Registrar under the provisions of this Act.

2. *Execution of certificates*. Each certificate required by this Act to be filed in the office of the Registrar or the Deputy Registrar by a limited liability company shall be executed by any officer or other authorized signatory.

3. *Power to enter into agreement*. Unless otherwise provided in a limited liability company agreement, any person may enter into a limited liability company agreement or amendment thereof by an agent, including an attorney-in-fact. An authorization, including a power of attorney, to sign any certificate or amendment thereof or to enter into a limited liability company agreement or amendment thereof need not be in writing, need not be sworn to, verified or acknowledged, and need not be filed in the office of the Registrar or the Deputy Registrar, but if in writing, must be retained by the limited liability company.

4. *Power of Attorney*. For all purposes of the laws of Liberia, unless otherwise provided in a limited liability company agreement, a power of attorney or proxy with respect to a limited liability company granted to any person shall be irrevocable if it states that it is irrevocable and it is coupled with an interest sufficient in law to support an irrevocable power or proxy. Such irrevocable power of attorney or proxy, unless otherwise provided therein or in a limited liability company agreement, shall not be affected by subsequent death, disability, incapacity, dissolution, termination of existence or bankruptcy of, or any other event concerning, the principal. A power

of attorney or proxy with respect to matters relating to the organization, internal affairs or termination of a limited liability company or granted by a person as a member or an assignee of a limited liability company interest or by a person seeking to become a member or an assignee of a limited liability company interest and, in either case, granted to the limited liability company, a manager or member thereof, or any of their respective officers, directors, managers, members, partners, trustees, employees or agents shall be deemed coupled with an interest sufficient in law to support an irrevocable power. The provisions of Section 14.2.4.4 shall not be construed to limit the enforceability of a power of attorney or proxy that is part of a limited liability company agreement.

5. *Certificate by an authorized person*. The execution of a certificate by an authorized person constitutes an oath or affirmation, under the penalties of perjury, that, to the best of such person's knowledge and belief, the facts stated therein are true.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.5. Execution, amendment or cancellation by judicial order.

1. *Failure properly to execute*. If a person required to execute a certificate required by this Subchapter fails or refuses to do so, any other person who is adversely affected by the failure or refusal may petition a court of competent jurisdiction to direct the execution of the certificate. If the court finds that the execution of the certificate is proper and that any person so designated has failed or refused to execute the certificate, it shall order the Registrar or the Deputy Registrar to record an appropriate certificate.

2. *Remedies*. If a person required to execute a limited liability company agreement or amendment thereof fails or refuses to do so, any other person who is adversely affected by the failure or refusal may petition a court of competent jurisdiction to direct the execution of the limited liability company agreement or amendment thereof. If the court finds that the limited liability company agreement or amendment thereof should be executed and that any person required to execute the limited liability company agreement or amendment thereof has failed or refused to do so, it shall enter an order granting appropriate relief.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.6. Filing and effect.

1. The signed copy of any certificate authorized to be filed under this Act, including the certificate of formation, the certificate of amendment, the certificate of correction, the certificate of amendment of a certificate with a future effective date, the certificate of termination of a certificate with a future effective date, the certificate of cancellation or of any judicial decree of amendment or cancellation, the certificate of merger or consolidation, the restated certificate, the corrected certificate, the certificate of reregistration, the certificate of re-domiciliation, or the certificate of cancellation and reregistration, shall be delivered to the Registrar or the Deputy Registrar. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of that person's authority as a prerequisite to filing. Any signature on any certificate authorized to be filed with the Registrar or the Deputy Registrar under any provision of this Act may be a facsimile, a conformed signature or an electronically transmitted signature. Upon delivery of any certificate, the Registrar or the Deputy Registrar shall record the date of its delivery. Unless the Registrar or the Deputy Registrar finds that any certificate does not conform to law, upon receipt of all filing fees required by law and, if applicable, any other documents required to be submitted to the Registrar or the Deputy Registrar simultaneously therewith, the Registrar or the Deputy Registrar shall:

(a) Certify that any certificate authorized to be filed under this Act, including the certificate of formation, the certificate of amendment, the certificate of correction, the certificate of amendment of a certificate with a future effective date, the certificate of termination of a certificate with a future effective date, the certificate of cancellation (or of any judicial decree of amendment or cancellation), the certificate of merger or consolidation, the restated certificate, the corrected certificate, the certificate of reregistration, the certificate of re-domiciliation, or the certificate of cancellation and reregistration, has been filed with the Registrar or the Deputy Registrar as required by this Act by endorsing the word "Filed" and the date of filing on the instrument; This endorsement is conclusive of the date of its filing in the absence of actual fraud. Except as provided in Section 14.2.6, such date of filing of a certificate shall be the date of delivery of the certificate;

(b) File and index the endorsed certificate; and

(c) Prepare and return to the person who filed it or that person's representative a copy of the signed certificate, similarly endorsed, and shall certify such copy as a true copy of the signed certificate.

2. *Application of Chapters 1 and 8*. The provisions of Sections 1.4, 1.5, 1.8, 1.10, 1.11, of this Title shall apply mutatis mutandis to a limited liability company as to a corporation. To the extent set forth therein, Chapter 8 of this Title shall apply to a limited liability company formed under Chapter 14 and a foreign limited liability company authorized to do business in Liberia.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.7. Notice.

The fact that a certificate of formation is on file in the office of the Registrar or the Deputy Registrar is notice that the entity formed in connection with the filing of the certificate of formation is a limited liability company formed under the laws of the Republic of Liberia and is notice for all other facts set forth therein which are required to be set forth in a certificate of formation by Section 14.2.1.1.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.8. Restated certificate.

1. *Application for restated certificate*. A limited liability company may, whenever desired, integrate into a single instrument all of the provisions of its certificate of formation which are then in effect and operative as a result of there having theretofore been filed with the Registrar or the Deputy Registrar one or more certificates or other instruments pursuant to Section 14.2.8, and it may at the same time also further amend its certificate of formation by adopting a restated certificate of formation.

2. If a restated certificate of formation merely restates and integrates but does not further amend the initial certificate of formation, as theretofore amended or supplemented by any instrument that was executed and filed pursuant to any of the sections in this subchapter, it shall

be specifically designated in its heading as a “Restated Certificate of Formation" together with such other words as the limited liability company may deem appropriate and shall be executed by an authorized person and filed as provided in Section 14.2.6 in the office of the Registrar or the Deputy Registrar. If a restated certificate restates and integrates and also further amends in any respect the certificate of formation, as theretofore amended or supplemented, it shall be specifically designated in its heading as an “Amended and Restated Certificate of Formation" together with such other words as the limited liability company may deem appropriate and shall be executed by at least one authorized person, and filed as provided in Section 14.2.6 in the office of the Registrar or the Deputy Registrar.

3. *Form of application*. A restated certificate of formation shall state, either in its heading or in an introductory paragraph, the limited liability company’s present name, and if it has been changed, the name under which it was initially filed, and the date of filing of its initial certificate of formation with the Registrar or the Deputy Registrar, and the future effective date (which shall be a date certain) of the restated certificate if it is not to be effective upon the filing of the restated certificate. A restated certificate shall also state that it was duly executed and is being filed in accordance with Section 14.2.8. If a restated certificate only restates and integrates and does not further amend a limited liability company's certificate of formation as theretofore amended or supplemented and there is no discrepancy between those provisions and the restated certificate, it shall state that fact as well.

4. *Former certificate superseded*. Upon the filing of a restated certificate of formation with the Registrar or the Deputy Registrar, or upon the future effective date or time of a restated certificate of formation as provided for therein, the initial certificate of formation, as theretofore amended or supplemented, shall be superseded; thenceforth, the restated certificate of formation, including any further amendment or changes made thereby, shall be the certificate of formation of the limited liability company, but the original effective date of formation shall remain unchanged.

5. Any amendment or change effected in connection with the restatement and integration of the certificate of formation shall be subject to any other provision of this Act, not inconsistent

with Section 14.2.8, which would apply if a separate certificate of amendment were filed to effect such amendment or change.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.9. Merger and consolidation.

1. *Power to merge or consolidate*. Two or more limited liability companies may merge into a single limited liability company, which may be any one of the constituent limited liability companies, or they may consolidate into a new limited liability company formed by the consolidation, pursuant to a plan of merger or consolidation, as the case may be, complying with and approved in accordance with Section 14.2.9.

2. *Plan of merger or consolidation*. The members of each domestic limited liability company proposing to participate in a merger or consolidation under Section 14.2.9 shall approve a plan of merger or consolidation setting forth:

(a) The name and jurisdiction of each constituent limited liability company, and if the name of any of them has been changed, the name under which it was formed; and the name of the surviving limited liability company, or the name, or the method of determining it, of the consolidated limited liability company;

(b) As to each constituent limited liability company, the designation and number of members, specifying the entitlement to vote;

(c) The terms and conditions of the proposed merger or consolidation, including the manner and basis of converting the membership contributions, rights and obligations of each member of each constituent limited liability company into limited liability company interests in the surviving or consolidated limited liability company, or the cash or other consideration to be paid or delivered in exchange for limited liability company interests in each constituent limited liability company, or combination thereof;

(d) In case of merger, a statement of any amendment in the certificate of formation of the surviving limited liability company to be effected by such merger; in case of

consolidation, all statements required to be included in a certificate of formation for a limited liability company formed under this Act, except statements as to facts not available at the time the plan of consolidation is approved; and

(e) Such other provisions with respect to the proposed merger or consolidation as the persons approving the merger or consolidation consider necessary or desirable.

3. *Authorization by members*. Unless otherwise provided in the limited liability company agreement, a merger or consolidation shall be approved by each domestic limited liability company which is to merge or consolidate by the members or, if there is more than one class or group of members, then by each class or group of members, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company owned by all of the members or by the members in each class or group, as appropriate. In connection with a merger or consolidation hereunder, rights or securities of, or interests in, a domestic limited liability company which is a constituent party to the merger or consolidation may be exchanged for or converted into cash, property, rights or securities of, or interests in, the surviving or resulting limited liability company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights or securities of, or interests in, a limited liability company or other legal entity which is not the surviving or resulting limited liability company in the merger or consolidation. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to merge or consolidate as set forth in Section 14.2.9.3.

4. *Certificate of merger or consolidation*. After approval of the plan of merger or consolidation, the certificate of merger or consolidation shall be executed by the surviving limited liability company. The certificate of merger shall set forth either:

(a) All of the following:

(i) The name of each of the constituent limited liability companies;

(ii) The date when the certificates of formation of each constituent limited liability companies was filed with the Registrar or the Deputy Registrar;

(iii) That a plan of merger or consolidation has been approved and executed by each of the constituent limited liability companies in accordance with Section 14.2.9;

(iv) The name of the surviving or consolidated limited liability company;

(v) In the case of a merger, such amendments or changes in the certificate of formation of the surviving limited liability company as are desired to be effected by the merger, or, if no such amendments or changes are desired, a statement that the certificate of formation of the surviving limited liability company shall be the certificate of the limited liability company;

(vi) In the case of a consolidation, that the certificate of formation of the consolidated limited liability company shall be as set forth in an attachment to the certificate of merger or consolidation;

(vii) That the executed plan of merger or consolidation is on file at an office of the surviving limited liability company; and

(viii) That a copy of the plan of merger or consolidation will be furnished by the surviving limited liability company on request and without cost, to any member of any constituent limited liability company; or,

(b) the certificate of merger may instead set forth all of the following:

(i) The plan of merger or consolidation, and, in case of consolidation, any statement required to be included in a certificate of formation for a limited liability company formed under this Act but which was omitted under Section 14.2.9.2(d);

(ii) The date when the certificates of formation of each constituent limited liability company was filed with the Registrar or the Deputy Registrar; and

(iii) The manner in which the merger or consolidation was authorized with respect to each constituent limited liability company.

5. *Filing of certificate of merger or consolidation*. The surviving or consolidated limited liability company shall execute and deliver a certificate of merger or consolidation to the Registrar or the Deputy Registrar and the certificate shall be filed in accordance with Section 14.2.1 and the provisions of Section 1.4 of this Title shall apply with the variation that execution shall be by any manager or member or other authorized person.

6. *Plan may be conditional*. Any of the terms of the plan of merger or consolidation may be made dependent upon facts ascertainable outside of such plan, provided that the manner in which such facts shall operate upon the terms of the plan is clearly and expressly set forth in the plan of merger or consolidation. The term "facts," as used in the preceding sentence, includes, but is not limited to, the occurrence of any event, including a determination or action by any person, body or legal entity, including the limited liability company.

7. *Plan of merger or consolidation may be terminated*. Any plan of merger or consolidation may contain a provision that at any time prior to the time that the certificate of merger or consolidation filed with the Registrar or the Deputy Registrar becomes effective in accordance with Section 1.4 of this Title, the plan may be terminated by any constituent limited liability company notwithstanding approval of the plan by the members of all or any of the constituent limited liability companies and in the event the plan of merger or consolidation is terminated after the filing of the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of termination of merger or consolidation shall be filed in accordance with Section 1.4 of this Title.

8. *Plan of merger or consolidation may be amended*. Any plan of merger or consolidation may contain a provision that any constituent limited liability company may amend the plan at any time prior to the time that the certificate of merger or consolidation filed with the Registrar or the Deputy Registrar becomes effective in accordance with Section 1.4 of this Title, provided that an amendment made subsequent to the adoption of the plan by the members of any constituent limited liability company shall not alter or change:

(a) The limited liability company interests to be received in exchange for or on conversion of all or any of the limited liability company interests of such constituent limited liability company;

(b) Any term of the certificate of formation of the surviving limited liability company to be effected by the merger or consolidation; or

(c) Any of the terms and conditions of the plan if such alteration or change would adversely affect the individual members of such constituent limited liability company, and in the event the plan of merger or consolidation is amended after the filing of the certificate of merger or consolidation with the Registrar or the Deputy Registrar but before the plan has become effective, a certificate of amendment of merger or consolidation shall be filed and the provisions of Section 1.4 of this Title shall apply with the variation that execution shall be by any manager or member or other authorized person.

9. *Liability of member of former limited liability company*. The personal liability, if any, of any member of a constituent limited liability company existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such member and shall not become the liability of any subsequent transferee of any membership in such surviving or consolidated limited liability company or of any other member of such surviving or consolidated limited liability company.

10. *Application of Section 14.2.10*. The provisions of Section 14.2.10 shall apply to Section 14.2.9.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.2.10. Effect of merger or consolidation.

1. *When effective*. Upon the filing of the certificate of merger or consolidation with the Registrar or the Deputy Registrar or on such date subsequent thereto, not to exceed ninety (90) days, as shall be set forth in such certificate, the merger or consolidation shall be effective.

2. *Effects stated*. When such merger or consolidation has been effected:

(a) Such surviving or consolidated limited liability company shall thereafter consistently with its certificate of formation and limited liability company agreement as altered or established by the merger or consolidation, possess all the

rights, privileges, immunities, powers and purposes of each of the constituent limited liability companies;

(b) All the property, real and personal, including subscriptions to shares, causes of action and every other asset of each of the constituent limited liability companies, shall vest in such surviving or consolidated limited liability company without further act or deed;

(c) The surviving or consolidated limited liability company shall assume and be liable for all the liabilities, obligations and penalties of each of the constituent limited liability companies. No liability or obligation due or to become due, claim or demand for any cause existing against any such constituent limited liability company, or any member or manager thereof, shall be released or impaired by such merger or consolidation. No action or proceeding, whether civil or criminal, then pending by or against any such constituent limited liability company, or any member thereof, shall abate or be discontinued by such merger or consolidation, but may be enforced, prosecuted, settled or compromised as if such merger or consolidation had not occurred, or such surviving or consolidated limited liability company may be substituted in such action or special proceeding in place of any constituent limited liability company;

(d) In the case of a merger, the certificate of formation of the surviving limited liability company shall be automatically amended to the extent, if any, that changes in its certificate of formation are set forth in the plan of merger; and, in the case of a consolidation, the statements set forth in the certificate of consolidation and which are required or permitted to be set forth in the certificate of formation of a limited liability company formed under this Act, shall be its certificate of formation; and

(e) Unless otherwise provided in the certificate of merger or consolidation, the separate existence of a constituent limited liability company which is not the surviving limited liability company or the consolidated limited liability company

shall cease, but shall not be required to wind up its affairs or pay its liabilities and distribute its assets.

Effective: June 19, 2002.

§14.2.11. Merger or consolidation of limited liability company and other associations.

1. *Definitions*. In this section:

"***Association***" includes any association, having legal personality or registered as a legal entity under the laws of Liberia or elsewhere and whether formed by agreement or under statutory authority or otherwise, and includes a corporation, by whatever name described, limited liability company, limited partnership, partnership, foundation, or other legal entity, except a limited liability company to which Section 14.2.9 applies; and "***Shareholder***" includes every member of such an association or holder of a share or person having present or future direct financial or beneficial interest therein.

2. *Power to merge or consolidate*. One or more domestic limited liability companies may merge or consolidate with one or more associations, except an association formed under the laws of a jurisdiction which prohibits such merger or consolidation. Any such one or more limited liability companies and such one or more associations may merge into a single limited liability company or association, which may be any one of such constituent domestic limited liability companies or associations, or may consolidate into a new limited liability company or association established in Liberia or elsewhere, pursuant to a plan of merger or consolidation, as the case may be, complying with and approved in accordance with Section 14.2.11.

3. *Method in respect of constituent limited liability companies*. In the case of a domestic limited liability company the provisions of Section 14.2.9 shall apply with the variation that the plan of merger or consolidation of each constituent domestic limited liability company shall state:

(a) The manner of converting the limited liability company interests of the constituent domestic limited liability companies and the shares, memberships or financial or beneficial interests in the constituent associations into limited liability

company interests or shares, memberships or financial or beneficial interests of the surviving or consolidated limited liability company or association, as the case may be; and

(b) If any limited liability company interests in any constituent domestic limited liability company or shares, memberships or financial or beneficial interests in any constituent association are not to be converted solely into limited liability company interests of the surviving or consolidated limited liability company or shares, memberships or financial or beneficial interests in the surviving or consolidated association, the cash or other consideration to be paid or delivered in exchange for member interests and, in the case of a constituent association, in exchange for shares, memberships or financial or beneficial interests in the association, as the case may be.

4. *Additional matters in respect of surviving or consolidated foreign associations*. The plan of merger or consolidation shall set forth such other matters or provisions as shall then be required to be set forth in instruments by which an association is organized in the laws of the jurisdiction which are stated in the plan to be the laws which shall govern a surviving or consolidated association and that can be stated in the case of a merger or consolidation.

5. (1) *Method in respect of constituent associations and surviving or consolidated associations organized in Liberia*. The plan of merger or consolidation required by Section 14.2.11 shall be approved and executed by each constituent association organized or registered in Liberia. After approval of the plan of merger or consolidation, a certificate of merger or consolidation shall be executed by the surviving limited liability company or association and filed with the Registrar or Deputy Registrar and shall set forth:

(a) The name of each of the constituent limited liability companies and associations;

(b) The date when the certificates of formation, articles of incorporation, constitution (or equivalent) of each constituent limited liability company or association was filed with the Registrar or the Deputy Registrar or relevant foreign jurisdiction;

(c) That a plan of merger or consolidation has been approved and executed by each of the constituent limited liability companies and associations in accordance with Section 14.2.11;

(d) The name and jurisdiction of organization of the surviving or consolidated limited liability company or association;

(e) In the case of a merger where the domestic limited liability company survives, such amendments or changes in the certificate of formation of the surviving limited liability company as are desired to be effected by the merger, or, if no such amendments or changes are desired, a statement that the certificate of formation of the surviving limited liability company shall be the certificate of the limited liability company;

(f) In the case of a consolidation where the domestic limited liability company survives, that the certificate of formation of the consolidated limited liability company shall be as set forth in an attachment to the certificate of merger or consolidation;

(g) In the case of merger or consolidation where the domestic limited liability company survives, that the executed plan of merger or consolidation is on file at an office of the surviving limited liability company; and

(h) That a copy of the plan of merger or consolidation will be furnished by the surviving limited liability company or association on request and without cost, to any member of any constituent limited liability company or association.

(2) In lieu of the certificate of merger containing the information set forth above, the surviving limited liability company or association may instead file a certificate of merger that sets forth:

(a) The plan of merger or consolidation, and, in case of consolidation where the domestic limited liability company survives, any statement required to be included in a certificate of formation for a limited liability company formed under this Act but which was omitted under Section 14.2.9.2(d);

(b) The date when the certificates of formation, articles of incorporation, constitution (or equivalent) of each constituent limited liability company or association was filed with the Registrar or the Deputy Registrar or relevant foreign jurisdiction, and the name of the foreign jurisdiction; and

(c) The manner in which the merger or consolidation was authorized with respect to each constituent limited liability company and association.

6. *Method to be followed by constituent and surviving or consolidated foreign associations*. Each constituent and each surviving or consolidated foreign association shall comply with the applicable laws of the jurisdiction under which it is organized.

7. *Additional filing where surviving or consolidated association governed by laws of another jurisdiction*. If the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, it shall comply with the provisions of this Act with respect to foreign entities if it is to transact business in Liberia, and in every case it shall file with the Registrar or the Deputy Registrar:

(a) An irrevocable notice of consent that it may be served with process in Liberia in any proceeding for the enforcement of any obligation of any domestic limited liability company which is a party to such merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting member of any such limited liability company against the surviving or consolidated association;

(b) An irrevocable appointment of the Minister of Foreign Affairs as its agent to accept service of process in any such proceeding;

(c) An undertaking that it will promptly pay to the dissenting member of any domestic limited liability company the amount, if any, to which they shall be entitled under the provisions of this Act or the plan of merger; and

(d) Notice executed in accordance with Section 1.4 of this Title by any officer or other authorized signatory of the surviving or consolidated association that the

merger or consolidation is effective in the other jurisdiction and specifying the competent authority in that jurisdiction.

8. *Effect*. The effect of a merger or consolidation under Section 14.2.11 and having one or more foreign constituent associations shall be the same as in the case of the merger or consolidation of limited liability companies with associations organized or registered in Liberia if the surviving or consolidated limited liability company or association is to be governed by the laws of Liberia. If the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia, the effect of such merger or consolidation shall be the same as in the case of merger or consolidation of limited liability companies with associations organized or registered in Liberia except insofar as the laws of such other jurisdiction provide otherwise.

9. *Effective date*. The effective date of a merger or consolidation in cases where the surviving or consolidated association is to be governed by the laws of any jurisdiction other than Liberia shall be determined by the filing requirements and laws of such other jurisdiction.

10. *Liability of member of former limited liability company*. The personal liability, if any, of any member of a domestic limited liability company existing at the time of such merger or consolidation shall not thereby be extinguished, shall remain personal to such member and shall not become the liability of any subsequent member or shareholder of any surviving or consolidated limited liability company or association or of any other member or shareholder of such surviving or consolidated limited liability company or association.

11. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to merge or consolidate as set forth in Section 14.2.11.

12. In any case in which (i) at least ninety percent (90%) of the outstanding shares of each class of the stock of a corporation or corporations of which class there are outstanding shares that, absent Sections 10.3 or 10.5.4 of this Title, would be entitled to vote on such merger, is owned by a domestic limited liability company, (ii) one or more of such corporations is a Liberian corporation, and (iii) any corporation that is not a Liberian corporation is a corporation of any other jurisdiction, the laws of which do not prohibit such merger, the domestic limited liability company having such stock ownership may either merge the corporation or corporations

into itself and assume all of its or their obligations, or merge itself, or itself and one or more of such corporations, into one of the other corporations, pursuant to a plan of merger. If a domestic limited liability company is causing a merger under Section 14.2.11, the domestic limited liability company shall file a certificate of merger or consolidation executed by at least one member or other authorized person on behalf of the domestic limited liability company in the Registrar. The certificate of merger or consolidation shall certify that such merger was authorized in accordance with the domestic limited liability company's limited liability company agreement and this Act, and if the domestic limited liability company shall not own all the outstanding stock of all the corporations that are parties to the merger, shall state the terms and conditions of the merger, including the securities, cash, property, or rights to be issued, paid, delivered or granted by the surviving domestic limited liability company or corporation upon surrender of each share of the corporation or corporations not owned by the domestic limited liability company, or the cancellation of some or all of such shares. The terms and conditions of the merger may not result in a holder of stock in a corporation becoming a member in a surviving domestic limited liability company. If a corporation surviving a merger under Section 14.2.11 is not a Liberian corporation, then the terms and conditions of the merger shall obligate such corporation to agree that it may be served with process in Liberia in any proceeding for enforcement of any obligation of the domestic limited liability company or any obligation of any constituent Liberian corporation, as well as for enforcement of any obligation of the surviving corporation, including any suit or other proceeding to enforce the right of any shareholders as determined in appraisal proceedings, and to irrevocably appoint the Minister of Foreign Affairs as its agent to accept service of process in any such suit or other proceedings, and to specify the address to which a copy of such process shall be mailed or delivered by the Minister of Foreign Affairs.

Effective: June 19, 2002.

§14.2.12. Power of limited liability company to re-domicile into Liberia.

1. *Application of section*. This Section 14.2.12 shall apply to a limited liability company or other legal entity, in Section 14.2.12 referred to as a “limited liability company”, established outside Liberia which re-domiciles into Liberia as a domestic limited liability company.

2. *Eligibility to apply to establish domicile in Liberia as a Liberian limited liability company*. A limited liability company domiciled outside Liberia may, if not prohibited to do so by its constitutional documents, apply to establish domicile in Liberia as a domestic limited liability company. The re-domiciliation shall be approved in the manner provided for by the constitutional documents of the limited liability company seeking to establish domicile in Liberia and the conduct of its business and by applicable non-Liberian law, as appropriate, and a certificate of formation shall be approved by the same authorization required to approve the re-domiciliation.

3. *Filing requirements to establish domicile in Liberia as a Liberian limited liability company*. A limited liability company seeking to establish domicile in Liberia as a Liberian limited liability company shall file with the Registrar or the Deputy Registrar:

(a) A certificate of re-domiciliation setting out:

(i) The name of the limited liability company, and, if the name has been changed, the name with which the limited liability company was established, and the name, if different, under which re-domiciliation as a domestic limited liability company is sought;

(ii) The date of establishment of the limited liability company, and if registered, the date of registration;

(iii) The jurisdiction of establishment of the limited liability company;

(iv) The date on which it is proposed to re-domicile as a domestic limited liability company;

(v) That the re-domiciliation has been approved in accordance with the relevant law and the constitutional documents of the limited liability company;

(vi) Confirmation by the members or equivalent, or other authorized persons of the limited liability company that at the date of re-domiciliation as a domestic limited liability company the limited liability company will have

done in the jurisdiction in which it was established everything required by the relevant legislation of that jurisdiction preparatory to re-domiciliation in another jurisdiction and that the limited liability company will cease to be a limited liability company domiciled in that jurisdiction;

(vii) Confirmation by the members or equivalent or other authorized persons of the limited liability company that no proceedings for insolvency or dissolution have been commenced with respect to the limited liability company in the jurisdiction in which it is established; and

(viii) Such other provisions with respect to the proposed re-domiciliation as a domestic limited liability company as the members or equivalent or other authorized persons consider necessary or desirable.

(b) A certificate of good standing in respect of the limited liability company issued by the competent authority in the jurisdiction in which the limited liability company is established or other evidence to the satisfaction of the Registrar or the Deputy Registrar that the limited liability company is in compliance with registration requirements of that jurisdiction;

(c) Any amendments to the constitutional documents of the limited liability company that are to take effect on the registration of the limited liability company as a domestic limited liability company so that the constitutional documents accord with this Act;

(d) A certificate of formation in accordance with Section 14.2.1 which is to be the certificate of formation of the domestic limited liability company;

(e) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment,

(f) Where in Section 14.2.12 there is reference to the jurisdiction in which the limited liability company is established, that reference shall, in respect of a limited

liability company domiciled in a jurisdiction other than that in which it was is established, be read to mean the jurisdiction of domicile; and

(g) The provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 of this Title shall apply, with the variation that execution shall be by a member or manager or other authorized person.

4. *Name of limited liability company on re-domiciliation*. The provisions of Section 14.1.2 of this Act shall apply in respect of the name in which a limited liability company may apply to re-domicile as a domestic limited liability company.

5. *Re-domiciliation in Liberia*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation as a domestic limited liability company have been met, certify that the limited liability company has established domicile in Liberia and has existence as the Liberian limited liability company specified in the documents supplied in compliance with Section 14.2.12.3, in accordance with those documents on the date of the issue of the certificate, or, in case of a certificate to which Section 14.2.12.6 applies, on the specified date.

6. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of the making of an application under Section 14.2.12.3, the limited liability company applying for re-domiciliation as a domestic limited liability company has specified a date, which is referred to as "the specified date" in Section 14.2.12, no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

7. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 14.2.12.5 in respect of any re-domiciled limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the limited liability company is authorized to be so re-domiciled;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in case of a certificate to which Section 14.2.12.6 applies, from the specified date, unless endorsed in accordance with Section 14.2.12.9.

8. *Obligation to amend the limited liability company agreement of the limited liability company*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of re-domiciliation in accordance with Section 14.2.12.5, any provisions of the constitutional documents of the limited liability company do not, in any respect, accord with this Act:

(a) The constitutional documents of the limited liability company shall continue to govern the re-domiciled limited liability company until:

(i) The certificate of formation complying with this Act is in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate of re-domiciliation or, in case of a certificate to which 14.2.12.6 applies, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the limited liability company that are in any respect in conflict with this Act cease to govern the re-domiciled limited liability company when the certificate of formation in accordance with this Act is in effect.

9. *Endorsement of certificate of re-domiciliation*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.2.12.6 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied that:

(c) The re-domiciled limited liability company has ceased to be a limited liability company under the relevant provisions of the law under which it was established; and

(d) The certificate of formation accords in all respects with this Act,

he may, on the application of the re-domiciled limited liability company to which the certificate of re-domiciliation has been issued endorse that certificate to the effect that the re-domiciled limited liability company is from the date of the endorsement to be deemed to be re-domiciled and in existence in Liberia under this Act and that shall be the effective date of re-domiciliation and the provisions of Section 1.4.7 shall apply.

10. *Failure to complete re-domiciliation and registration*. If, by a date one (1) year immediately following the date of the issue of a certificate of re-domiciliation in accordance with Section 14.2.12.5 or, in the case of a certificate to which Section 14.2.12.6 applies, following the specified date, the re-domiciled limited liability company has not satisfied the Registrar or the Deputy Registrar that:

(a) it has ceased to be a limited liability company under the relevant provisions of the law in the jurisdiction in which it was established; and

(b) The certificate of formation accords in all respects with this Act and the objects of the limited liability company as a domestic limited liability company the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.12.5; and

(c) That certificate and any re-domiciliation under Section 14.2.12 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the re-domiciled limited liability company from the register.

11. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The domestic limited liability company to which the certificate relates:

(i) Is a limited liability company re-domiciled and deemed to be formed in Liberia under this Act and having as its existence date the date on which it was established in another jurisdiction; and

(ii) Shall be a limited liability company formed in Liberia for the purpose of any other law;

(b) The certificate of formation of the limited liability company as filed in accordance with Section 14.2.12.3(d) is the certificate of formation of the domestic limited liability company;

(c) The property of every description and the business of the limited liability company are vested in the domestic limited liability company;

(d) The domestic limited liability company is liable for all of the claims, debts, liabilities and obligations of the limited liability company;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the limited liability company or against any member, manager or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the limited liability company or against any member or manager or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the domestic limited liability company or against the member, manager or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the re-domiciliation, the limited liability company re-domiciling as a domestic limited liability company shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the re-domiciliation shall constitute a continuation of the existence of

the re-domiciling limited liability company as the domestic limited liability company and shall not:

(i) Constitute a dissolution of the limited liability company;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the domestic limited liability company as a re-domiciled limited liability company.

Effective: June 19, 2002.

§14.2.13. Power of limited liability company to re-domicile out of Liberia.

1. *Application of section*. This Section 14.2.13 shall apply to a domestic limited liability company formed or deemed to be formed in Liberia which re-domiciles into another jurisdiction.

2. *Eligibility to apply to establish domicile in another jurisdiction*. A domestic limited liability company may, if not prohibited to do so by its certificate of formation or limited liability company agreement, apply to establish domicile outside Liberia in another jurisdiction. If the limited liability company agreement specifies the manner of authorizing a re-domiciliation of the limited liability company, the re-domiciliation shall be authorized as specified in the limited liability company agreement. If the limited liability company agreement does not specify the manner of authorizing a re-domiciliation of the limited liability company and does not prohibit a re-domiciliation of the limited liability company, the re-domiciliation shall be authorized in the same manner as is specified in the limited liability company agreement for authorizing a merger or consolidation that involves the limited liability company as a constituent party to the merger or consolidation. If the limited liability company agreement does not specify the manner of authorizing a re-domiciliation of the limited liability company or a merger or consolidation that involves the limited liability company as a constituent party and does not prohibit a re-domiciliation of the limited liability company, the re-domiciliation shall be authorized by the approval by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company or, if there is more than one class or group of members, then by each class or group of members, in either case, by members

who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company owned by all of the members or by the members in each class or group, as appropriate. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to re-domicile as set forth in Section 14.2.13.

3. *Application to establish domicile in another jurisdiction*. An application by a domestic limited liability company to establish domicile outside Liberia in another jurisdiction and to cease to be a domestic limited liability company shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate of re-domiciliation setting out:

(i) The name of the Liberian limited liability company, and, if the name has been changed, the name with which the Liberian limited liability company was established, and the name, if different, under which registration as a re-domiciled limited liability company is sought;

(ii) The date of existence of the Liberian limited liability company;

(iii) The jurisdiction to which the domestic limited liability company proposes to re-domicile;

(iv) The date on which the domestic limited liability company proposes to re-domicile;

(v) The address for service of the limited liability company in the jurisdiction of re-domiciliation;

(vi) That the proposed re-domiciliation has been approved in accordance with the relevant law and the certificate of formation and limited liability company agreement of the domestic limited liability company;

(vii) Confirmation by the members, or by any officer or other authorized signatory, of the domestic limited liability company that at the date of re-

domiciliation the domestic limited liability company will have done everything required by this Act preparatory to re-domiciliation in another jurisdiction and that, on re-domiciliation in the other jurisdiction, the domestic limited liability company will cease to be a limited liability company domiciled in Liberia;

(viii) Confirmation by the members or other authorized persons of the limited liability company that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the limited liability company; and

(ix) Such other provisions with respect to the proposed re-domiciliation as the members or other authorized persons consider necessary or desirable;

(b) A certificate of good standing in respect of the domestic limited liability company issued by the Registrar or the Deputy Registrar;

(c) The address of the registered agent in Liberia which shall be retained during the period of one year or such longer period until the domestic limited liability company has been deemed to be a limited liability company domiciled in the other jurisdiction, and evidence of acceptance of the appointment by the registered agent; and

(d) Any amendments to the certificate of formation that are to take effect on the registration of the re-domiciled limited liability company in the other jurisdiction, and the provisions of Sections 1.4.1 to 1.4.6 and 1.4.8 of this Title shall apply, with the variation that execution shall be by any officer or other authorized signatory.

4. *Consent to establish domicile in another jurisdiction*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of re-domiciliation to another jurisdiction have been met:

(a) Certify that the domestic limited liability company is permitted to establish domicile in the jurisdiction specified in the documents supplied in compliance with Section 14.2.13.3, in accordance with those documents, and that it may cease to be registered in Liberia on the date of the issue of the certificate, or, in case of a certificate to which Section 14.2.13.5 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a domestic limited liability company to which a certificate has been issued under this paragraph the fact of the issue of the certificate, and Section 1.4.7 shall apply.

5. *Deferred date of re-domiciliation*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of making an application under Section 14.2.13.3, the domestic limited liability company applying for re-domiciliation has specified a date, which is referred to as "the specified date" in Section 14.2.13, no later than one (1) year after the date of the making of the application as the date of re-domiciliation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of re-domiciliation.

6. *Status of a certificate of re-domiciliation*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 14.2.13.4(a) in respect of any domestic limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that re-domiciliation, and matters precedent and incidental thereto, have been complied with and that the limited liability company is authorized to be so re-domiciled;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in case of a certificate to which Section 14.3.13.5 applies, from the specified date, unless endorsed in accordance with Section 14.3.13.7.

7. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of re-domiciliation or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.3.13.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate of continuation executed by the governing body of the re-domiciled limited liability company, that the limited liability company has become a limited liability company under the relevant provisions of the law in the jurisdiction specified in the certificate of re-domiciliation, he may endorse the certificate to which Section 14.2.13.4(a) or Section 14.2.13.5 applies to the effect that the limited liability company is from the date of the endorsement to be deemed to be re-domiciled and no longer registered in Liberia under this Act and that shall be the effective date of re-domiciliation.

8. *Failure to complete re-domiciliation.* If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 14.2.13.4(a) or, in the case of a certificate to which Section 14.2.13.5 applies, following the specified date, the domestic limited liability company has not satisfied the Registrar or the Deputy Registrar that it has become a limited liability company under the relevant provisions of the law in the jurisdiction to which it proposed to re-domicile, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.13.4(a), and:

(a) That certificate and any re-domiciliation under Section 14.2.13 shall be of no further force or effect; and

(b) The domestic limited liability company shall continue as a domestic limited liability company in Liberia under the provisions of this Act.

9. *Effect of re-domiciliation*. With effect from the date of the endorsement of a certificate of re-domiciliation:

(a) The limited liability company to which the certificate relates shall cease to be a domestic limited liability company registered in Liberia under this Act; and

(b) The certificate of formation of the re-domiciled limited liability company (or other constitutional documents of the limited liability company), as amended by

the resolution or equivalent document establishing domicile in the other jurisdiction, is the certificate of formation of the re-domiciled limited liability company;

(c) The property of every description and the business of the domestic limited liability company are vested in the re-domiciled limited liability company;

(d) The re-domiciled limited liability company is liable for all of the claims, debts, liabilities and obligations of the domestic limited liability company;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the domestic limited liability company or against any member, manager or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of re-domiciliation by or against the domestic limited liability company or against any member, manager or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the re-domiciled limited liability company or against the member, manager or agent thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the re-domiciliation, the domestic limited liability company re-domiciling as a re-domiciled limited liability company in another jurisdiction shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the re-domiciliation shall constitute a continuation of the existence of the re-domiciling limited liability company and shall not:

(i) Constitute a dissolution of the domestic limited liability company;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the re-domiciled limited liability company.

10. *Index of domestic limited liability companies re-domiciled to another jurisdiction*. The Registrar or the Deputy Registrar shall maintain an index of domestic limited liability companies in respect of which a certificate issued in accordance with Section 14.2.13.4(a) is in force and in that index shall record the name in which the limited liability company is re-domiciled in the other jurisdiction and the address for service of the limited liability company in that jurisdiction, and whether the limited liability company has ceased to be registered under this Act in accordance with Section 14.2.13.7.

Effective: June 19, 2002.

§14.2.14. Reregistration of another entity as a limited liability company.

1. *Power to reregister*. A corporation, a limited partnership, a partnership, a private foundation, or any other legal entity existing under the laws of Liberia (in this Section 14.2.14 referred to as a "legal entity") may, if not prohibited to do so by its constitutional documents, apply to reregister as a domestic limited liability company. The reregistration shall be approved in the manner provided for by the constitutional documents of the legal entity and the conduct of its business and by applicable laws of Liberia, as appropriate, and the certificate of formation shall be approved by the same authorization required to approve the reregistration.

2. *Application to reregister as a domestic limited liability company*. An application by a legal entity to reregister as a domestic limited liability company shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by the filing of:

(a) A certificate or reregistration setting out:

(i) The name of the legal entity, and, if the name has been changed, the name with which the legal entity was formed, and the name, if different, under which reregistration as a reregistered and continued limited liability company is sought;

(ii) The date of formation of the legal entity;

(iii) The relevant laws of Liberia under which the legal entity has its existence;

(iv) The date on which it is proposed to reregister;

(v) That the reregistration has been approved in accordance with the relevant laws of Liberia and the constitutional documents of the legal entity;

(vi) Such other provisions with respect to the proposed reregistration as the governing body of such legal entity considers necessary or desirable.

(b) If the Registrar or Deputy Registrar so requests, a copy of the resolution or other instrument of the legal entity resolving to cancel and reregister as a domestic limited liability company, approved in the manner prescribed by the constitutional documents of the legal entity which shall specify:

(i) That the entity shall be reregistered as a domestic limited liability company;

(ii) The proposed name of the reregistered domestic limited liability company if different from the present name of the legal entity;

(iii) The method of converting shareholding and membership interests, partners' contributions, or shareholding and membership interests, or assets, or capital, as the case may be, into contributions of the reregistered domestic limited liability company;

(iv) Who shall be members and the interests of each and who shall be the manager;

(v) Such other provisions with respect to the proposed reregistration as, in the case of:

i) A corporation, the directors or other governing body;

ii) A limited partnership, the general partners;

iii) A foundation, the governing bodies;

iv) Any other legal entity, the governing body, considers necessary or desirable;

(c) A certificate of good standing in respect of the legal entity;

(d) Any amendments to the constitutional documents of the legal entity that are to take effect on the reregistration as a domestic limited liability company;

(e) A certificate of formation in accordance with Section 14.2.1;

(f) The name and address of the registered agent in Liberia and the agent's acceptance of the appointment, and the provisions of Section 1.4 shall apply with the variation that execution shall be by any officer, manager, partner, director, trustee or other person performing in relation to that legal entity the function of an authorized person.

3. *Name of limited liability company on reregistration*. The provisions of Sections 14.1.2 and 14.1.3 shall apply in respect of the name under which the legal entity may apply to reregister as a domestic limited liability company.

4. *Reregistration and continuation as a limited liability company*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of reregistration as a domestic limited liability company have been met, register the legal entity as a limited liability company and certify that it is registered and continued as the limited liability company specified in the documents supplied in compliance with Section 14.2.14.2, in accordance with those documents, on the date of the issue of the certificate, or, in the case of a certificate to which Section 14.2.14.5 applies, on the specified date.

5. *Deferred date of reregistration*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of the making of an application under paragraph 2, the legal entity applying for reregistration as a limited liability company has specified a date, which is referred to as "the specified date" in Section 14.2.14, no later than one (1) year after the date of the making of the application as the date of reregistration, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of reregistration.

6. *Status of a certificate of reregistration*. A certificate given by the Registrar or the Deputy Registrar in accordance with Section 14.2.14.4 in respect of any legal entity reregistered as a domestic limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that reregistration, and matters precedent and incidental thereto, have been complied with and that the legal entity is authorized to be so reregistered;

(b) Valid for a period of one (1) year from the date of the issue of the certificate or, in case of a certificate to which Section 14.2.14.5 applies, from the specified date, unless endorsed in accordance with Section 14.2.14.8.

7. *Obligation to amend instrument constituting or defining the constitution of the legal entity*. If, at the time of the issue by the Registrar or the Deputy Registrar of the certificate of reregistration in accordance with Section 14.2.14.4, any provisions of the constitutional documents of the legal entity do not, in any respect, accord with the requirements of this Act:

(a) The constitutional documents of the legal entity shall continue to govern the reregistered domestic limited liability company until:

(i) A certificate of formation complying with this Act is in effect; or

(ii) The expiration of a period of one (1) year immediately following the date of the issue of that certificate or, in case of a certificate to which Section 14.2.14.5 applies, one (1) year immediately following the specified date; and

(b) Any provisions of the constitutional documents of the legal entity that are in any respect in conflict with this Act cease to govern the domestic limited liability company when the certificate of formation in accordance with this Act is in effect.

8. *Endorsement of certificate*. Where:

(a) At the date of the issue of a certificate of reregistration or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.2.14.5 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied that:

(c) The legal entity has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(d) The certificate of formation according in all respects with this Act and the objects of the limited liability company, he may, on the application of the domestic limited liability company to which the certificate has been issued, endorse that certificate to the effect that the domestic limited liability company is from the date of the endorsement to be deemed to be reregistered under this Act and that shall be the effective date of reregistration and the provisions of Sections 14.2.6 and 1.4.7 of this Title shall apply.

9. *Failure to complete reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 14.2.14.4 or, in the case of a certificate to which Section 14.2.14.5 applies, following the specified date, the legal entity has not satisfied the Registrar or the Deputy Registrar that:

(a) It has ceased to be a legal entity under the relevant provisions of the law under which it was established; and

(b) The certificate of formation accords in all respects with this Act and the objects of the limited liability company, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.14.4; and

(c) That certificate and any reregistration under Section 14.2.14 shall be of no further force or effect; and

(d) The Registrar or the Deputy Registrar shall strike the limited liability company from the register.

10. *Effect of reregistration*. With effect from the date of the endorsement of a certificate of reregistration:

(a) The reregistered limited liability company to which the certificate relates:

(i) Is a limited liability company reregistered and continued and deemed to be registered under this Act and having as its existence date the date on which it was established under the other relevant law, or in another jurisdiction, as the case may be; and

(ii) Shall be a limited liability company registered in Liberia for the purpose of any other Law;

(b) The certificate of formation as filed in accordance with Section 14.2.14.2(d) is the certificate of the limited liability company;

(c) The property of every description and the business of the legal entity are vested in the domestic limited liability company;

(d) The domestic limited liability company is liable for all of the claims, debts, liabilities and obligations of the legal entity;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the legal entity or against any officer, director, or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate of reregistration by or against the legal entity or against any officer, director or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the limited liability company or against the members, managers or agents thereof, as the case may be;

(g) Unless otherwise provided in the resolution approving the reregistration, the legal entity reregistering as the domestic limited liability company shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the reregistration shall constitute a continuation of the existence of the reregistered legal entity as the domestic limited liability company and shall not:

(i) Constitute a dissolution of the legal entity;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the legal entity as a domestic limited liability company.

11. In connection with a reregistration hereunder, rights or securities of, or interests in, the other legal entity which is to be reregistered to a Liberian limited liability company may be exchanged for or converted into cash, property, or limited liability company interests, rights or securities of such Liberian limited liability company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, or limited liability company interests, rights or securities of or interests in another domestic limited liability company or other legal entity or may be cancelled.

Effective: June 19, 2002.

§14.2.15. Series of members, managers, limited liability company interests or assets.

1. A limited liability company agreement may establish or provide for the establishment of one or more designated series of members, managers, limited liability company interests or assets. Any such series may have separate rights, powers or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with specified property or obligations, and any such series may have a separate business purpose or investment objective.

2. Notwithstanding anything to the contrary set forth in this Act or under other applicable law, in the event that a limited liability company agreement establishes or provides for the establishment of one or more series, and if the records maintained for any such series account for

the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof, and if the limited liability company agreement so provides, and if notice of the limitation on liabilities of a series as referenced in Section 14.2.15.2 is set forth in the certificate of formation of the limited liability company, then the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a particular series shall be enforceable against the assets of such series only, and not against the assets of the limited liability company generally or any other series thereof, and, unless otherwise provided in the limited liability company agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such series. Neither the preceding sentence nor any provision pursuant thereto in a limited liability company agreement or certificate of formation shall (i) restrict a series or limited liability company on behalf of a series from agreeing in the limited liability company agreement or otherwise that any or all of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such series or (ii) restrict a limited liability company from agreeing in the limited liability company agreement or otherwise that any or all of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to a series shall be enforceable against the assets of the limited liability company generally. Assets associated with a series may be held directly or indirectly, including in the name of such series, in the name of the limited liability company, through a nominee or otherwise. Records maintained for a series that reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational formula or procedure (including a percentage or share of any asset or assets) or by any other method where the identity of such assets is objectively determinable, will be deemed to account for the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof. Notice in a certificate of formation of the limitation on liabilities of a series as referenced in Section 14.2.15.2 shall be sufficient for all purposes of Section 14.2.15.2 whether or not the limited liability company has established any series when such notice is included in the certificate of formation, and there shall be no requirement that any specific series of the limited liability company be referenced in such notice. The fact that a certificate of formation that

contains the foregoing notice of the limitation on liabilities of a series is on file in the office of the Registrar shall constitute notice of such limitation on liabilities of a series. As used in this Chapter 14, a reference to assets of a series includes assets associated with a series and a reference to assets associated with a series includes assets of a series.

3. A series established in accordance with Section 14.2.15.1 may carry on any business, purpose or activity that a limited liability company may carry on. Unless otherwise provided in a limited liability company agreement, a series established in accordance with Section 14.2.15.1 shall have the power and capacity to, in its own name, contract, hold title to assets (including real, personal and intangible property), grant liens and security interests, and sue and be sued.

4. Notwithstanding Section 14.3.3, under a limited liability company agreement or under another agreement, a member or manager may agree to be obligated personally for any or all of the debts, obligations and liabilities of one or more series.

5. A limited liability company agreement may provide for classes or groups of members or managers associated with a series having such relative rights, powers and duties as the limited liability company agreement may provide, and may make provision for the future creation in the manner provided in the limited liability company agreement of additional classes or groups of members or managers associated with the series having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members or managers associated with the series. A limited liability company agreement may provide for the taking of an action, including the amendment of the limited liability company agreement, without the vote or approval of any member or manager or class or group of members or managers, including an action to create under the provisions of the limited liability company agreement a class or group of the series of limited liability company interests that was not previously outstanding. A limited liability company agreement may provide that any member or class or group of members associated with a series shall have no voting rights.

6. A limited liability company agreement may grant to all or certain identified members or managers or a specified class or group of members or managers associated with a series the right to vote separately or with all or any class or group of the members or managers associated with

the series, on any matter. Voting by members or managers associated with a series may be on a per capita, number, financial interest, class, group or any other basis.

7. Unless otherwise provided in a limited liability company agreement, the management of a series shall be vested in the members associated with such series in proportion to the then current percentage or other interest of members in the profits of the series owned by all of the members associated with such series, the decision of members owning more than fifty percent (50%) of the said percentage or other interest in the profits controlling; provided, however, that if a limited liability company agreement provides for the management of the series, in whole or in part, by a manager, the management of the series, to the extent so provided, shall be vested in the manager who shall be chosen in the manner provided in the limited liability company agreement. The manager of the series shall also hold the offices and have the responsibilities accorded to the manager as set forth in a limited liability company agreement. A series may have more than one manager. Subject to Section 14.6.2, a manager shall cease to be a manager with respect to a series as provided in a limited liability company agreement. Except as otherwise provided in a limited liability company agreement, any event under this subchapter or in a limited liability company agreement that causes a manager to cease to be a manager with respect to a series shall not, in itself, cause such manager to cease to be a manager of the limited liability company or with respect to any other series thereof.

8. Notwithstanding Section 14.6.6, but subject to Section 14.2.15.9 and Section 14.2.15.10, and unless otherwise provided in a limited liability company agreement, at the time a member associated with a series that has been established in accordance with Section 14.2.15.2 becomes entitled to receive a distribution with respect to such series, the member has the status of, and is entitled to all remedies available to, a creditor of the series, with respect to the distribution. A limited liability company agreement may provide for the establishment of a record date with respect to allocations and distributions with respect to a series.

9. Notwithstanding Section 14.6.7, a limited liability company may make a distribution with respect to a series that has been established in accordance with Section 14.2.15.2. A limited liability company shall not make a distribution with respect to a series that has been established in accordance with Section 14.2.15.2 to a member to the extent that at the time of the

distribution, after giving effect to the distribution, all liabilities of such series, other than liabilities to members on account of their limited liability company interests with respect to such series and liabilities for which the recourse of creditors is limited to specified property of such series, exceed the fair value of the assets associated with such series, except that the fair value of property of the series that is subject to a liability for which the recourse of creditors is limited shall be included in the assets associated with such series only to the extent that the fair value of that property exceeds that liability. For purposes of the immediately preceding sentence, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program. A member who receives a distribution in violation of Section 14.2.15.9, and who knew at the time of the distribution that the distribution violated Section 14.2.15.9, shall be liable to a series for the amount of the distribution. A member who receives a distribution in violation of Section 14.2.15.9, and who did not know at the time of the distribution that the distribution violated Section 14.2.15.9, shall not be liable for the amount of the distribution. Subject to Section 14.6.7.3, which shall apply to any distribution made with respect to a series under Section 14.2.15.9, Section 14.2.15.9 shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

10. Unless otherwise provided in the limited liability company agreement, a member shall cease to be associated with a series and to have the power to exercise any rights or powers of a member with respect to such series upon the assignment of all of the member's limited liability company interest with respect to such series. Except as otherwise provided in a limited liability company agreement, any event under this Act or a limited liability company agreement that causes a member to cease to be associated with a series shall not, in itself, cause such member to cease to be associated with any other series or terminate the continued membership of a member in the limited liability company or cause the termination of the series, regardless of whether such member was the last remaining member associated with such series.

11. Subject to Section 14.8.1, except to the extent otherwise provided in the limited liability company agreement, a series may be terminated and its affairs wound up without causing the dissolution of the limited liability company. The termination of a series established in accordance

with Section 14.2.15.2 shall not affect the limitation on liabilities of such series provided by Section 14.2.15.2. A series is terminated and its affairs shall be wound up upon the dissolution of the limited liability company under Section 14.8.1 or otherwise upon the first to occur of the following:

(a) At the time specified in the limited liability company agreement;

(b) Upon the happening of events specified in the limited liability company agreement;

(c) Unless otherwise provided in the limited liability company agreement, upon the vote or consent of members associated with such series who own more than fifty percent (50%) of the then-current percentage or other interest in the profits of the series of the limited liability company owned by all of the members associated with such series; or

(d) The termination of such series under Section 14.2.15.12.

12. Notwithstanding Section 14.8.4, unless otherwise provided in the limited liability company agreement, a manager associated with a series who has not wrongfully terminated the series or, if none, the members associated with the series or a person approved by the members associated with the series, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the series owned by all of the members associated with the series, may wind up the affairs of the series; but, if the series has been established in accordance with Section 14.2.15.2, a Liberian court of competent jurisdiction, upon cause shown, may wind up the affairs of the series upon application of any member or manager associated with the series, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee. The persons winding up the affairs of a series may, in the name of the limited liability company and for and on behalf of the limited liability company and such series, take all actions with respect to the series as are permitted under Section 14.8.4. The persons winding up the affairs of a series shall provide for the claims and obligations of the series as provided in Section 14.8.5.1 and distribute the assets of the series as provided in Section 14.8.5.1, which section shall apply to the winding up and

distribution of assets of a series. Actions taken in accordance with this Section 14.2.15.12 shall not affect the liability of members and shall not impose liability on a liquidating trustee.

13. On application by or for a member or manager associated with a series established in accordance with Section 14.2.15.2, a Liberian court of competent jurisdiction may decree termination of such series whenever it is not reasonably practicable to carry on the business of the series in conformity with a limited liability company agreement.

14. If a foreign limited liability company that is registering to do business in Liberia in accordance with Section 14.10.5 is governed by a limited liability company agreement that establishes or provides for the establishment of designated series of members, managers, or limited liability company interests or assets having separate rights, powers or duties with respect to specified property or obligations of the foreign limited liability company or profits and losses associated with specified property or obligations, that fact shall be so stated on the application for registration as a foreign limited liability company. In addition, the foreign limited liability company shall state on such application whether the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series, if any, shall be enforceable against the assets of such series only, and not against the assets of the foreign limited liability company generally or any other series thereof, and whether any of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the foreign limited liability company generally or any other series thereof shall be enforceable against the assets of such series.

§14.2.16. Cancellation and reregistration of limited liability company as another entity.

1. *Eligibility to apply to cancel and reregister as another legal entity*. A domestic limited liability company formed under this Act may, if not prohibited to do so by its certificate of formation or limited liability company agreement, apply to cancel upon reregistration as another legal entity under Liberian law. If the limited liability company agreement specifies the manner of authorizing a cancellation and reregistration of the limited liability company, the cancellation and reregistration shall be authorized as specified in the limited liability company agreement. If the limited liability company agreement does not specify the manner of authorizing a cancellation and reregistration of the limited liability company and does not prohibit a

cancellation and reregistration of the limited liability company, the cancellation and reregistration shall be authorized in the same manner as is specified in the limited liability company agreement for authorizing a merger or consolidation that involves the limited liability company as a constituent party to the merger or consolidation. If the limited liability company agreement does not specify the manner of authorizing a cancellation and reregistration of the limited liability company or a merger or consolidation that involves the limited liability company as a constituent party and does not prohibit a cancellation and reregistration of the limited liability company, the cancellation and reregistration shall be authorized by the approval by all members or, if there is more than one class or group of members, then by each class or group of members, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the domestic limited liability company owned by all of the members or by the members in each class or group, as appropriate. A limited liability company agreement may provide that a domestic limited liability company shall not have the power to cancel and reregister as set forth in Section 14.2.16.

2. *Application to cancel and reregister as another legal entity*. An application by a domestic limited liability company to cancel and reregister as another legal entity in Liberia and to cease to be a limited liability company formed under this Act shall be made to the Registrar or the Deputy Registrar in the form prescribed by him and shall be accompanied by:

(a) A certificate of cancellation and reregistration setting out:

(i) The name of the domestic limited liability company, and, if the name has been changed, the name with which the limited liability company was established, and the name, if different, under which registration as another legal entity is sought;

(ii) The date of filing of the certificate of formation, and if established under any other law, the date of establishment;

(iii) The law under which the domestic limited liability company proposes to reregister;

(iv) The date on which the domestic limited liability company proposes to cancel and reregister;

(v) That the proposed cancellation and reregistration have been approved in accordance with the relevant law and the certificate of formation and limited liability company agreement of the limited liability company;

(vi) Confirmation by the members (or equivalent) or any authorized signatory of the limited liability company that at the date of cancellation and reregistration the limited liability company will have done everything required by this Act preparatory to cancellation and reregistration as another legal entity and that, on cancellation and reregistration, the domestic limited liability company will cease to be a domestic limited liability company;

(vii) Confirmation by the members or equivalent or any authorized signatory of the limited liability company that no proceedings for insolvency or dissolution have been commenced in Liberia with respect to the limited liability company; and

(viii) Such other provisions with respect to the proposed cancellation and reregistration as the members or equivalent or any authorized signatory consider necessary or desirable;

(b) A certificate of good standing in respect of the domestic limited liability company issued by the Registrar or the Deputy Registrar;

(c) Any amendments to the certificate of formation that are to take effect on the cancellation of the certificate of formation and reregistration as the other legal entity, and the provisions of Section 1.4 of this Title shall apply with the variation that execution shall be by any member, manager or other authorized person.

3. *Consent to cancel and reregister as another legal entity*. The Registrar or the Deputy Registrar shall, if he is satisfied that the requirements of this Act in respect of cancellation of a certificate of formation prior to reregistration as another legal entity have been met:

(a) Certify that the domestic limited liability company is permitted to cancel and reregister as the other legal entity specified in the documents supplied in compliance with Section 14.2.16.2, in accordance with those documents, and that it may cease to be registered as a domestic limited liability company on the date of the issue of the certificate, or, in case of a certificate to which Section 14.2.16.4 applies, on the specified date;

(b) Enter in the index kept for this purpose in respect of a domestic limited liability company to which a certificate has been issued under Section 14.2.16 the fact of the issue of the certificate described in Section 14.2.16.3(a).

4. *Deferred date of cancellation*. Notwithstanding Section 1.4.7(c) of this Title, where, at the time of making an application under Section 14.2.16.2, the domestic limited liability company applying for cancellation has specified a date, which is referred to as "the specified date" in Section 14.2.16, no later than one (1) year after the date of the making of the application as the date of cancellation, the certificate issued by the Registrar or the Deputy Registrar shall show the specified date as the date of cancellation.

5. *Status of a certificate of cancellation*. A certificate of cancellation given by the Registrar or the Deputy Registrar in accordance with Section 14.2.16.3(a) in respect of any canceled limited liability company shall be:

(a) Conclusive evidence that all the requirements of this Act in respect of that cancellation, and matters precedent and incidental thereto, have been complied with and that the certificate of formation is authorized to be cancelled; and

(b) Valid for a period of one (1) year from the date of the issue of the certificate of cancellation or, in case of a certificate to which Section 14.2.16.4 applies, from the specified date, unless endorsed in accordance with Section 14.2.16.6.

6. *Endorsement of certificate of cancellation*. Where:

(a) At the date of the issue of a certificate in accordance with Section 14.2.16.3(a) or at any time thereafter within a period of one (1) year immediately following the date of the issue of that certificate; or

(b) In the case of a certificate to which Section 14.2.16.4 applies, at the specified date or at any time thereafter within a period of one (1) year immediately following that date, the Registrar or the Deputy Registrar is satisfied, by the service on him of a certificate executed by the reregistered legal entity that the limited liability company has re-registered under the relevant provisions of the law specified in the certificate in accordance with Section 14.2.16.3(a), he may endorse the certificate of cancellation to the effect that the certificate of formation is from the date of the endorsement to be deemed to be cancelled and that shall be the effective date of cancellation.

7. *Failure to complete cancellation and reregistration*. If, by a date one (1) year immediately following the date of the issue of a certificate in accordance with Section 14.2.16.3(a) or, in the case of a certificate to which Section 14.2.16.4 applies, following the specified date, the limited liability company has not satisfied the Registrar or the Deputy Registrar that it has become the other legal entity under the relevant provisions of the law under which it proposed to reregister, the Registrar or the Deputy Registrar shall revoke the certificate issued under Section 14.2.16.3(a), and:

(a) That certificate and any cancellation under this Section 14.2.16 shall be of no further force or effect; and

(b) The limited liability company shall continue as a domestic limited liability company under the provisions of this Act.

8. *Effect of cancellation*. With effect from the date of the endorsement of a certificate issued under Section 14.2.16.3(a) or Section 14.2.16.4:

(a) The limited liability company to which the certificate relates shall cease to be:

(i) A limited liability company registered under this Act; and

(ii) A limited liability company registered in Liberia for the purpose of any other law;

(b) The certificate of formation or other constitutional documents of the limited liability company, as amended by the resolution or equivalent document for the purpose of reregistration as another legal entity in Liberia, shall be the constitutional documents of the other legal entity;

(c) The property of every description and the business of the limited liability company are vested in the other legal entity;

(d) The other legal entity is liable for all of the claims, debts, liabilities and obligations of the limited liability company;

(e) No conviction, judgment, ruling, order, debt, liability or obligation due or to become due and no cause existing against the limited liability company or against any member, manager or agent thereof is thereby released or impaired;

(f) No proceedings whether civil or criminal pending at the time of the endorsement by the Registrar or the Deputy Registrar of the certificate by or against the limited liability company or against any member or agent thereof are thereby abated or discontinued, but the proceedings may be enforced, prosecuted, settled or compromised by or against the other legal entity or against the member, manager or agent thereof, as the case may be;

(g) Unless otherwise provided in a resolution approving the cancellation, the limited liability company reregistering as the other legal entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the reregistration shall constitute a continuation of the existence of the domestic limited liability company and shall not:

(i) Constitute a dissolution of the limited liability company;

(ii) Create a new legal entity; or

(iii) Prejudice or affect the continuity of the cancelled limited liability company as a legal entity.

9. *Index of limited liability companies cancelled and reregistered as another legal entity*. The Registrar or the Deputy Registrar shall maintain an index of limited liability companies in respect of which a certificate issued in accordance with Section 14.2.16.3(a) is in force and in that index shall record the name in which the limited liability company is reregistered as another legal entity and whether the limited liability company has ceased to be registered under this Act in accordance with Section 14.2.16.6.

10. In connection with a reregistration of a domestic limited liability company to another legal entity pursuant to Section 14.2.16, limited liability company interests that are to be reregistered may be exchanged for or converted into cash, property, rights or securities of, or interests in, the legal entity to which the limited liability company is being reregistered or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, limited liability company interests, rights or securities of, or interests in, another domestic limited liability company or other legal entity or may be cancelled.

11. The resolution approving the cancellation and registration may, among other things, approve a new name of the limited liability company; the method of converting the limited liability company interests of the limited liability company into securities of the reregistered entity; the organizational documents of the reregistered entity; and who will be the person or persons sitting on the relevant governing body or acting as manager, limited partner, general partner or otherwise.

Effective: June 19, 2002.

CHAPTER 14.

SUBCHAPTER III.

MEMBERS

§14.3.1. Admission of members.

1. *Admission at formation*. In connection with the formation of a limited liability company, a person acquiring a limited liability company interest is admitted as a member of the limited liability company upon the later to occur of:

(a) The formation of the limited liability company; or

(b) The time provided in and upon compliance with the limited liability company agreement; or

(c) If the limited liability company agreement does not so provide, when the person's admission is reflected in the records of the limited liability company.

2. *Admission after formation*. After the formation of a limited liability company, a person is admitted as a member of the limited liability company:

(a) In the case of a person who is not an assignee of a limited liability company interest, including a person acquiring a limited liability company interest directly from the limited liability company and a person to be admitted as a member of the limited liability company without acquiring a limited liability company interest in the limited liability company, at the time provided in and upon compliance with the limited liability company agreement or, if the limited liability company

agreement does not so provide, upon the consent of all members and when the person's admission is reflected in the records of the limited liability company;

(b) In the case of an assignee of a limited liability company interest, as provided in Section 14.7.4.1 and at the time provided in and upon compliance with the limited liability company agreement or, if the limited liability company agreement does not so provide, when any such person's permitted admission is reflected in the records of the limited liability company; or

(c) Unless otherwise provided in a plan of merger or consolidation, in the case of a person acquiring a limited liability company interest in a surviving or resulting limited liability company pursuant to a merger or consolidation approved in accordance with Section 14.2.9, at the time provided in and upon compliance with the limited liability company agreement of the surviving or resulting limited liability company; and in the case of a person being admitted as a member of a limited liability company pursuant to a merger or consolidation in which such limited liability company is not the surviving or resulting limited liability company in the merger or consolidation, as provided in the limited liability company agreement of such limited liability company.

3. In connection with the re-domiciliation of a limited liability company as a limited liability company in Liberia in accordance with Section 14.2.12 or the reregistration of a legal entity to a domestic limited liability company in accordance with Section 14.2.14, a person is admitted as a member of the limited liability company at the time provided in and upon compliance with the limited liability company agreement.

4. *No contribution required*. A person may be admitted to a limited liability company as a member of the limited liability company and may receive a limited liability company interest in the limited liability company without making a contribution or being obligated to make a contribution to the limited liability company. Unless otherwise provided in a limited liability company agreement, a person may be admitted to a limited liability company as a member of the limited liability company without acquiring a limited liability company interest in the limited liability company. Unless otherwise provided in a limited liability company agreement, a person

may be admitted as the sole member of a limited liability company without making a contribution or being obligated to make a contribution to the limited liability company or without acquiring a limited liability company interest in the limited liability company.

5. Unless otherwise provided in a limited liability company agreement or another agreement, a member shall have no preemptive right to subscribe to any additional issue of limited liability company interests or another interest in a limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.2. Classes and voting.

1. *Provision for classes and groups*. A limited liability company agreement may provide for classes or groups of members having such relative rights, powers and duties as the limited liability company agreement may provide, and may make provision for the future creation in the manner provided in the limited liability company agreement of additional classes or groups of members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members. A limited liability company agreement may provide for the taking of an action, including the amendment of the limited liability company agreement, without the vote or approval of any member or class or group of members, including an action to create under the provisions of the limited liability company agreement a class or group of limited liability company interests that was not previously outstanding. A limited liability company agreement may provide that any member or class or group of members shall have no voting rights.

2. *Voting rights*. A limited liability company agreement may grant to all or certain identified members or a specified class or group of the members the right to vote separately or with all or any class or group of the members or managers, on any matter. Voting by members may be on a per capita, number, financial interest, class, group or any other basis.

3. *Notices*. A limited liability company agreement may set forth provisions relating to notice of the time, place or purpose of any meeting at which any matter is to be voted on by any members, waiver of any such notice, action by consent without a meeting, the establishment of a

record date, quorum requirements, voting in person or by proxy, or any other matter with respect to the exercise of any such right to vote.

4. *Meetings*. Unless otherwise provided in a limited liability company agreement, meetings of members may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to Section 14.3.2.4 shall constitute presence in person at the meeting. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on, consented to or approved by members, the members may take such action without a meeting, without prior notice and without a vote if consented to in writing, or by electronic transmission, by members having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all members entitled to vote thereon were present and voted. Unless otherwise provided in a limited liability company agreement, if a person, whether or not then a member, consenting as a member to any matter provides that such consent will be effective at a future date, including a date determined upon the happening of an event, then such person shall be deemed to have consented as a member at such future date so long as such person is then a member. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on by members, the members may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in a limited liability company agreement, a consent transmitted by electronic transmission by a member or by a person or persons authorized to act for a member shall be deemed to be written and signed for purposes of Section 14.3.2.4.

5. *Amendment*. If a limited liability company agreement provides for the manner in which it may be amended, including by requiring the approval of a person who is not a party to the limited liability company agreement or the satisfaction of conditions, it may be amended only in that manner or as otherwise permitted by law, provided that the approval of any person may be waived by such person and that any such conditions may be waived by all persons for whose benefit such conditions were intended. Unless otherwise provided in a limited liability company agreement, a supermajority amendment provision shall only apply to provisions of the limited liability company agreement that are expressly included in the limited liability company

agreement. As used in Section 14.3.2, “supermajority amendment provision" means any amendment provision set forth in a limited liability company agreement requiring that an amendment to a provision of the limited liability company agreement be adopted by no less than the vote or consent required to take action under such latter provision.

6. If a limited liability company agreement does not provide for the manner in which it may be amended, the limited liability company agreement may be amended with the approval of all of the members or as otherwise permitted by law.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.3. Liability to third parties.

1. Except as otherwise provided by this Act, the debts, obligations and liabilities of a limited liability company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the limited liability company; and no member or manager of a limited liability company shall be obligated personally for any such debt, obligation or liability of the limited liability company solely by reason of being a member or acting as a manager of the limited liability company.

2. Notwithstanding the provisions of Section 14.3.3.1, under a limited liability company agreement or under another agreement, a member or manager may agree to be obligated personally for any or all of the debts, obligations and liabilities of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.4. Events of bankruptcy.

A person ceases to be a member of a limited liability company upon the happening of any of the following events:

(a) Unless otherwise provided in a limited liability company agreement, or with the consent of all members, a member:

(i) Makes an assignment for the benefit of creditors;

(ii) Files a voluntary petition in bankruptcy;

(iii) Is adjudged a bankrupt or insolvent, or has entered against the member an order for relief, in any bankruptcy or insolvency proceeding;

(iv) Files a petition or answer seeking for the member any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation;

(v) Files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against him in any proceeding of this nature;

(vi) Seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the member or of all or any substantial part of his properties; or

(b) Unless otherwise provided in a limited liability company agreement, or with the consent of all members, one hundred twenty (120) days after the commencement of any proceeding against the member seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if the proceeding has not been dismissed, or if within ninety (90) days after the appointment without the member's consent or acquiescence of a trustee, receiver, or liquidator of the member or of all or any substantial part of the member's properties, the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.3.5. Requirements for keeping accounting records, minutes, and records of members; access to and confidentiality of information.

1. Requirement for keeping accounting records, minutes, and records of members.

(a) *Accounting records*. Every domestic limited liability company or foreign limited liability company authorized to do business in Liberia shall keep reliable and complete accounting records, to include correct and complete books and records of account. Accounting records must be sufficient to correctly explain all transactions, enable the financial position of the limited liability company to be determined with reasonable accuracy at any time, and allow financial statements to be prepared. Additionally, every limited liability company shall keep underlying documentation for accounting records maintained pursuant to Section 14.3.5.1(a), such as, but not limited to, invoices and contracts, which shall reflect all sums of money received and expended and the matters in respect of which the receipt and expenditure takes place; all sales, purchases, and other transactions; and the assets and liabilities of the limited liability company. A resident domestic limited liability company shall keep all accounting records and underlying documentation as described in Section 14.3.5.1(a) in the Republic of Liberia.

(b) *Minutes*. Every limited liability company shall keep minutes of all meetings of members, of actions taken on consent by members, of all meetings of the managers, and of actions taken on consent by managers. A resident domestic limited liability company shall keep such minutes in the Republic of Liberia.

(c) *Records of members*. Every limited liability company shall keep up-to-date records containing the names and addresses of all members. A resident domestic limited liability company shall keep the records required to be maintained by Section 14.3.5.1(c) in the Republic of Liberia.

(d) *Form of records*. Any records maintained by a limited liability company in the regular course of its business, including its record of members, books of account, and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs, or any other information storage device, provided that the records so kept can be converted into clearly legible written form within seven working days upon instruction of the appropriate authority of the Government of Liberia or upon the request of any person entitled to inspect

such records. When records are kept in such manner, a clearly legible written form produced from the cards, tapes, photographs, micro photographs, or other information storage device shall be admissible in evidence, and accepted for all other purposes, to the same extent as an original written record of the same information would have been, provided the written form accurately portrays the record.

(e) *Retention period*. All records required to be kept, retained, or maintained under Section 14.3.5 shall be kept, retained, or maintained for a minimum of five years.

(f) *Failure to maintain records*. Any limited liability company which willfully or recklessly fails to keep, retain, and maintain records as required under Section 14.3.5 shall be liable to a fine not less than Three Thousand United States Dollars (US$3,000.00), but not exceeding Five Thousand United State Dollars (US$5,000.00) or cancellation of the certificate of formation, or both.

2. *Right of member to information*. Each member of a limited liability company has the right, subject in such reasonable standards (including standards governing what information and documents are to be furnished at what time and location and at whose expense) as may be set forth in a limited liability company agreement or otherwise established by the manager or, if there is no manager, then by the members, to obtain from the limited liability company from time to time upon reasonable demand for any purpose reasonably related to the member's interest as a member of the limited liability company:

(a) True and full information regarding the status of the business and financial condition of the limited liability company;

(b) Promptly after becoming available a copy of the limited liability company's tax returns if applicable for each year;

(c) A current list of the name and last known business, residence or mailing address of each member and manager;

(d) A copy of any written limited liability company agreement and certificate of formation and amendments thereto, together with executed copies of any written powers of attorney pursuant to which the limited liability company agreement and any certificate and all amendments thereto have been executed;

(e) True and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each member and which each member has agreed to contribute in the future, and the date on which each became a member; and

(f) Other information regarding the affairs of the limited liability company as is just and reasonable.

6. *Right of manager to examine information*. Each manager of a limited liability company shall have the right to examine all of the information described in Section 14.3.5.2 for a purpose reasonably related to his position as a manager.

7. *Confidentiality*. The manager of a limited liability company shall have the right to keep confidential from the members, for such period of time as the manager deems reasonable, any information which the manager reasonably believes to be in the nature of trade secrets or other information the disclosure of which the manager in good faith believes is not in the best interest of the limited liability company or could damage the limited liability company or its business or which the limited liability company is required by law or by agreement with a third party to keep confidential.

8. *Demand shall be in writing*. Any demand by a member under this Section 14.3.5 shall be in writing and shall state the purpose of such demand.

9. *Action to enforce rights*. Any action to enforce any rights arising under this Section 14.3.5 shall be brought in a court of competent jurisdiction.

10. *Right to inspection*. The Registrar may request from any limited liability company any records of members, ownership information and books of account as the Registrar shall deem necessary to ensure that the limited liability company is in compliance with applicable laws. Any

failure to respond to an official request by the Registrar for records of members, ownership information or books of account on or before the stated due date shall subject the limited liability company to a fine of not less than One Thousand United States Dollars (US$3,000) but not exceeding Five Thousand United States Dollars (US$5,000) and render the limited liability company to be not in good standing, and Sections 1.7.3 and 1.7.4 of this Title shall apply with the exception that the word "corporation" in such sections is replaced with "limited liability company", until the Registrar is satisfied that the limited liability company has complied with such enquiry. A continued failure to provide such records, after sufficient notice from the Registrar, shall, on the determination of the Registrar, be subject to cancellation of the limited liability company's certificate of formation.

Effective: November 26, 1999; amended effective June 19, 2002; amended effective May 6, 2016

§14.3.6. Remedies for breach of limited liability company agreement by member.

A limited liability company agreement may provide that:

(a) A member who fails to perform in accordance with, or to comply with the terms and conditions of, the limited liability company agreement shall be subject to specified penalties or specified consequences; or

(b) At the time or upon the happening of events specified in the limited liability company agreement, a member shall be subject to specified penalties or specified consequences.

Effective: November 26, 1999; amended effective June 19, 2002

CHAPTER 14.

SUBCHAPTER IV.

MANAGEMENT

§14.4.1. Admission of managers.

A person may be named or designated as a manager of the limited liability company as defined in Section 14.1.1(k).

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.2. Management of limited liability company.

1. Unless otherwise provided in a limited liability company agreement, the management of a limited liability company shall be vested in its members in proportion to the then current percentage of the interest of each member in the profits of that limited liability company and the members having more than fifty percent (50%) of the interest shall have a controlling power.

2. Provided, however, that if a limited liability company agreement provides for the management, in whole or in part, of a limited liability company by a manager, the management of the limited liability company, to the extent so provided, shall be vested in a manager, who shall:

(a) Be chosen in the manner provided in the limited liability company agreement;

(b) Hold the offices and have the responsibilities accorded to the manager by or in the manner provided in the limited liability company agreement;

(c) Subject to Section 14.6.2, shall cease to be a manager as provided in a limited liability company agreement. A limited liability company may have more than one manager. Unless otherwise provided in a limited liability company agreement, each member and manager has the authority to bind the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.3. Contributions by a manager.

A manager of a limited liability company may make contributions to the limited liability company and share in the profits and losses of, and in distributions from, the limited liability company as a member. A person who is both a manager and a member has the rights and powers, and is subject to the restrictions and liabilities, of a manager and, except as provided in a limited liability company agreement, also has the rights and powers, and, to the extent of participating in the limited liability company as a member, is subject to the restrictions and liabilities of a member.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.4. Classes and voting.

1. *Provision for classes and groups*. A limited liability company agreement may provide for:

(a) Classes or groups of managers having such relative rights, powers and duties as the limited liability company agreement may provide;

(b) The future creation in the manner provided in the limited liability company agreement of additional classes or groups of managers having such relative rights, powers and duties senior to existing classes and groups of managers;

(c) The taking of an action, including:

(i) The amendment of the limited liability company agreement; or

(ii) An action to create under the provisions of the limited liability company agreement a class or group of limited liability company interests that was not previously outstanding, without the vote or approval of any manager or class or group of managers.

2. *Voting rights*. A limited liability company agreement may grant to all or certain identified managers, or a specified class or group of the managers, the right to vote, separately or with all or any class or group of managers or members, on any matter. Voting by managers may be on a per capita, member, financial interest, class, group or any other basis.

3. *Provisions in respect of voting rights*. A limited liability company agreement may set forth provisions relating to:

(a) Notice of the time, place or purpose of any meeting at which any matter is to be voted on by any manager or class or group of managers;

(b) Waiver of any such notice;

(c) Action by consent without a meeting;

(d) The establishment of a record date;

(e) Quorum requirements;

(f) Voting in person or by proxy; or

(g) Any other matter with respect to the exercise of any such right to vote.

4. *Meeting of Managers*. Unless otherwise provided in a limited liability company agreement, meetings of managers may be held by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to Section 14.4.4.4 shall constitute presence in person at the meeting. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on, consented to or approved by managers, the managers may take such action without a meeting, without prior notice and without a vote if consented to, in writing,

or by electronic transmission, by managers having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all managers entitled to vote thereon were present and voted. Unless otherwise provided in a limited liability company agreement, if a person, whether or not then a manager consenting as a manager to any matter provides that such consent will be effective at a future time, including a time determined upon the happening of an event, then such person shall be deemed to have consented as a manager at such future time so long as such person is then a manager. Unless otherwise provided in a limited liability company agreement, on any matter that is to be voted on by managers, the managers may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable law. Unless otherwise provided in a limited liability company agreement, a consent transmitted by electronic transmission by a manager or by a person or persons authorized to act for a manager shall be deemed to be written and signed for purposes of Section 14.4.4.4.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.5. Remedies for breach of limited liability company agreement by a manager.

A limited liability company agreement may provide that:

(a) A manager who fails to perform in accordance with, or to comply with the terms and conditions of, the limited liability company agreement shall be subject to specified penalties or specified consequences; and

(b) At the time or upon the happening of events specified in the limited liability company agreement, a manager shall be subject to specified penalties or specified consequences.

Such specified penalties or specified consequences may include and take the form of any penalty or consequence set forth in Section 14.5.2.3.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.6. Reliance on reports and information by member or manager.

A member, manager or liquidating trustee of a limited liability company shall be fully protected in relying in good faith upon:

(a) The records of the limited liability company;

(b) Such information, opinions, reports or statements (including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits or losses of the limited liability company or any other facts pertinent to the existence and amount of assets from which distributions to members might properly be paid, or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the limited liability company or to make reasonable provision to pay such claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions to members or creditors might properly be paid) presented to the limited liability company by:

(i) Any of its other managers, members or liquidating trustee, officers or employees of the limited liability company;

(ii) Committees of the limited liability company; or

(iii) Any other person, as to matters the member, manager or liquidating trustees reasonably believes are within such other person's professional or expert competence and where that person has been selected with reasonable care by or on behalf of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.4.7. Delegation of rights and powers to manage.

Unless otherwise provided in the limited liability company agreement, a member or manager of a limited liability company has the power and authority to delegate to one or more other persons any or all of the member's or manager's, as the case may be, rights, powers and duties to manage and

control the business and affairs of the limited liability company. Any such delegation may be to agents and employees of a member or manager or the limited liability company, and by a management agreement or another agreement with, or otherwise to, any other person. Unless otherwise provided in the limited liability company agreement, such delegation by a member or manager of a limited liability company shall not cause the member or manager to cease to be a member or manager, as the case may be, of the limited liability company or cause the person to whom any such rights, powers and duties have been delegated to be a member or manager, as the case may be, of the limited liability company. Unless otherwise provided in the limited liability company agreement, such delegation by a member or manager shall be irrevocable if it states that it is irrevocable. No other provision of this Chapter shall be construed to restrict a member's or manager's power and authority to delegate any or all of its rights, powers and duties to manage and control the business and affairs of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER V.

FINANCE

§14.5.1. Form of contribution.

The contribution of a member to a limited liability company may be in cash, property or services rendered, or a promissory note or other obligation to contribute cash or property or to perform services.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.2. Liability for contribution.

1. *Obligation to contribute*. Except as provided in a limited liability company agreement, a member is obligated to a limited liability company to perform any promise to contribute cash or property or to perform services, even if he is unable to perform because of death, disability or any other reason. If a member does not make the required contribution of property or services, he is obligated, at the option of the limited liability company, to contribute cash equal to that portion of the agreed value (as stated in the records of the limited liability company) of the contribution that has not been made. The foregoing option shall be in addition to, and not in lieu of, any other rights, including the right to specific performance, that the limited liability company may have against such member under the limited liability company agreement or applicable law.

2. *Compromise of obligation*. Unless otherwise provided in a limited liability company agreement, the obligation of a member to make a contribution, or return money or other property paid or distributed in violation of this Act may be compromised only by consent of all the members. Notwithstanding the compromise, a creditor of a limited liability company who extends credit, after the entering into of a limited liability company agreement, or any

amendment thereto, which, in either case, reflects the obligation, and before the amendment thereof to reflect the compromise, may enforce the original obligation to the extent that, in extending credit, the creditor reasonably relied on the obligation of a member to make a contribution or return. A conditional obligation of a member to make a contribution or return money or other property to a limited liability company may not be enforced unless the conditions of the obligation have been satisfied or waived as to or by such member. Conditional obligations include contributions payable upon a discretionary call of a limited liability company prior to the time the call occurs.

3. *Penalties*. A limited liability company agreement may provide that the interest of any member who fails to make any contribution that the member is obligated to make shall be subject to specified penalties for, or specified consequences of, such failure. Such penalty or consequence may take the form of reducing or eliminating the defaulting member's proportionate interest in a limited liability company, subordinating the defaulting member's limited liability company interest to that of non-defaulting members, a forced sale of the defaulting member's limited liability company interest, forfeiture of the defaulting member's limited liability company interest, the lending by other members of the amount necessary to meet the defaulting member's commitment, a fixing of the value of the defaulting member's limited liability company interest by appraisal or by formula and redemption or sale of the limited liability company interest at such value, or other penalty or consequence.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.3. Allocation of profits and losses.

The profits and losses of a limited liability company shall be allocated among the members, and among classes or groups of members, in the manner provided in a limited liability company agreement. If the limited liability company agreement does not so provide, profits and losses shall be allocated on the basis of the agreed value (as stated in the records of the limited liability company) of the contributions made by each member to the extent they have been received by the limited liability company and have not been returned.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.4. Allocations of distributions.

Distributions of cash or other assets of a limited liability company shall be allocated among the members, and among classes or groups of members, in the manner provided in a limited liability company agreement. If the limited liability company agreement does not so provide, distributions shall be made on the basis of the agreed value (as stated in the records of the limited liability company) of the contributions made by each member to the extent they have been received by the limited liability company and have not been returned.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.5.5. Defense of usury not available.

No obligation of a member or manager of a limited liability company to the limited liability company, or to a member or manager of the limited liability company, arising under the limited liability company agreement or a separate agreement or writing, and no note, instrument or other writing evidencing any such obligation of a member or manager, shall be subject to the defense of usury, and no member or manager shall interpose the defense of usury with respect to any such obligation in any action.

Effective: April 6, 2020

CHAPTER 14.

SUBCHAPTER VI.

DISTRIBUTIONS AND RESIGNATION

§14.6.1. Interim distribution.

Except as provided in this Act, to the extent and at the times or upon the happening of the events specified in a limited liability company agreement, a member is entitled to receive from a limited liability company distributions before the member's resignation from the limited liability company, and before the dissolution and winding up thereof.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.2. Resignation of a manager.

A manager may resign as a manager of a limited liability company at the time or upon the happening of events specified in the limited liability company agreement and in accordance with the limited liability company agreement. A limited liability company agreement may provide that a manager shall not have the right to resign as a manager of a limited liability company. Notwithstanding that a limited liability company agreement provides that a manager does not have the right to resign as a manager of a limited liability company, a manager may resign as a manager of a limited liability company at any time by giving written notice to the members and other managers. If the resignation of a manager violates the limited liability company agreement, in addition to any remedies otherwise available under applicable law, a limited liability company may recover from the resigning manager damages for breach of the limited liability company agreement and offset the damages against the amount otherwise distributable to the resigning manager.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.3. Resignation of member.

A member may resign from a limited liability company at the time or upon the happening of events specified in the limited liability company agreement and in accordance with that agreement. Notwithstanding anything to the contrary under applicable law, unless a limited liability company agreement provides otherwise, a member may not resign from a limited liability company prior to the dissolution and winding up of the limited liability company. Notwithstanding anything to the contrary under applicable law, a limited liability company agreement may provide that a limited liability company interest may not be assigned prior to the dissolution and winding up of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.4. Distribution upon resignation.

Except as provided in Section 14.6.4, a member who resigns or otherwise ceases for any reason to be a member is entitled to receive any distribution to which such member is entitled under a limited liability company agreement and, if not otherwise provided in a limited liability company agreement, such member is entitled to receive, within a reasonable time after the date on which such member resigned or otherwise ceased to be a member, the fair value of such member's limited liability company interest as of the date on which such member resigned or otherwise ceased to be a member based upon such member's right to share in distributions from the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.5. Distribution in kind.

Except as provided in a limited liability company agreement, a member, regardless of the nature of the member's contribution, has no right to demand and receive any distribution from a limited liability company in any form other than cash. Except as provided in a limited liability company agreement, a member may not be compelled to accept a distribution of any asset in kind from a limited liability company to the extent that the percentage of the asset distributed to him exceeds

a percentage of that asset which is equal to the percentage in which the member shares in distributions from the limited liability company. Except as provided in the limited liability company agreement, a member may be compelled to accept a distribution of any asset in kind from a limited liability company to the extent that the percentage of the asset distributed is equal to a percentage of that asset which is equal to the percentage in which the member shares in distributions from the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.6. Right to distribution.

Subject to Sections 14.6.7 and 14.8.4, and unless otherwise provided in a limited liability company agreement, at the time a member becomes entitled to receive a distribution, the member has the status of, and is entitled to all remedies available to, a creditor of a limited liability company with respect to the distribution. A limited liability company agreement may provide for the establishment of a record date with respect to allocations and distributions by a limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.6.7. Limitations on distribution.

1. *Restrictions*. A limited liability company shall not make a distribution to a member to the extent that, at the time of the distribution, and after giving effect to the distribution, all liabilities of the limited liability company, other than liabilities to members on account of their limited liability company interests and liabilities for which the recourse of creditors is limited to specified property of the limited liability company, exceed the fair value of the assets of the limited liability company, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the limited liability company only to the extent that the fair value of that property exceeds that liability. For the purpose of Section 14.6.7.1, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program.

2. *Member's liability*. A member who receives a distribution in violation of Section 14.6.7.1, and who knew at the time of the distribution that the distribution violated Section 14.6.7.1, shall be liable to a limited liability company for the amount of the distribution. A member who receives a distribution in violation of Section 14.6.7.1, and who did not know at the time of the distribution that the distribution violated Section 14.6.7.1, shall not be liable for the amount of the distribution. Subject to Section 14.6.7.3, Section 14.6.7.2 shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

3. *Expiration of liability*. Unless otherwise agreed, a member who receives a distribution from a limited liability company shall have no liability under this Act or other applicable law for the amount of the distribution after the expiration of three (3) years from the date of the distribution, unless an action to recover the distribution from such member is commenced prior to the expiration of the said three (3) year period and an adjudication of liability against such member is made in the said action.

Effective: November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER VII.

ASSIGNMENT OF LIMITED LIABILITY COMPANY INTERESTS

§14.7.1. Nature of limited liability company interest.

A limited liability company interest is personal property. A member has no interest in specific property of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002

§14.7.2. Assignment of limited liability company interest.

1. *Power to assign*. A limited liability company interest is assignable in whole or in part except as provided in the limited liability company agreement. The assignee of a member's limited liability company interest shall have no right to participate in the management of the business and affairs of a limited liability company except as provided in a limited liability company agreement or, unless otherwise provided in the limited liability company agreement, upon the vote or consent of all of the members of the limited liability company.

2. *Effect of assignment*. Unless otherwise provided in a limited liability company agreement:

(a) An assignment of a limited liability company interest does not entitle the assignee to become or to exercise any rights or powers of a member of the limited liability company;

(b) An assignment of a limited liability company interest entitles the assignee to share in such profits and losses, to receive such distribution or distributions, and to

receive such allocation of income, gain, loss, deduction, or credit or similar item to which the assignor was entitled, to the extent assigned; and

(c) A member ceases to be a member and to have the power to exercise any rights or powers of a member upon assignment of all of his limited liability company interest. Unless otherwise provided in a limited liability company agreement, the pledge of, or granting of a security interest, lien or other encumbrance in or against, any or all of the limited liability company interest of a member shall not cause the member to cease to be a member or to have the power to exercise any rights or powers of a member.

3. *Certificate of member's interest*. Unless otherwise provided in a limited liability company agreement, a member's interest in a limited liability company may be evidenced by a certificate of limited liability company interest issued by the limited liability company. A limited liability company agreement may provide for the assignment or transfer of any limited liability company interest represented by such a certificate and make other provisions with respect to such certificates. A limited liability company shall not have the power to issue a certificate of limited liability company interest in bearer form.

4. *Assignee's liability*. Unless otherwise provided in a limited liability company agreement, and except to the extent assumed by agreement, until an assignee of a limited liability company interest becomes a member, the assignee shall have no liability as a member solely as a result of the assignment.

5. Unless otherwise provided in the limited liability company agreement, a limited liability company may acquire, by purchase, redemption or otherwise, any limited liability company interest or other interest of a member or manager in the limited liability company. Unless otherwise provided in the limited liability company agreement, any such interest so acquired by the limited liability company shall be deemed cancelled.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.7.3. Rights of judgment creditor.

1. On application by a judgment creditor of a member or of a member's assignee, a court of competent jurisdiction may charge the limited liability company interest of the judgment debtor to satisfy the judgment. To the extent so charged, the judgment creditor has only the right to receive any distribution or distributions to which the judgment debtor would otherwise have been entitled in respect of such limited liability company interest.

2. An order charging a limited liability company interest constitutes a lien on the judgment debtor's economic interest in the relevant limited liability company.

3. This Act does not deprive a member or a member's assignee of a right under exemption laws with respect to the judgment debtor's economic interest in the relevant limited liability company.

4. The entry of an order charging an economic interest in a limited liability company is the exclusive remedy by which a judgment creditor of a member or a member's assignee may satisfy a judgment out of the judgment debtor's limited liability company interest and attachment, garnishment, foreclosure or other legal or equitable remedies are not available to the judgment creditor, whether the limited liability company has one member or more than one member.

5. No creditor of a member or of a member's assignee shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to, the property of the limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.7.4. Right of assignee to become member.

1. *Assignees to be member*. An assignee of a limited liability company interest becomes a member:

(a) as provided in a limited liability company agreement; or

(b) unless otherwise provided in the limited liability company agreement, upon the vote or consent of all of the members of the limited liability company; or

(c) Unless otherwise provided in the limited liability company agreement by a specific reference to Section 14.7.4 or otherwise provided in connection with the assignment, upon the voluntary assignment by the sole member of the limited liability company of all of the limited liability company interests in the limited liability company to a single assignee. An assignment will be voluntary for purposes of Section 14.7.4.1(c) if it is consented to by the member at the time of the assignment and is not effected by foreclosure or other similar legal process.

2. *Rights and obligations*. An assignee who has become a member has, to the extent assigned, the rights and powers, and is subject to the restrictions and liabilities, of a member under a limited liability company agreement and this Act. Notwithstanding the foregoing, unless otherwise provided in a limited liability company agreement, an assignee who becomes a member is liable for the obligations of the assignor to make contributions as provided in Section 14.5.2, but shall not be liable for the obligations of his assignor under Subchapter VI. However, the assignee is not obligated for liabilities, including the obligations of the assignor to make contributions as provided in Section 14.5.2, unknown to the assignee at the time he the assignee became a member and which could not be ascertained from a limited liability company agreement.

3. *No release of assignor from liabilities*. Unless otherwise provided in a limited liability company agreement, whether or not an assignee of a limited liability company interest becomes a member, the assignor is not released from his liability to a limited liability company under Subchapters V and VI of this Act.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.7.5. Powers of estate of deceased or incompetent member.

If a member who is an natural person dies or a court of competent jurisdiction adjudges the member to be incompetent to manage the member's person or his property, the member's executor, administrator, guardian, conservator or personal representative may exercise all of the member's rights for the purpose of settling the member's estate or administering the member's property, including any power under a limited liability company agreement of an assignee to

become a member. If a member is a corporation, trust or other entity and is dissolved or terminated, the powers of that member may be exercised by its legal representative or successor or personal representative.

Effective: November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER VIII.

DISSOLUTION

§14.8.1. Dissolution.

1. *Occurrence of dissolution*. A limited liability company is dissolved and its affairs shall be wound up upon the first to occur of the following:

(a) At the time specified in a limited liability company agreement, but, if no such time is set forth in the limited liability company agreement, then the limited liability company shall have a perpetual existence;

(b) Upon the happening of events specified in the limited liability company agreement;

(c) Unless otherwise provided in a limited liability company agreement:

(i) For a limited liability company formed on or after the effective date of the 2020 Amendment Act, upon the vote or written consent of the members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the limited liability company owned

(ii) For a limited liability company formed before the effective date of the 2020 Amendment Act, upon the unanimous vote or written consent of the members.

(d) At any time there are no members; provided, that the limited liability company is not dissolved and is not required to be wound up if:

(i) Unless otherwise provided in a limited liability company agreement, within ninety (90) days or such other period as is provided for in the limited liability company agreement after the occurrence of the event that terminated the continued membership of the last remaining member, the personal representative of the last remaining member agrees to continue the limited liability company and to the admission of the personal representative of such member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member; provided, that a limited liability company agreement may provide that the personal representative of the last remaining member shall be obligated to agree to continue the limited liability company and to the admission of the personal representative of such member or its nominee or designee to the limited liability company as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member, or

(ii) A member is admitted to the limited liability company in the manner provided for in the limited liability company agreement, effective as of the occurrence of the event that terminated the continued membership of the last remaining member, within 90 days or such other period as is provided for in the limited liability company agreement after the occurrence of the event that terminated the continued membership of the last remaining member, pursuant to a provision of the limited liability company agreement that specifically provides for the admission of a member to the limited liability company after there is no longer a remaining member of the limited liability company.

(e) The entry of a decree of judicial dissolution under Section 14.8.3.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.2. Involuntary dissolution.

1. Dissolution on failure to comply. On (i) failure of a limited liability company to pay the annual registration fee, (ii) to maintain a registered agent for a period of one (1) year or (iii) to provide records requested in accordance with Section 14.3.5 after six (6) months has elapsed since the request to provide such records, the Registrar or the Deputy Registrar shall cause a notification to be sent to the limited liability company through its last recorded registered agent that its certificate of formation will be revoked unless within ninety (90) days of the date of the notice, payment of the annual registration fee has been received, a registered agent has been reappointed or the Registrar or the Deputy Registrar is satisfied that the records requested have been provided, as the case may be. On the expiration of the ninety (90) day period, the Registrar or the Deputy Registrar, in the event the limited liability company has not remedied its default, may issue a proclamation declaring that the certificate of formation of the limited liability company has been revoked, and the limited liability company dissolved, as of the date stated in the proclamation. The proclamation of the Registrar or the Deputy Registrar shall be filed in his office and he shall mark on the certificate of formation of the limited liability company, named in the proclamation the date of dissolution or revocation, and shall give notice thereof to the last recorded registered agent. Thereupon the affairs of the limited liability company shall be wound up in accordance with the procedures provided in this Act.

2. Upon completion of the winding up of a limited liability company in accordance with Section 14.8.2, a certificate of cancellation shall be filed in accordance with Section 14.2.3.

3. *Erroneous dissolution*. Whenever it is established to the satisfaction of the Registrar or the Deputy Registrar that the certificate of formation was erroneously revoked, he may restore the limited liability company to full existence by publishing and filing in his office a proclamation to that effect.

4. *Petition to reinstate*. Whenever the certificate of formation of a limited liability company has been revoked and the limited liability company dissolved pursuant to Section 14.8.2, the limited liability company may request the Registrar or the Deputy Registrar to reinstate the

limited liability company. After the Registrar or the Deputy Registrar is satisfied that all arrears of statutory fees have been paid, that the limited liability company has retained a registered agent, that the limited liability company has provided the requested records and that fees in respect of the period from the date of dissolution or revocation to the date on which rescission is to take place have been paid to the former registered agent, the Registrar or the Deputy Registrar may restore the limited liability company to full existence or reinstate the foreign limited liability company's authorization to do business, as the case may be.

5. Unless otherwise provided in a limited liability company agreement, the death, retirement, resignation, expulsion, bankruptcy or dissolution of any member or the occurrence of an event that terminates the continued membership of any member shall not cause the limited liability company to be dissolved or its affairs to be wound up, and upon the occurrence of any such event, the limited liability company shall be continued without dissolution.

Effective: November 26, 1999; amended effective June 19, 2002; amended effective May 6, 2016

§14.8.3. Judicial dissolution.

On application by or for a member or manager, a court of competent jurisdiction in Liberia may decree dissolution of a limited liability company whenever it is not reasonably practicable to carry on the business in conformity with a limited liability company agreement. Notwithstanding any other provision of this Act, a court outside Liberia shall not dissolve a limited liability company.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.4. Winding up.

1. *Procedure for winding up*. Unless otherwise provided in a limited liability company agreement, a manager who has not wrongfully dissolved a limited liability company or, if none, the members or a person approved by the members, in either case, by members who own more than fifty percent (50%) of the then current percentage or other interest in the profits of the limited liability company owned by all of the members, may wind up the limited liability company's affairs; but a court of competent jurisdiction in Liberia, upon cause shown, may wind

up the limited liability company's affairs upon application of any member or manager, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee.

2. *Continuation after cancellation*. Upon dissolution of a limited liability company and until the filing of a certificate of cancellation as provided in Section 14.2.3, the persons winding up the limited liability company's affairs may, in the name of, and for and on behalf of, the limited liability company, prosecute and defend suits, whether civil, criminal or administrative, gradually settle and close the limited liability company's business, dispose of and convey the limited liability company's property, discharge or make reasonable provision for the limited liability company's liabilities, and distribute to the members any remaining assets of the limited liability company, all without affecting the liability of members and managers and without imposing liability on a liquidating trustee.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.5. Distribution of assets.

1. *Priority in distribution*. Upon the winding up of a limited liability company, the assets shall be distributed as follows:

(a) To creditors, including members and managers who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the limited liability company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for which reasonable provision for payment has been made and liabilities for distributions to members and former members under Sections 14.6.1 or 14.6.4;

(b) Unless otherwise provided in a limited liability company agreement, to members and former members in satisfaction of liabilities for distributions under Sections 14.6.1 or 14.6.4; and

(c) Unless otherwise provided in a limited liability company agreement, to members first for the return of their contributions and second respecting their limited

liability company interests, in the proportions in which the members share in distributions.

2. *Obligation to pay creditors*. A limited liability company which has dissolved:

(a) shall pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims and obligations, known to the limited liability company;

(b) Shall make such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the limited liability company which is the subject of a pending action, suit or proceeding to which the limited liability company is a party; and

(c) Shall make such provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the limited liability company or that have not arisen but that, based on facts known to the limited liability company, are likely to arise or to become known to the limited liability company within ten (10) years after the date of dissolution.

If there are sufficient assets, such claims and obligations shall be paid in full and any such provision for payment made shall be made in full. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of assets available therefor. Unless otherwise provided in the limited liability company agreement, any remaining assets shall be distributed as provided in this Act. Any liquidating trustee winding up a limited liability company's affairs who has complied with Section 14.8.5 shall not be personally liable to the claimants of the dissolved limited liability company by reason of such person's actions in winding up the limited liability company.

3. A member who receives a distribution in violation of Section 14.8.5.1, and who knew at the time of the distribution that the distribution violated Section 14.8.5.1, shall be liable to the limited liability company for the amount of the distribution. For purposes of the immediately preceding sentence, the term “distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of

business pursuant to a bona fide retirement plan or other benefits program. A member who receives a distribution in violation of Section 14.8.5.1, and who did not know at the time of the distribution that the distribution violated Section 14.8.5.1, shall not be liable for the amount of the distribution. Subject to Section 14.8.5.4, Section 14.8.5.3 shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution.

4. Unless otherwise agreed, a member who receives a distribution from a limited liability company to which Section 14.8.5 applies shall have no liability under this Act or other applicable law for the amount of the distribution after the expiration of three years from the date of the distribution unless an action to recover the distribution from such member is commenced prior to the expiration of the said three (3) year period and an adjudication of liability against such member is made in the said action.

Effective: November 26, 1999; amended effective June 19, 2002.

§14.8.6. Trustees or receivers for limited liability companies; appointment; powers; duties.

When the certificate of formation of any limited liability company formed under this Act shall be cancelled by the filing of a certificate of cancellation pursuant to Section 14.2.3, a Liberian court of competent jurisdiction, on application of any creditor, member or manager of the limited liability company, or any other person who shows good cause therefor, at any time, may either appoint one or more of the managers of the limited liability company to be trustees, or appoint one or more persons to be receivers, of and for the limited liability company, to take charge of the limited liability company's property, and to collect the debts and property due and belonging to the limited liability company, with the power to prosecute and defend, in the name of the limited liability company, or otherwise, all such suits as may be necessary or proper for the purposes aforesaid, and to appoint an agent or agents under them, and to do all other acts which might be done by the limited liability company, if in being, that may be necessary for the final settlement of the unfinished business of the limited liability company. The powers of the trustees or receivers may be continued as long as a Liberian court shall think necessary for the purposes aforesaid.

§14.8.7. Revocation of dissolution.

1. If a limited liability company agreement provides the manner in which a dissolution may be revoked, it may be revoked in that manner and, unless a limited liability company agreement prohibits revocation of dissolution, then notwithstanding the occurrence of an event set forth in Sections 14.8.1.1(a), (b), (c) or (d), the limited liability company shall not be dissolved and its affairs shall not be wound up if, prior to the filing of a certificate of cancellation with the Registrar or Deputy Registrar, the limited liability company is continued, effective as of the occurrence of such event:

(a) In the case of dissolution effected by the vote or consent of the members or other persons, pursuant to such vote or consent and the approval of any members or other persons whose approval is required under the limited liability company agreement to revoke a dissolution contemplated by Section 14.8.7;

(b) In the case of dissolution under Sections 14.8.1.1(a) or (b), other than a dissolution effected by the vote or consent of the members or other persons or the occurrence of an event that causes the last remaining member to cease to be a member, pursuant to such vote or consent that, pursuant to the terms of the limited liability company agreement, is required to amend the provision of the limited liability company agreement effecting such dissolution and the approval of any members or other persons whose approval is required under the limited liability company agreement to revoke a dissolution contemplated by Section 14.8.7; and

(c) In the case of dissolution effected by the occurrence of an event that causes the last remaining member to cease to be a member, pursuant to the vote or consent of the personal representative of the last remaining member of the limited liability company or the assignee of all of the limited liability company interests in the limited liability company, and the approval of any other persons whose approval is required under the limited liability company agreement to revoke a dissolution contemplated by Section 14.8.7.

2. If there is no remaining member of the limited liability company and the personal representative of the last remaining member or the assignee of all of the limited liability company interests in the limited liability company votes in favor of or consents to the continuation of the limited liability company, such personal representative or such assignee, as applicable, shall be required to agree to the admission of a nominee or designee as a member, effective as of the occurrence of the event that terminated the continued membership of the last remaining member. The provisions of Section 14.8.7 shall not be construed to limit the accomplishment of a revocation of dissolution by other means permitted by law.

CHAPTER 14.

SUBCHAPTER IX.

DERIVATIVE ACTIONS

§14.9.1. Right to bring action.

A member or an assignee of a limited liability company interest may bring an action in any court of competent jurisdiction in the right of a limited liability company to recover a judgment in its favor if managers or members with authority to do so have refused to bring the action or if an effort to cause those managers or members to bring the action is not likely to succeed.

Prior legislation: §14.10.1, effective November 26, 1999; amended effective June 19, 2002.

§14.9.2. Proper plaintiff.

In a derivative action, the plaintiff must be a member or an assignee of a limited liability company interest at the time of bringing the action and:

(a) At the time of the transaction of which the plaintiff complains; or

(b) The plaintiff's status as a member or an assignee of a limited liability company interest had devolved upon the plaintiff by operation of law or pursuant to the terms of a limited liability company agreement from a person who was a member or an assignee of a limited liability company interest at the time of the transaction.

Prior legislation: §14.10.2, effective November 26, 1999; amended effective June 19, 2002.

§14.9.3. Complaint.

In a derivative action, the complaint shall set forth with particularity the effort, if any, of the plaintiff to secure initiation of the action by a manager or member or the reasons for not making the effort.

Prior legislation: §14.10.3, effective November 26, 1999; amended effective June 19, 2002.

§14.9.4. Expenses.

If a derivative action is successful, in whole or in part, as a result of a judgment, compromise or settlement of any such action, the court may award the plaintiff reasonable expenses, including reasonable attorney's fees, from any recovery in any such action or from a limited liability company.

Prior legislation: §14.10.4, effective November 26, 1999; amended effective June 19, 2002.

CHAPTER 14.

SUBCHAPTER X.

MISCELLANEOUS

§14.10.1. Construction and application of Chapter and limited liability company agreements.

1. *Application of rules of construction*. The rule that statutes in derogation of the common law are to be strictly construed shall have no application to this Chapter.

2. *Freedom of contract*. It is the policy of this Chapter to give the maximum effect to the principle of freedom of contract and to the enforceability of limited liability company agreements.

3. *Liability of members and managers*. To the extent that, at law or in equity, inclusive of common and statutory law, a member or manager or other person has duties, including fiduciary duties, to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement, the member's or manager's or other person's duties may be expanded or restricted or eliminated by provisions in the limited liability company agreement; provided, that the limited liability company agreement may not eliminate the implied contractual covenant of good faith and fair dealing.

4. *No liability for good faith reliance*. Unless otherwise provided in a limited liability company agreement, a member or manager or other person shall not be liable to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement for breach of fiduciary duty for the member's or manager's or other person's good faith reliance on the provisions of the limited liability company agreement.

5. *Limitation of duties*. A limited liability company agreement may provide for the limitation or elimination of any and all liabilities for breach of contract and breach of duties, including fiduciary duties, of a member, manager or other person to a limited liability company or to another member or manager or to another person that is a party to or is otherwise bound by a limited liability company agreement; provided, that a limited liability company agreement may not limit or eliminate liability for any act or omission that constitutes a bad faith violation of an implied contractual covenant of good faith and fair dealing.

6. *Singular and plural*. Unless the context otherwise requires, as used herein, the singular shall include the plural and the plural may refer to only the singular. The use of any gender shall be applicable to all genders. The captions contained herein are for purposes of convenience only and shall not control or affect the construction of this Act.

7. *Provisions independent*. Action validly taken pursuant to one provision of this Act shall not be deemed invalid solely because it is identical or similar in substance to an action that could have been taken pursuant to some other provision of this Act but fails to satisfy one or more requirements prescribed by such other provision.

8. *Applicability of Liberian law; Jurisdiction*. A limited liability company agreement that provides for the application of Liberian law shall be governed by and construed under the laws of Liberia in accordance with its terms. In a written limited liability company agreement or other writing, a member or manager may consent to be subject to the nonexclusive jurisdiction of the courts of, or arbitration in, a specified jurisdiction, and to be served with legal process in the manner prescribed in such limited liability company agreement or other writing. Any action to interpret, apply or enforce the provisions of a limited liability company agreement, or the duties, obligations or liabilities of a limited liability company to the members of the limited liability company, or the duties, obligations or liabilities among members or managers and of members or managers to the limited liability company, or the rights or powers of, or restrictions on, the limited liability company or members or manager, or any provisions of this Act, or any other instrument, document, agreement or certificate contemplated by any provision of this Act may be brought in any court of competent jurisdiction.

9. *Chapter Applies for Single Member Limited Liability Companies*. The provisions of this Chapter shall apply whether a limited liability company has one member or more than one member.

10. *Chapter applies to all limited liability companies*. This Chapter applies to every resident and non-resident limited liability company and to every foreign limited liability company authorized to do business or doing business in Liberia; but the provisions of this Chapter shall not alter or amend the certificate of formation of any domestic limited liability company in existence on the effective date of this Act, whether established by formation or created by special act. Every domestic limited liability company created prior to the effective date of this Chapter shall be subject to this Chapter.

11. *No Effect on Existing Rights or Actions*. This Chapter shall not affect any cause of action, liability, penalty, or action or special proceeding which on the effective date of this Chapter is accrued, existing, incurred or pending, but the same may be asserted, enforced, prosecuted, or defended as if this Chapter had not been enacted.

12. *Short title*. Chapter 14 of this Title shall be known and may be cited as the "Limited Liability Company Act." References in Chapter 14 to "this Act" mean the Limited Liability Company Act.

13. *Contested issues*. Upon application of any member or manager, any court of competent jurisdiction may hear and determine the result of any vote of members or managers upon matters as to which the members or managers of the limited liability company, or any class or group of members or managers, have the right to vote pursuant to the limited liability company agreement or other agreement or this Act. In any such application, the limited liability company shall be named as a party and service of the application upon the registered agent of the limited liability company shall be deemed to be service upon the limited liability company, and no other party need be joined in order for the relevant court to adjudicate the result of the vote. The relevant court may make such order respecting further or other notice of such application as it deems proper under the circumstances. Nothing herein contained limits or affects the right to serve process in any other manner now or hereafter provided by law. Section 14.10.1.13 is an

extension of and not a limitation upon the right otherwise existing of service of legal process upon non-residents.

14. *Adoption of Delaware case law*. This Act shall be applied and construed to make the laws of Liberia, with respect to the subject matter hereof, uniform with the laws of the State of Delaware of the United States of America. Insofar as it does not conflict with any other provision of this Act or the decisions of the courts of the Republic of Liberia, both of which shall take precedence, the non-statutory law of the State of Delaware with respect to the subject matter hereof is hereby adopted as Liberian law, and the courts of Liberia are authorized and directed to apply such Delaware law in resolving any issue before such courts. Section 40 of the General Construction Law (Reception Statute), Title 15, 1956 Code shall not apply with regards to the interpretation of this Act.

Prior legislation: §14.11.1, effective November 26, 1999; amended effective June 19, 2002.

§14.10.2. Severability.

If any provision of this Chapter or its application to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the Chapter which can be given effect without the invalid provision or application, and to this end, the provisions of this Chapter are severable.

Prior legislation: §14.11.3, effective November 26, 1999; amended effective June 19, 2002.

§14.10.3. Cases not provided for in this Chapter.

In any case not provided for in this Chapter, the rules of law and equity, including the rules of law and equity relating to fiduciary duties and the law merchant, shall govern.

Prior legislation: §14.11.4, effective November 26, 1999; amended effective June 19, 2002.

§14.10.4. Fees associated with limited liability companies.

1. *Annual registration fee*. Every limited liability company shall pay an annual registration fee of US$150.

2. *Application of Chapter 1*. The provisions of Section 1.7 of this Title, except Section 1.7.1 thereof, shall apply to limited liability companies as they apply to corporations with the substitution of references to limited liability companies for references to corporations and references to members and managers for references to shareholders and directors and officers.

Prior legislation: §14.11.7, effective November 26, 1999; amended effective June 19, 2002.

§14.10.5. Foreign limited liability companies.

1. The provisions of Chapter 12 of this Title shall apply to foreign limited liability companies seeking to be authorized or authorized as they apply to foreign corporations with the substitution of references to limited liability companies for references to corporations and references to members and managers for references to shareholders and directors and officers and with substitution of references to relevant sections of this Chapter for references therein to provisions in respect of corporations.

2. To the extent provided for therein, the provisions of Sections 14.3.5 and 14.8.2 of this Act shall apply to foreign limited liability companies authorized to do business in the Republic of Liberia

Effective: June 19, 2002; amended effective May 6, 2016

EXHIBIT “25”

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

- -x

In the Matter of:

ELETSON HOLDINGS INC., Main Case No.

Debtor. 23-10322-jpm

- -x

United States Bankruptcy Court

One Bowling Green

New York, New York

January 6, 2025

9:37 AM

B E F O R E:

HON. JOHN P. MASTANDO, III

U.S. BANKRUPTCY JUDGE

ECRO: K. HARRIS

Statement/Joint Exhibit List for January 6, 2025 Hearing (related document(s)1268, 1339)

Notice of Proposed Order/Notice of Filing of Revised Proposed Order Imposing Sanctions on Eletson Holdings (A) Existing Person of Record and (B) Former Shareholders, Officers, Directors, and Counsel, Including Reed Smith LLP (Attachments: Ex. A : Revised Proposed Order, Ex. B: Redline)(related document(s)1268)

Letter/Letter to Honorable John P. Mastando, III Re: January 6, 2025 Hearing and Response to Reed Smiths Opposition to the Revised Proposed Order concerning the sanctions Motion (Attachments: Ex. 1:SDNY Civil Case Docket Case No 24-cv-8672 LJL, Ex. 2: December 23, 2024 SDNY Hearing Transcript)(related document(s)1330, 1338)

Notice of Hearing/(Hearing Date 1/6/2025 at 9:30 AM) Notice of Evidentiary Hearing of Reorganized Eletson Holdings Inc. for an Order Imposing Sanctions on Eletson Holdings (A) Existing Person of Record and (B) Former Shareholders, Officers, Directors, and Counsel, Including Reed Smith LLP (related document(s)1319, 1288, 1291, 1314, 1317, 1290, 1313, 1301, 1316, 1289, 1300, 1268, 1287, 1274, 1299))

Notice of Agenda/Notice of Agenda of Matters Scheduled for the Evidentiary Hearing Scheduled for January 6, 2025 at 9:30 AM (Prevailing Eastern Time) (related document(s) 1333, 1330, 1298, 1314, 1317, 1290, 1328, 1289, 1300, 1268, 1287, 1310, 1274, 1299, 1285, 1331, 1339, 1267, 1288, 1332, 1295, 1291, 1296, 1277, 1313, 1301, 1316, 1329, 1338)

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P R O C E E D I N G S

THE CLERK: Please be seated. Good morning, everyone. We're here on Case No. 23-10322. Can I have appearances for the record, please?

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz of Togut, Segal & Segal for Eletson Holdings. I am joined in the courtroom by my partner, Brian Shaughnessy. And also, John McClain, will be doing certain of the cross and is here somewhere but not yet in the courtroom.

THE COURT: Good morning.

MR. ORTIZ: Good morning.

MR. ZIDE: Good morning, Your Honor. Stephen Zide from Dechert on behalf of the official committee of unsecured creditors.

THE COURT: Good morning.

MR. SOLOMON: And good morning, Your Honor. Lou Solomon of Reed Smith for Reed Smith.

THE COURT: Good morning.

MR. CURTIN: Good morning, Your Honor. William Curtin, Sidley Austin for Lassia Investment Company, Glafkos Trust Company, and Family Unity Trust Company.

THE COURT: Good morning.

MR. CURTIN: Good morning.

Anyone wishing to appear remotely?

MR. RUDEWICZ: Good morning, Your Honor. Daniel

Rudewicz on behalf of the United States Trustee.

THE COURT: Good morning.

MS. MOSS: Good morning, Your Honor. Tina Moss of Perkins Coie on behalf of Wilmington Savings Fund Society, FSB, as indenture trustee. And I'm joined by my colleague, Paul Jasper.

THE COURT: Good morning.

Okay. Counsel?

MR. ORTIZ: Good morning again, Your Honor. Kyle Ortiz with Togut, Segal & Segal for Eletson Holdings. Your Honor, we filed an agenda at docket 1340. It is multiple pages long but just one matter. And on that, a couple clarifications before we get into things. The parties have agreed that we are not going to proffer any of the fact witnesses.

I think that is Mr. Hadjieleftheriadis and Mr. Solomon on the Reed Smith side, and it was Mr. Kotliar on our side. We're just going to put in the two Liberian experts and do cross on that. And Your Honor, both Liberian experts are appearing through Zoom. I just wanted to set that for Your Honor.

So I think that the plan that we have, if it's all right with Your Honor, is that there would be the two ten-minute openings, and then, we'll proffer our Liberian witness and he'll be crossed. And then, they will proffer their Liberian witness, who I understand is now potentially available

before 1:00 so we might be able to just, kind of, run through.

That's the proposed path through the day, Your Honor.

THE COURT: Okay.

MR. SOLOMON: Your Honor, Lou Solomon for Reed Smith. I'd just like to react to a couple of things that Mr. Ortiz said very briefly. The first is that we were advised that Ms. Lamin-Blamo is available this morning, and I just learned that last night. We told the other side and now we're telling the Court.

Second, I don't think Mr. Ortiz represents Eletson Holdings. I do think that there is a fundamental due process issue now before Your Honor. Late Thursday, the movants, on a motion for sanctions, which was limited to past conduct, and the past conduct of Reed Smith, possibly shareholders, but it's not clear from movants -- withdrew a part of their motion that had to do with conduct.

So they want to come to Your Honor today, not talk about any of the past conduct, and talk about whatever they want to. But in the context of a motion for sanctions, where Reed Smith is here, that's improper. There is no basis for that. I think the due process problem is exacerbated by the fact that they not only withdrew the motion in so far as conduct -- prior, past conduct is concerned, but they also proposed a new order, which had a lot of new stuff in it, which we haven't had a chance to react to.

I think there are some serious legal issues that Your Honor has to grapple with. I don't think we begin to be in a position where Your Honor can do that, since we haven't briefed them, they haven't briefed them, and what they did brief, they've withdrawn. And we don't have anybody else here besides Reed Smith and possibly the shareholders.

And so it's for that reason that I do want to, kind of, seriously question whether what we're doing here works with fundamental due process. Thank you.

THE COURT: Thank you, counsel.

Mr. Ortiz?

MR. ORTIZ: Good morning again, Your Honor. Kyle Ortiz of Togut, Segal for Eletson Holdings. Your Honor, I think it's a interesting position. I mean, Mr. Solomon can find bad-faith in puppies eating ice cream, but what we've tried to do -- I think Your Honor is aware that this is the third hearing on this matter.

At the first hearing, there was question of whether there was precedent. We found some of the precedent before the second hearing. We filed it at 1328, and we tried to modify and narrow the relief through the revised proposed order we filed. Which, by the way Your Honor, as it's currently written, doesn't immediately sanction anybody. It literally sanctions nobody. It just seeks to have an order entered that has already been entered because it doesn't seek any relief.

It's different than what's already in the confirmation order. And there was really an effort, Your Honor, based on the dialogue that we had had at the previous hearings, to narrow the relief so that there's specific things that we're asking for. And only if those specific things aren't done at a later point, will sanctions be imposed.

We're trying to make it very clear that the confirmation order already requires these things. And following the clear road map that Judge Blackshear made in Navigator Gas, simplified the issues to say, here, I'm going to put an order in that says what the confirmation order already says, give everybody one last, basically, wholly undeserved chance to comply with those provisions.

And then, only at that point, would things, like, sanctions come in. So people have a chance to be heard. The fact that people have chosen not to show up -- they also didn't show up at the first two hearings, Your Honor. The fact that they've chosen not to show up isn't a due process issue. They were given notice.

The issue is that we're trying to narrow the relief to simplify it for the Court and to give parties an additional chance to comply before sanctions are imposed. I don't think that's a due process issue. I think that's us trying to narrow and focus the relief so that it makes it a little bit simpler for Your Honor to address.

THE COURT: So what is the relief that you're seeking today?

MR. ORTIZ: So Your Honor, there was a revised proposed order.

THE COURT: No. I know. I have it.

MR. ORTIZ: It was filed at 1330. And the relief we're seeking is relief that, again, in our mind, is completely consistent with what the confirmation order that you already entered already requires. You'll see that paragraph 1 of that order, it says that "the confirmation order and plan are binding on the former debtors; filing parties, including Reed Smith; the former directors and officers; formers directors and officer's counsels; former shareholders and their counsels."

That was already provided for in the plan and confirmation order that was already entered and is a final order. And then, we seek to notify not doing the things that they were required to do in the confirmation order at paragraph --

THE COURT: Well, who is the they?

MR. ORTIZ: The they, Your Honor, is the former shareholders, the former officers and directors who are clearly covered by the jurisdiction of this Court. That's in Wilson v. U.S.

That's in a whole number of the SDNY cases that we cited. The first two hearings that those parties, as officers

and directors of the debtor who invoked the jurisdiction of this Court, are in this court.

That's also what Navigator Gas found. That's also what that Ventor case from Texas that I read some of the transcript at the last hearing found, and it's also what I think, and I'm sure Mr. Solomon would disagree but Judge Liman found. So those are the parties. And we had said former directors and officers, we have a list.

I'm happy to read the specific names out and list specific names in the order like they did in Navigator Gas, but we tried to just keep it a little bit more generic, saying the former shareholders, the former officers and directors. Those people are all identified at different points in the case, and we can -- if you want the specific names of the specific people that are the former directors and officers of the company, and the former shareholders -- I mean, Mr. Curtin just read the name of the former majority shareholders.

They're all certainly, as parties who came to this court and participated in every sense of this proceeding, are covered by the jurisdiction of this Court. So what we're trying --

THE COURT: Well, I think the specific names are helpful, so everyone knows who covers what.

MR. ORTIZ: -- to do --

THE COURT: And I don't necessarily mean at this

moment. I just mean, generally, so that people know who it's directed at and there's no question about it. But what are you seeking as to Reed Smith? I'm a little bit confused.

MR. ORTIZ: Well, as to Reed Smith, much like the former counsel, to take all steps necessary -- we have this at paragraph 4, as reasonably requested by Reorganized Holdings to support the implementation of the plan, which means that you don't show up in other jurisdictions and oppose it. You don't show up in other jurisdictions saying that we don't exist.

So I'm not saying I'm not saying that Reed Smith -- Reed Smith can tell their client to do something, and their client can just not do it, and that's not something that Reed Smith should be sanctioned for. If Reed Smith is actively writing letters to different parties around the world or showing up and participating in proceedings that are contrary to what your order says; and they do that, not in the past, but going forward; then they would be potentially subject to sanction.

But the only thing that they're required to do under this order, is the same thing they were required to do under the confirmation order, Your Honor, which is to cooperate in good-faith and do as directed, to assist in the implementation of the plan.

THE COURT: But the main thing you're seeking is the change of the address of record, right?

MR. ORTIZ: Correct, Your Honor. And again, so on that, Reed Smith has said that they don't know who that is. And if they don't know who that is and their client refuses to tell them, and they ask the client and say, you should do this, we're not going to sanction them for something that they can't control.

But I do think, ultimately, at the end of the day, we're really only seeking what's in paragraph 4 and what's in paragraph 5, which is to update the address of record. And then, to cause powers of attorney to be executed by the former shareholders so that we can take actions that are in furtherance of the implementation of the plan that's already been approved and the order that's already final.

And that's all that we're trying to do. I mean, I think we've said at multiple hearings that what we're really after, Your Honor, more than anything else, is compliance. And at the end of the day, things like contempt and sanction are just tools to ensure that compliance happens if people continue to refuse to comply.

But in the first instance, it's really about what's in paragraph 4, saying that people will take the steps necessary to help us implement. And paragraph 5, which are the specific items, looking to update LISCR with the address of record and to get powers of attorney, so it's clear that we have the authority to direct and control the former debtors when we have

to go wherever we have to go to represent that.

Because right now, there are parties who are trying to comply with your order, and this is in evidence we have in today and we would put it in if it continues, but people are trying to comply. There's banks, there's charters, trying to comply with the confirmation order, that are being threatened with legal action by the former owners so it's creating a lot of confusion.

Oak Tree isn't getting paid. There's a lot of things that need to happen that will only happen when this cloud of uncertainty that has been completely manufactured is taken away. So that's what we're trying to do with this order. And again, Your Honor, we tried to simplify it. We're not trying to sanction people for past conduct.

THE COURT: So to --

MR. ORTIZ: We're just trying to get some compliance --

THE COURT: So can you --

MR. ORTIZ: -- with the plan that was approved months ago.

THE COURT: Yeah. Can you expand on that? And I think Mr. Solomon touched on it too. You're not trying to sanction people for past conduct?

MR. ORTIZ: Today. We've reserved our right but we're --

THE COURT: So this is more along the lines of a motion to enforce with penalties if parties don't comply with enforcement of the confirmation order? Something along those lines?

MR. ORTIZ: Right, Your Honor. So essentially, what we have is, we had an order that they already should have been complying with. They haven't complied with it. This order clarifies, for the second time, that they should comply with these things. And only if they then, after being ordered twice by the same judge on the same things don't comply, then things like sanctions would come into play at that point.

But it gives one last chance for it to be crystal clear. You are to do these things under this order, and only if you don't, would these additional penalties come in. And again, we tried to do that by looking at -- because I know Your Honor has looked for precedent. And that was really following that road map that we saw with Judge Blackshear in the Navigator Gas case.

Which by the way Your Honor, if you look at both the motion, the reply, and then the order, is remarkably similar facts with remarkably similar arguments, with people showing up in proceedings in other parts of the world, saying, this doesn't bind us, and challenging a plan. And Judge Blackshear saying, you can't do those things and I'm going to order you so that you can't do those things.

But it doesn't seek to have anybody walk out of here today sanctioned. It seeks to have people get, really, one last very clear warning. You need to do the things you were ordered to do months ago, or you will be sanctioned.

THE COURT: What does it mean when you say you're not proffering the fact witnesses?

MR. ORTIZ: I think both parties decided that they wouldn't put those in so they're not going to be put into the record and there won't be cross of those--

THE COURT: Okay.

MR. ORTIZ: -- witnesses.

THE COURT: Okay.

MR. ORTIZ: So it would really be just the declarations followed by the two Liberian experts. And then, we would hear from both of them, and they would be crossed.

THE COURT: Okay. And you mentioned Judge Liman's order and some disagreement on the potential meaning of that. I'm sure you're probably going to cover this in your opening but tell me about that.

MR. ORTIZ: Well, we think it makes it very clear that his interpretation of the plan, which is the correct interpretation of the plan, and consistent with all law I've ever been exposed to, is that a final order is binding. And if you don't seek a stay of it, you have to implement it. And he looked at it and he said, on the effective date, it says that

these people become in control.

Those are the people that now are in control. They dismissed this case. These other people don't have any right to do that or be involved in it, and I agree with that, so I'm going to enter this dismissal. And I don't think there's a legitimate dispute, Your Honor, by any means. I just know that he's able to dispute literally everything.

So I think what Judge Liman said is extraordinarily clear.

THE COURT: Yeah. You're saying he entered the dismissal order based on your stipulation?

MR. ORTIZ: Right.

THE COURT: Yeah.

MR. ORTIZ: Recognizing that the one and only Eletson Holdings, this concept that there could possibly be two, is a bit ludicrous. There was an Eletson Holdings that existed before the effective date, and it's the exact same Eletson Holdings that existed on the effective date, except that it had new owners and new directors.

That's what the plan says remarkably, explicitly. And as we read those provisions to Judge Liman, he cut me off to rule in our favor because it was so clear from the plain language of the plan.

THE COURT: Okay. Thank you.

MR. ORTIZ: Thank you, Your Honor.

MR. CURTIN: Your Honor, could I be heard briefly?

THE COURT: Yes. Please.

MR. CURTIN: Thank you, Your Honor. Again, William Curtin, Sidley Austin, for Lassia Investment Company, Glafkos Trust Company, and Family Unity Trust Company. Your Honor, we filed papers in response to the original motion. And however many pages it was, the crux of our position was that the motion did not point out any acts that any of my clients had taken that were worthy of being sanctioned or really didn't talk about my clients at all.

So in terms of how we're proceeding today, I understand the agreement, but I am a little wary about the concept of trying to manufacture some kind of conduct on behalf of my client or some kind of obligation that doesn't exist. Your Honor will see in the evidence there's a series of emails from Togut firm to me seeking my clients to do three things.

And it's interesting, Your Honor, because two of those have to do with the proceeding that was -- did exist in Liberia. And Your Honor remembers that you heard quite a bit of argument at both of the previous hearings regarding the proceeding in Liberia, and in fact, entered an order appointing Mr. Spears as the foreign representative to pursue that action.

So this request that I got, the first two items on it have to do with that Liberian proceeding. And Your Honor, that Liberian proceeding has been withdrawn by the merchants inside

of the house. So I'm really confused, frankly Your Honor, about what's going on. It seems as though this may be some kind of attempt to not proceed in Liberia as we all thought was going to happen as I believe needs to happen.

So if that's what's happening, and we'll see how things proceed today, but I felt compelled to stand up and speak because again, the original motion did not point out any conduct on behalf of my particular three clients. And this series of emails, and then, the withdrawal in Liberia, it's a little odd, frankly.

And I just want to raise the issue that, if this comes out as an attempt to manufacture any conduct or misconduct on behalf of my clients, we'll want another opportunity to respond to that because there hasn't been any yet. I don't believe there is. And just to be clear, the third request that was made of my client after the last hearing, had to do with the proceeding in Greece, which my clients are not parties to that proceeding. Those are other shareholders that are parties to that.

And anybody that wants to intervene, my understanding -- again, I'm not Greek counsel, obviously. But my understanding is that if, again, the merchants inside of the house wants to interview in that proceeding, they can do it. Trying to, kind of, shift their burden onto my clients, I believe, is inappropriate.

So again, Your Honor, more than I was planning to say at the outset of the hearing, but just based on what I'm hearing from Mr. Ortiz, I felt compelled to bring that up at this point.

THE COURT: If there needed to be a change in the AOR, would your clients be involved in that? To the extent you know?

MR. CURTIN: I'm not a hundred percent sure, Your Honor, but I believe that that is one of the issues that I thought was going to be resolved in Liberia and now it's been withdrawn. So --

THE COURT: Well, I don't mean as a legal matter. I mean, as a practical technical matter.

MR. CURTIN: Your Honor --

THE COURT: If that needed to happen, putting aside any legal proceedings, it --

MR. CURTIN: Your Honor, I can't -- understood. And I'm not going to stand here in front of you and say as a technical matter that none of the principals of my three clients would be involved in that.

THE COURT: Um-hum.

MR. CURTIN: I don't know for sure.

THE COURT: Okay. Okay.

MR. CURTIN: Thank you.

THE COURT: Thank you, counsel.

MR. SOLOMON: Of course, what I'm confused it's all a ploy. Hopefully the fact that Mr. Curtin's confused will help Your Honor. There's something fundamentally wrong with what we are doing here. Reed Smith has nothing to with the AOR, and we were accused of a bunch of things. We're not offering proof today, Your Honor, because they withdrew the motion.

Now, he says he's withdrawing because he says he wants to be able to bring it again later, but Your Honor's going to decide whether he can do that. But he withdrew the motion having anything to do with anybody's conduct. What they're actually trying to --

THE COURT: What do you mean, prior conduct?

MR. SOLOMON: I do, Your Honor. Yes.

THE COURT: Yeah.

MR. SOLOMON: Prior conduct. But I'm not sure what else we're -- I think that's why we are here at this hearing. We were here at the hearing to test the voracity of their assertions concerning the Reed Smith prior conduct. And then they said well, they're not going after any prior conduct, but they want to hear from the Court because they may want to complain that we're doing something in the future.

If we do something in the future, they can then complain then. I don't know what to do now. He says everyone got notice, no one was served. No one was served. Your Honor understood that from Mr. Lazaroff's own admission that nobody

was served with this contempt motion, other than Reed Smith and the three shareholders, so nobody is here.

What they are trying to do is read out of their plan and Your Honor's confirmation order, they are trying to read out the obligation to comply with foreign law. That's what they're doing. And if Your Honor looks at the recent proposed order, it's silent as to all of that. Magically it disappears. They cannot do that in my judgement, they cannot do that under the law.

There needs to be briefing on that subject. Your Honor needs to address whether they can now read that out. They cannot do it. Second, instead of reading it out, they say, well, why don't you just direct compliance with foreign law, direct somebody to go file something in Liberia, direct someone to go violate the law of Liberia.

And Pach Shemen thinks that they're allowed to do that, and they cannot do that either. That's a very difficult issue. We haven't briefed that issue at all for Your Honor. The fact is, 1142 doesn't do it, and Judge Blackshear never mentions it. No case has held that 1142 can require anybody to violate a foreign law.

There is an extra territoriality problem with everything that they are asking Your Honor to. Your Honor, unlike what happened before Judge Liman -- and with due respect, we disagree with Judge Liman. There are appeals from

that as well. That aside, he himself said this doesn't have to do with what's before Your Honor.

He himself said, I understand the argument that they promised to comply with foreign law. That is what they're trying to do in changing the AOR. That is what they're trying to do in cancelling the shares. That's what they're trying to do in changing the board of directors. None of that has to do with the United States.

THE COURT: Right. But he granted the dismissal. So what is the meaning of granting the dismissal over the objection?

MR. SOLOMON: Well, it's not clear what he said. We didn't have an opportunity to actually put papers in. What I believe he said is that I have everybody before me in a U.S. proceeding, okay, and it's this U.S. proceeding that I'm not going to permit -- I'm going to allow them to withdraw this U.S. proceeding because I don't need anything for it. I don't need Liberian law for that --

THE COURT: Right.

MR. SOLOMON: -- whereas he --

THE COURT: But he agreed they had the authority to do that.

MR. SOLOMON: Well, he stated what the transcript said that --

THE COURT: Yeah.

MR. SOLOMON: -- he stated.

THE COURT: Well, I mean by issuing the order, that essentially ---

MR. SOLOMON: Well, he allowed parties to enter into the stipulation dismissing an appeal of this Court's order to that court. That was the extent of it. And he said the issue of foreign jurisdiction, the issue of compliance with non-U.S. law is before Judge Mastando. That's what he said.

He recognized that that was a different issue. I had slides, although seems like a bit of a mess, but I would quote, Your Honor, from the page where he says that.

MR. UNDERWOOD: Your Honor, we do have slides that we're trying to share through the Zoom --

MR. SOLOMON: Sure.

MR. UNDERWOOD: -- but it seems to be blocked from sharing.

THE COURT: Okay. We'll --

MR. SOLOMON: It's the transcript pages, X7, 22 to 24.

THE COURT: -- work it out.

MR. SOLOMON: Okay. The corporate governance issues --

THE COURT: You're looking at the transcript of Judge Liman's hearing?

MR. SOLOMON: I am, Your Honor.

THE COURT: Okay.

MR. SOLOMON: 12/23/24, page 7. "Seems to me that the corporate governance issues you're raising are better raised in the Bankruptcy Court." And he then said, "Look. I hear your argument that they promised to comply with foreign law", and that issue was not before him.

It was not before Navigator Gas. It was not before the Texas case. It was not before the cases that we would like to call to Your Honor's attention, by the way. Start from the premise that the whole effort to have Your Honor use a gimmick in saying, oh. I can direct someone who's in front of me to go violate foreign law because they are before me.

There's no law that supports that. They have cited nothing that supports that. And by the way, Your Honor, these aren't even cases. So they're going to the far extreme of asking Your Honor, under the guise of, oh. This is obvious, to make new law without actually addressing what the predicates of that law are.

And when they promise to go overseas, it wasn't just a risk factor. They promised to make every effort to ensure that any conformation order entered by the Bankruptcy Court, and the steps taken pursuant to the confirmation order to implement the plan, are recognized and are effective in all applicable jurisdictions, and they specifically mentioned Liberia.

That wasn't a risk factor. That was a promise. And now, they're trying to read it out and they're trying to ask

Your Honor, in the guise of just saying, well, go and cooperate, to go and ignore all of this. The debtor has cooperated. Reed Smith has cooperated. They can't identify a single thing that we haven't done, but they want us to go further.

Well, to go further, requires Your Honor to find that the parts of the law that are in the plan that say that we will comply, that this Court will be respectful of foreign law, can all be read out. That's the first thing. Improper, no basis to do that. The second thing they're asking this Court to do is to apply this punitive consensual sort of charade extraterritoriality.

They've cited no case to Your Honor. We have the cases. I haven't been able to put any papers in because they just changed their motion. I would like an opportunity to cite the Court to these cases. "The representatives' authority and the authority of the court supervising the case, and at the country's borders", that's what Collier says at paragraph 1301.

"No one country's insolvency laws can be enforced within" -- "with certainty be enforced in another country." Your Honor, if there was an order of a foreign court, directing that something be done here in the United States, no one could bring it to the United States and enforce it. There's not a law that permits that.

There's not a law even outside the bankruptcy and

there's not a law in bankruptcy. They have to come to this Court, or they have to go to the District Court, and they have to lodge their order, and they have to get it recognized.

And they didn't say how high the bar was, and different sovereign nations have different bars. Liberia, as was -- as Ms. Lamin Blamo has shown, is not a particularly high bar. And they said they were going to go do that. Now they've changed their mind.

Why did they withdraw that proceeding? They withdrew that proceeding so that, instead, they can say to Your Honor, no -- force a debtor who's not even here because there was no sanctions asked against him -- force that debtor to go and file something in a foreign court that it has advice is illegal to do. That's a big, big issue, and there's no proof that there's -- there's no proof that the law of the United States allows them to do that.

We would also cite to the Court Avianca Holdings, where like in this case where they made explicit statements that the debtors were reorganized debtors were going to seek to obtain recognition in the foreign countries where Avianca had its place of incorporation and where it did its business.

And that is the proper way to do it, and that is what they have not done. And that is what -- the United States Supreme Court, in RJR Nabisco 575 US at 337, has said whether a statute gives a clear, affirmative indication that it applies

extraterritoriality is the question that Your Honor has to address, okay?

It involves a domestic application of the statute. That is to say, Your Honor has to ask, is it clear and affirmative that Your Honor can say to the debtor here "go and file an AOR in another country" whether or not that other country permits the filing of that AOR. That's a big issue that they haven't taken the time to address. I'll sit down --

THE COURT: Well, can a company change its AOR on its own if it wants to?

MR. SOLOMON: So Your Honor, as I understand the law of Liberia and --

THE COURT: Outside of any legal proceeding, if a company just wants to change its AOR.

MR. SOLOMON: And as I understand the law, I think this is a question of Liberian law that you're asking because this is a Liberian filing that has to be done. If the source of authority for the making of that filing is a foreign order, that order needs to be recognized in Liberia before the act can be taken.

THE COURT: But I'm saying that there's any foreign order. I'm just asking you, if a company wants to change its AOR, can it do so? And you may not know, but I'm asking.

MR. SOLOMON: I think there are -- I think there are requirements for the changing of the AOR. I believe it

requires -- as I understand it, it requires the shareholders to change, and then the shareholders to direct the board, and then the board can direct whoever the AOR is to make a change. None of that can happen in a case where you have a reorganization unless the reorganization is recognized.

We're not talking about -- I thought, actually, we were going to be here talking about whether there was some collateral attack on Your Honor's order. There was none. And we actually went to the expert and asked about that. And we were prepared to prove that there was absolutely no collateral attack on any order of this Court. But then they withdrew the application in Liberia, so that issue wasn't before Your Honor at all.

THE COURT: Well, but there was a filing in that proceeding that said essentially not to recognize the order.

MR. SOLOMON: No, Your Honor. Well, as I mentioned, I read it at the same time Your Honor did. And the filing in that proceeding said that there -- that here are the requirements of Liberian law for recognition of a foreign order, okay? And there was nothing about Your Honor's order that anybody took issue with.

The implementation, which was done unlawfully because there was this last-minute bait and switch. There was this last-minute -- they did not seek to enforce Your Honor's plan. They did not seek a new certificate of incorporation, a new

articles of incorporation. That is what Your Honor required. That's what Your Honor's order said. They didn't try to do that at all.

The first of the issues that was raised, while this matter was on appeal, had to do with how far bad faith can be recognized in a foreign jurisdiction when Your Honor had said, with respect to 303, here are the metes and bounds of it. But that issue is not before us anymore because they withdrew the application. We're never going to know whether that was beyond anything that Liberian law permitted.

We could have been much further ahead. Why did they do that? Well, they withdrew it because, for some reason, they don't want Liberia to exercise the sovereign authority that Liberia has. Instead, they're coming to you and Your Honor and asking Your Honor, at this far extreme that I don't even think they have any cases to support, to direct the debtor here to go and file something in a foreign jurisdiction that's not permitted to be filed in that jurisdiction.

And so I thought that's what we were going to be here for because all of this funneled through Reed Smith and now don't have any claim against Reed Smith. I believe that what should happen is they should articulate the precise relief that they want. Your Honor should allow the parties to brief because there are serious legal issues about whether they can change their plan at this point. And then if Your Honor wants

evidence after that, then we should have evidence.

Thank you very much.

THE COURT: Thank you, Counsel.

MR. ORTIZ: Your Honor, quickly, Kyle Ortiz of Togut, Segal & Segal for Eletson Holdings. Look, he's saying that nobody briefed these things, but he just talked about a whole bunch of things that are exactly what he said in the last two hearings.

We're really looking for this AOR. Again, he's talking about a completely false premise. We're not asking anybody to do anything inconsistent with law. I would read, Your Honor, that paragraph 5.3 of the order says, "the debtors are hereby authorized and directed to take or not take any and all actions as instructed by the petitioning creditors, and shall not take any actions inconsistent with the plan or this confirmation order without the prior written consent of the petitioning creditors or further order of the Court".

So clearly, any of the things they did in Liberia violate that provision. And we're not asking anybody to break laws. He's completely mischaracterizing pretty much everything that he just said. We have not withdrawn our motion. We've narrowed the relief.

The AOR has clearly been extensively briefed. And as this paragraph I just read says, we are allowed to direct them to do things. And that's all that we're getting to clarify

that when we direct them to do things, they do them. And he's now wanting to bring up stuff about, apparently, the effective date way after the fact to argue new things.

Just so Your Honor is aware, we are perfectly allowed, under the plan, to make modifications that don't change the recoveries to creditors at any point after confirmation and that does not change any recoveries to creditors for us to not allow them to play games and to be able to go effective even though they were trying to create artificial stays, which he admitted in court.

So what I propose we do, Your Honor, let's hear from the Liberian experts. Let's do the ten-minute openings, although I think you've heard parts of them already. And Your Honor can determine whether or not to enter an order that -- we, again, tried to narrow the relief to make it a little bit more of a chance for people to just comply with the plan on specific things that you'll hear today don't violate any laws.

So our proposal would be to proceed with the short presentations, and you can hear from the Liberian experts that this entire concept is a false premise.

THE COURT: Thank you, Counsel. Does anyone else wish to be heard before we turn to the openings? Okay.

MR. ORTIZ: We have a slide presentation that goes with the opening, but I wanted to give you a hard copies, Your Honor. Is it okay if I approach?

THE COURT: Yes, please. Thank you.

MR. SOLOMON: Thank you.

MR. ORTIZ: Yeah. Good morning again, Your Honor. Kyle Ortiz of Togut, Segal & Segal on behalf of Eletson Holdings Incorporated. So here's where we are, Your Honor. As you just heard, the Violating Parties continue to hold the now reorganized Eletson Holdings hostage based on what Judge Liman characterized as an extreme position as a matter of international bankruptcy law.

Specifically, Your Honor, that an unstayed order somehow doesn't have any effect or full effect doesn't apply to parties who fully participate in this case is just illusory until after recognition, which again the plan nowhere contemplates, despite Mr. Solomon being able to find it, is sought and obtained, and get multiple additional opportunities to achieve a different outcome, which is their real goal while still, Your Honor, by the way, accepting our payment of all of their admin expenses and the discharge of debt that the plan achieved.

To arrive at this extreme position, the plan -- despite the plan not providing for recognition and no case ever saying recognition is needed to enforce on parties already present, let alone against the debtor itself. We're not trying to enforce this plan on a foreign court, Your Honor. We're trying to enforce it on the debtor and its Principals.

The Violating Parties continue to extract and magnify all sorts of elaborate conclusions from boilerplate language referencing applicable law that we've already demonstrated is identical to language that regularly appears in Chapter 11 plans that don't require additional steps for implementation.

Their extreme position, Your Honor, then ignores the volumes of explicit language about the consequences and timing of the confirmation order, the effective date, and their obligations under the plan. And I will spare, Your Honor, the exercise of reading all of those many provisions into the record for the third time. Time limits, Your Honor. Good move.

We're simply asking Your Honor to enforce your unstayed order confirming the plan. Even after Judge Liman found that he was bound by the unstayed confirmation order. And this isn't from page 7 when he's still asking questions. This is from his ruling saying there is an order of the Court, the bankruptcy court, that has become final that I am to honor.

The Violating Parties continue to take the position that they do not have to honor your order. Their position is literally, yeah, that happened, but we've decided it does not apply to us. It wasn't me.

But what makes it so much worse is that, in defiance of your order, they've used the space created by their contempt to actively and strategically manufacture obstacles to

implementation without any authority for the preposterous proposition that they can unilaterally decide when different provisions of the order and plan apply to them.

And the cases he was talking about today do not say that. And he's going to be trying to change the subject. Orders apply. The order is immediately binding. I will not repeat the well-settled law that unstayed orders are binding on parties that we covered previously.

They opted not to seek a stay. What they are attempting to do, Your Honor, quite transparently in disregard for this Court, through their actions, is create their own extrajudicial stay and their own appellate process utilizing foreign courts. This comes across clearly, as I think you just identified, Your Honor, in the pleadings filed in Greece and Liberia in violation of the confirmation order, and that they telegraphed they would do here.

They are taking such outlandish positions, Your Honor, even though the key evidence is not dispute. It is not disputed that the confirmation order was entered. It is not disputed that the confirmation order provides that the Violating Parties are immediately bound by it, obligated to implement it, and enjoined from interfering with it. See paragraphs 19, 12, and 5, among many other paragraphs.

It is not disputed, Your Honor, that no stay of that order was sought, much less obtained. Thus, there is no

dispute that it is a final binding order. There is no dispute that the effective date occurred on November 19th, 2024. There is no dispute that before and after the effective date, consistent with the confirmation order, we directed the Violating Parties to update the AOR or have the current AOR file the updated charter, and that they refused.

You just heard that again; refused to even identify the AOR, Your Honor, even after we offered to indemnify them for such ministerial acts. There is no dispute -- and Mr. Curtin went through this -- that we directed the former majority shareholders to execute powers of attorney and to act in support of the plan in Greece and Liberia, and they have not responded to those directions.

THE COURT: So you don't know who the AOR is. Do you know who knows who the AOR is?

MR. ORTIZ: Unfortunately, Your Honor, we don't. We've asked pretty much everybody that we can ask. It is apparently a state secret. It's apparently illegal in Greece and Liberia to even tell somebody who the address of record is. And of course, we --

THE COURT: Well, I didn't ask who it is. I asked if you know who knows who it is.

MR. ORTIZ: Well, I assume that the officers and directors and the majority shareholders are aware of who the address of record is.

And Your Honor, there's no dispute that the filings in Greece and Liberia -- and I think you identified this -- by the Violating Parties seek to overturn the confirmation order in violation of the injunction on taking actions inconsistent with the plan or the confirmation order, which is very similar, Your Honor, to the actions Judge Blackshear (ph.) found to be in contempt in Navigator Gas.

And by the way, real quick, Navigator Gas was bought under 1142. He didn't specifically say 1142 in his order, but that was the provision of the Code that was moved under for that relief.

So in short, Your Honor, the Violating Parties aren't denying that they are refusing to do what we have directed and the order, your order, clearly requires. Rather, they are -- sorry. No idea what that was.

They are unilaterally claiming, without seeking a stay of the confirmation order, that they are excused from certain provisions of the order and plan until they -- not the Court, Your Honor -- they are satisfied sufficient unspecified future events have occurred while simultaneously putting up active opposition in other jurisdictions that's clearly inconsistent with the plan.

And Your Honor, they're going to continue to be intentionally vague about the things that they -- are usurping your power unilaterally determine we need to do to implement

our plan so they can keep it a moving, unreachable target and keep the charade going forever. A position that, again, Judge Liman referred to as an extreme position as a matter of international bankruptcy law.

The baseline black letter law, Your Honor, is that an order's binding. The burden is on them to demonstrate some first of its kind exception to the contrary to justify their open defiance of it. As Judge Liman noted, if they had an issue with the consequences of the plan, they needed to seek a stay. They are seeking extrajudicial stays now, Your Honor.

The witnesses will show today that there is no law in Liberia or anywhere in the world that is violated by voluntarily -- and I think you hit this, Your Honor -- voluntarily updating a business address. It strains credulity.

But it also, Your Honor, simply doesn't matter. Because even if you were to take what they're saying as true, that they're worried about complying with made-up laws, which they should have raised the confirmation and would not alter the binding nature of this order, that consistent with the plan and the confirmation order, the explicit, explicit words in there, not vague references to other law.

They should be taking every step necessary to assist as directed in efforts to seek recognition consistent with their made-up laws. That's what Judge Blackshear ordered in Navigator Gas, and we modified the order to include.

Instead, Your Honor, the lie that this is just about compliance with law was clearly exposed when they showed up and opposed recognition after artificially creating the need for it in the first place. How can that possibly be a good faith effort to aid in implementation of the plan as required by paragraph 5.1 of the order and not clearly an effort to interfere in violation of paragraph 5.3?

So, Your Honor, the evidence that they're looking -- actually looking for opportunities to undermine your authority, collaterally attack your order, and get do-overs. This is in the responses they filed in Liberia and the actions they took in violation of the plan in Greece, which they tried to hide from by admitting this.

And they're going to say, Your Honor, that they're between a rock and a hard place because there's this Greek order. But they rolled that rock in, Your Honor, in violation of the confirmation order. And if you want to play their game, Your Honor, that Greek order means nothing to you because nobody has sought to recognize it here.

All that is here, Your Honor, is a binding unstayed order of this Court that we are asking you to enforce, not overseas, right here against the parties that are in your court.

I've talked about the order already. I'll skip over that a little bit, but we narrowed it. It doesn't sanction

anybody. And we think it's essential, Your Honor, that the Violating Parties be brought in line.

They are currently threatening legal action against banks and charterers for them simply complying with your order. People who are actually trying to comply with it are being threatened, and they're refusing to access -- to provide us access to accounts so we can pay Oaktree.

And again, Your Honor, the confirmation order is final. The appeal was dismissed by the only Eletson Holdings that continue to exist after the effective date. But they'll continue to threaten people as long as this manufactured uncertainty exists.

The Violating Parties have already delayed complete implementation for nearly two months, Your Honor. Two months. Two months where we already spent the $53.5 million. Two months where they tried to move funds and threaten third parties trying to comply with an order. And two months, Your Honor, during which Reed Smith is taking active steps on behalf of a provisional board that the plan you approve says does not exist.

How does this fiction work, Your Honor? Reed Smith was removed on the effective date. They agree with that. The same effective date that removed the former directors they claim rehired them. They get to be free of court supervision and any pretense they are acting on behalf of the estate?

And then they are hired, Your Honor, by a fictional entity whose entire fictional existence is a violation of the confirmation order to act against their former client. In their fantasy world, Your Honor, this fictional provisional or old holdings gets excused from paying the admin expenses of its own case and gets the benefit of the discharge, but the provision saying that they have to resign, and they don't get to keep their shares don't apply?

Of course not, Your Honor. The plan makes it explicitly clear that this other holdings doesn't exist. There are not two holdings. There's just holdings with new ownership, as Judge Liman found.

THE COURT: Right. And the objecting party was the provisional board before Judge Liman?

MR. ORTIZ: Correct. Or I think they'll say it was the provisional holdings, but that's a fictional entity. So you have actual holdings.

THE COURT: Is the formation of that entity being challenged in the Greek proceeding?

MR. ORTIZ: It will be ultimately. And part of what we're trying to get through this relief, Your Honor, is that consistent with what Judge Blackshear did in Navigator Gas, is that the parties who are subject to the jurisdiction of Your Court need to be aiding in that effort, not -- aiding in our effort to put an end to that, not aiding in the effort to

create an alternative universe.

I mean, this isn't Marvel. We don't have multiple universes, Your Honor. So that's what we're -- that's precisely what this sort of relief will help do is to make it so that people can't create these fictions. So, yes, it will be -- and that's actually part of what we were asking Mr. Curtain's clients to do, is to make it clear that in Greece that they're not supporting something that's inconsistent with the plan because they're clearly here. They were a plan sponsor of an alternative plan.

So, yes, Your Honor. We will challenge that. But we're also going to try to work with these parties and direct them, consistent with the plan, for them to remove that proceeding in the first place because it is improper. And that's what the powers of attorney, for instance, that we seek to have ordered in the order are for so that we can go and say on behalf of the people who used to be the majority of this -- there's even saying that these people don't exist because that's what the plan says.

And their job under the plan is to assist in the implementation. And it's not just a suggestion. It is directed at paragraph 5.3, paragraph 5.1, and in multiple places in the plan.

So Your Honor, look, this revised proposed order again, it's narrowed. It's really focused on updating the AOR

and the power of attorney so that we can address things like the issue Your Honor just brought up.

Whether it becomes more than that, whether it becomes sanctions or anything like that is truly, Your Honor, up to the Violating Parties. They can either kind of drop this fiction, this effort to get extrajudicial stays and get around this Court and this system by going other places and trying to appeal, or they can comply with the order.

So we've significantly narrowed the relief. Your Honor. I think the evidence will demonstrate, Your Honor, that it's more than warranted. And we respectfully request that you hear the evidence today, you enter the proposed order.

That's all I had prepared, Your Honor. If you've got any additional questions, I'm happy to address them.

THE COURT: That's it. Thank you, Counsel.

MR. ORTIZ: Thank you, Your Honor.

THE COURT: Appreciate it.

MR. SOLOMON: Somehow, I thought prior discussion was a bit of the opening. And so, I will try not to repeat too much, Your Honor.

The parties who are before Your Honor today, Reed Smith and the three shareholders, had absolutely no role in what's happening in Greece. The parties who are before Your Honor this morning had absolutely no role in what's happening in Liberia.

Holdings -- we can call it Provisional Holdings -- but Holdings, before it was reorganized, was sued in Liberia and it was sued by Pach Shemen in Liberia. And just as there's no law in the United States, none, that says that the party being sued cannot defend itself in accordance with foreign law, so too, I believe, the evidence will be that there's nothing in Liberia that prevented the party being sued by their client from defending itself.

They've now come and they've now dropped that proceeding. So I'm not sure why we're talking about that proceeding, but there's nothing really to talk about other than the fact that they sued an entity that they say now doesn't exist. But of course, it exists. And I do not know why Mr. Ortiz, who is very effective --

THE COURT: Well, what entity are you referring to?

MR. SOLOMON: I am referring to Eletson Holdings. We're calling it Provisional Holdings because they are masquerading as holdings. The chutzpah, the idea that Provisional Holdings, that the old holdings, is threatening anybody when we're not being paid, Your Honor, because their client, Murchinson, claims that it's Holdings, and went to the German bank and stopped the gas -- stop Eletson Gas from making payments because they are masquerading as being everything that they wish to be.

And we thought it would stop because they came to Your

Honor and they said, all we want is to be appointed -- we want Adam Spears to be appointed to go and seek recognition --

THE COURT: Well, I think they wanted more, but that was all I gave them.

MR. SOLOMON: That is all you gave them, and that's all Your Honor should give them. And we haven't even been heard on this power of attorney. All of a sudden, the power of attorney, what if? What if Your Honor grants a power of attorney, and then it turns out that they can't actually comply with foreign law?

You've now wrecked the company. Not Your Honor. They have wrecked the company. They've pulled all the money out of the company. There's nothing going on anymore in the company because of their conduct. Yet, they haven't done what ten times their own plan says they are going to do.

I do not know why Mr. Ortiz cannot bring himself to utter the words. It says that the action to be taken has to be permitted by applicable law. It says that our shares can be canceled where permitted by applicable law. This applicable law includes Liberian law.

So rather than just going and doing it and changing it in accordance with Liberian law -- and if they don't change the shares, they can't change the board. And if they can't change the board, they can't change the AOR. They cannot do any of those things, but all of those things are what they promised.

Why are we having a serious discussion about whether they should be allowed to walk away from those promises? Instead, they claim that we are doing something wrong. All we are doing is saying that if you promised that you're going to comply with applicable law, go and comply with applicable law. That doesn't mean that nothing is happening here. A great deal has happened here.

And it doesn't mean that everything can get start over and do it again over there. That's not the case. That's not the law there. By the way, when the shoe was on the other foot, it's not the law in the United States, either.

But for everything they are seeking to do, to change the shares, to update the AOR, to change the articles of incorporation, all of that they made a promise, and Your Honor ordered it to comply with applicable law. And all they have to do in order to do that is to show Your Honor that they have done that, and not calling us names and not ridiculously saying that we are now threatening somebody when they are, in fact, threatening us.

So they've tried to turn this into something that -- Your Honor has the power, even though, Judge Blackshear, apparently we read different things. I read everything that he said. He has said nothing about 1142, and he said nothing about requiring a party to violate a foreign law. Nothing.

And there is no case that says that. That is the

first impression. That's the matter of first impression that they want Your Honor to just sort of skip over. And so, what they say is, well, if we do it voluntarily, then we can avoid all of this compliance with foreign law.

How voluntary is it, Your Honor, when it is under pain of a contempt sanction? That's not voluntary at all. So if two parties enter into a consensual merger agreement, and as part of that merger agreement, both parties agree that they will change the shares of the entity, then they will do that.

MR. SOLOMON: Then they will do that, but that's not what happened here and that's not what they promised to do here. And that's not what Your Honor ordered them to do here.

Now, I've already talked about what Judge Liman did. I think that is a -- that was a very specific case, because the matter was before him and it did not have anything to do --

THE COURT: But didn't he recognize that they had the authority to do that?

MR. SOLOMON: Well, he didn't say that, Your Honor.

THE COURT: Well, he entered the order, though.

MR. SOLOMON: He entered the stipulation. He did enter the stipulation. He did that, Your Honor. And it might be --

THE COURT: Over the objection.

MR. SOLOMON: I recognize that. By the way, the -- no, Your Honor. We were not permitted to be heard. What you

said --

UNIDENTIFIED SPEAKER: Well, unfortunately, my father was in the hospital.

THE COURT: Can someone on Zoom mute? Can everyone on Zoom mute themselves, please?

UNIDENTIFIED SPEAKER: So we spent much of the last, and certainly all weekend --

THE COURT: I don't think he's even listening to us.

UNIDENTIFIED SPEAKER: -- by helping them.

THE COURT: Thank you.

But you were representing Provisional Holdings before Judge Liman?

MR. SOLOMON: We attempted to represent Provisional --

THE COURT: Okay.

MR. SOLOMON: -- Holdings before Judge Liman.

THE COURT: So they disagree as to whether Provisional Holdings exists or what it is --

MR. SOLOMON: Yes, Your Honor.

THE COURT: -- but if it does exist, isn't it also here before us?

MR. SOLOMON: It's not -- by the way, I think it should be here.

THE COURT: Well, Eletson Holdings is the debtor here.

MR. SOLOMON: I think it should be here. It's not here --

THE COURT: Well, I didn't --

MR. SOLOMON: -- on this motion for sanctions.

THE COURT: Well, not --

MR. SOLOMON: They didn't serve them on the motion for sanctions. They didn't serve them and they didn't notify them. Okay? They say that we had -- that Provisional Holdings had notice. No, it didn't, Your Honor.

THE COURT: Are you saying Provisional Holdings is a different entity than the debtor?

MR. SOLOMON: I'm saying -- we call it, variously, stump or rump. There is an entity that continues to exist until such time as they comply with foreign law to recognize and then change the board properly and change the shares properly --

THE COURT: Right, but I'm just asking, that entity exists outside of this case?

MR. SOLOMON: Well, okay. So as I understand it, this entity that exists is been directed by a Greek court in a proceeding we had nothing to do with to take certain action to protect the rights of what I'm going to call the old holdings until such time as they comply with this Court's bankruptcy order.

And so I'm not suggesting that that entity could not be here. I think that entity should be here. The entity is not here today because --

THE COURT: Is it an actual entity?

MR. SOLOMON: I mean, I believe these -- and as an actual entity is -- if a corporation is an actual entity, then this entity, which has been created and instructed by the Greek court to protect the rights of old holdings, until such time as they comply with Your Honor's bankruptcy order, which is now what they're trying to change.

I do not believe that because it's going to -- it won't affect how much creditors get they can make any change they want. I think that needs to be briefed. I've not seen a case that allows them to rip away the protections, by the way, that creditors also got and that the debtor also got.

THE COURT: Well, those are different issues. I'm just raising the issue of how would that entity not be before this Court to the extent it exists?

MR. SOLOMON: Because the motion that was made, which is the only reason why we are here today, did not serve them, did not name them, and there's no jurisdiction over them and I think, Your Honor --

THE COURT: Well, okay. We're going in circles a little bit on it, but you --

MR. SOLOMON: No, but that's why -- but that's why --

THE COURT: -- keep saying "them", but Eletson Holdings is the debtor.

MR. SOLOMON: That is why I -- that is why -- that is

why I believe, Your Honor, what we should do is find out what they actually want, all of the relief that they want, including the new relief. We should be given a chance to brief it. I believe that Provisional Holdings should be here for that, not just Reed Smith or somebody masquerading as their lawyer, but -- not just Reed Smith and not just -- and not just the shareholders. That is precisely the due process issue that I think is going on here. And I don't think that Your Honor should address anything that they are -- that they are talking about in this narrow and this aborted context.

THE COURT: Okay. I interrupted your opening, sir.

MR. SOLOMON: I read to Your Honor before the plain language of some --

THE COURT: Were you able to get it on the screen or no?

MR. SOLOMON: I would love to.

THE COURT: Well, because I don't think we have copies.

MR. SOLOMON: It's my slide 17.

THE COURT: Were we able to get it up on the screen?

MR. SOLOMON: We can start with 13 if you're able to pull it up.

UNIDENTIFIED SPEAKER: Just a second.

MR. SOLOMON: I'm sorry, Your Honor.

THE COURT: That's okay.

MR. SOLOMON: Yeah. And now, what do I do? Just --

UNIDENTIFIED SPEAKER: You can just click through.

MR. SOLOMON: This is what I'm doing? And then I --

UNIDENTIFIED SPEAKER: (Indiscernible).

MR. SOLOMON: And just go up to 13?

Well, there are two quotes from Judge Liman, where in the first case he said, this is during the order, I hear you, when he was saying to me, I hear you that there are issues before Judge Liman that don't have to do with what's before me. And here on page 13, I'm quoting, corporate governance issues, this is from page 7, that you're raising are better raised in the bankruptcy court. He did not rule on those issues. And I do think it is to Your Honor to rule on those issues.

It was on page 15 of my slides where I begin. 5.2 talks about restructuring transactions that they are entitled to take. And in each case, in each case, it is subject to what is permitted by applicable law.

I just never -- I don't understand how a lawyer makes an argument that, oh, that's boilerplate and it doesn't matter. I don't think it's a serious argument. I don't think there's any case that supports that the promises that they made here can be ignored. But in each of the matters that is listed in 5.2, including filing of appropriate certificates, actions taken to determine necessary to obtain regulatory approvals, all of those are subject to what is permitted by applicable

law.

5.4 is also explicit, where in order to take over the company, they have to cancel the shares, and in order to cancel the shares, they need to comply with applicable law. It says, all notes, stock, where permitted by applicable law. And so why aren't they doing it? And how are they now trying to change this plan in order to do that?

It's on the next page that I quoted Urka before and I won't have to quote again, where they made a promise, where they said they would make every effort to ensure that any confirmation order entered by the bankruptcy court and the steps taken pursuant to the confirmation order to implement are recognized and are effective in all applicable jurisdictions.

They can't ignore that. They can't walk away from that. Your Honor then incorporated that in the order -- that is my next page -- the confirmation order shall constitute, to the greatest extent permissible under applicable law, all approvals and consents. They can't leave out compliance with applicable law now that they want to come to you and say, well, this party who was not here, go order them to do that, order them to cooperate. When the --

THE COURT: Well, when you say this party that's not here, you're saying the Provisional board is the only entity that could change the AOR?

MR. SOLOMON: I do not -- I don't know the answer --

THE COURT: Okay.

MR. SOLOMON: -- to that question, Your Honor, but I --

THE COURT: Well, then to my earlier question also, if you aren't dealing with the court order, I'm assuming a company can do these things without a court recognition of it, right? So if they are Holdings, I understand you're saying, well, it's pursuant to the confirmation order, but they can direct certain things to happen as the entity.

MR. SOLOMON: Well, as I understand it from both experts, Your Honor, that Your Honor will hear, if the source of authority is a foreign order, a foreign --

THE COURT: But if the foreign order is effective and is not stayed --

MR. SOLOMON: It's effective and it's not stayed where it is effective and it's not stayed. The idea that because it's not stayed, we're going to disregard all applicable law and all other jurisdictions, it never says that anywhere, nor did they promise that.

And had they told Your Honor, these are cases that I'd like to show you on, had they said to Your Honor that we want a plan that's going to violate Liberian law, and we want Your Honor to enforce it anyway, that would not have been a feasible plan. Your Honor would have then been required to reject their plan.

I can turn to those pages. Can somebody help me there? I'm going to pass all of the statements that Mr. Ortiz has made where we recognizes --

UNIDENTIFIED SPEAKER: It's 5-33.

MR. SOLOMON: What page?

UNIDENTIFIED SPEAKER: 34.

MR. SOLOMON: Thank you. Here are two cases, among others, that we would cite to the Court in In re Wabash and In re Walden, right, the plan is not confirmable because it violated Not-For-Profit Act and contravened law governing restrictions of issuance of stock and election of directors. And this was a this was a U.S. -- this was U.S., U.S.

And as was In re Walden Palms Condo, okay? The LAD proposed a plan that would require the board to do something in violation of Florida law. That was held not to be implementable. That was held not to be feasible. That is what they're asking you.

And I would then cite to the Court to other cases on page 35 --

THE COURT: But those two seem to be saying -- I'm sorry -- if you can go back to it?

MR. SOLOMON: Yes.

THE COURT: That the plan was not confirmable.

MR. SOLOMON: And the difference here, Your Honor, is that they did not say to Your Honor that they were going to

require the debtor to violate foreign law. They said exactly the opposite. They said that our plan is deferential to foreign law. Our plan is going to be consistent with all applicable, including foreign, law. They said that, and it's that that they're now trying to change.

In order to get Your Honor to approve the plan in the first place, they said we will take all steps necessary to implement this and to find and to succeed in getting recognition. And Your Honor then entered an order that said, as permitted by applicable law, you will then go and do all of these things, all of these things in the plan. And the plan itself says that what we are going to do is going to be consistent with applicable law. That's right.

Had they come clean then and had told Your Honor that they're now not going to do what they promised, I don't believe that Your Honor could have supported -- could have supported affirmance.

The filing that was done in Liberia, which, as I told Your Honor, nobody here has had anything to do with, raises issues of Liberian law. Has nothing to do with any issue that was actually considered by this Court. That by definition, is not a collateral attack. It is respectful of another sovereign's unity, another sovereign's ability to look at law, to look at a judgment before it is going to be enforced in a foreign jurisdiction. Exactly what the United States does.

Exactly what the United States does when the shoe is on the other foot.

The last bit of law that I wanted, and I had quoted this to Your Honor before, but the cases are here on page 35, courts do not assume that otherwise applicable foreign law is preempted act and express statutory language to that effect. So there's foreign law. It cannot be preempted unless it's absolutely expressed. Was nothing in this plan that was expressed.

On the contrary, what this plan promised was that it would be compliant with this foreign law. And that's what they're now trying to change, and they're trying to change it with an expedient of, oh, just hold the debtor in contempt for not violating that foreign law.

I am not aware of a case, in the bankruptcy context or outside the bankruptcy context, that any court has allowed that to happen. I believe Your Honor needs to address that issue. I think it is a -- I don't think it's a matter of first impression, because I don't believe that the extraterritorial nature of the United States bankruptcy laws allow Your Honor to direct a violation of a foreign law, but at a minimum, it's not present here because of the promises that they made --

THE COURT: If they changed the AOR, under your argument, wouldn't they be the ones violating foreign law?

MR. SOLOMON: They cannot change the AOR, Your Honor.

The --

THE COURT: Well, that's the first question. But if they did or tried to, wouldn't Reorganized Holdings be the one violating foreign law?

MR. SOLOMON: You know, in the Daniolos letter, as it relates to the Greek side of things, Your Honor does have before you his view that just because they violate it doesn't mean that the current directors and the current board will not be held liable. That they, in fact, will be held liable.

And if Your Honor directs that the AOR be changed and then they go over to Liberia and they get that recognized, okay, then there won't be any law to violate and nobody then will be violating it. As I understand it, they do not have the authority to change the AOR. They're asking Your Honor, on pain of contempt, to force somebody at the company to violate Liberian law.

THE COURT: Well, I mean, someone needs to do it, but they're saying no one will even tell them who it is.

MR. SOLOMON: Well, it's a criminal law that you can't -- all their indemnity doesn't help at all. By the way, they have no intention of actually indemnifying. They're trying to -- all they're doing right now is interfering with the company's -- with the company's business. That's actually what's happening. But they can't indemnify for a violation of the criminal law. You can't indemnify. You --

THE COURT: No, no, I'm not talking about that. I'm just saying, if it was changed, wouldn't it be the company changing it? And it would be Holdings?

MR. SOLOMON: Well, it would -- but Holdings, in the absence of recognition of this Court's bankruptcy order, which they should have done and were doing, they were doing it and then they stopped, okay, the company that will be making that change will be old shareholders. It will be an old board of directors. It will be an old AOR. All of whom will be violating Liberian law. That's why the order in which this is done matters. They made a promise. They said they were going to go and comply with foreign law. They should go and get that recognized and then take the steps necessary to make the changes. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard? Okay.

Counsel, what's the order that you'd like to proceed?

MR. ORTIZ: I think we're going to call -- I'm going to respond to that.- Kyle Ortiz of Togut, Segal & Segal.

I guess before I get to that, let me just -- look, there's a lot of things that obviously we disagree with, but I wanted to clarify, Judge Liman's order says very specifically on page 31 and on page 7 in his ruling that I'm going to grant the stipulation of this because, number one, there's an order of the Court, the bankruptcy court that has become final that

I'm to honor, and that order recognizes the new board of Eletson, gives the new board of Eletson, under 5.2, the ability to act on behalf of Eletson. And then he goes on to say, if the former owners of Eletson or the former directors of Eletson want relief from those provisions, they can go to the bankruptcy court. So he did rule that, despite Mr. Solomon telling you otherwise.

But with regard to the order of witnesses, Your Honor, we propose to have put in Mr. Pierre's (phonetic) declaration, proffer his declaration, and then have him subject to cross. And then when Mr. Pierre is done, Ms. Lamin Blamo for Reed Smith, I guess, will be going.

THE COURT: Okay. Thank you, Counsel.

Is there any objection to the Court receiving into evidence Mr. Pierre's declaration?

MR. SOLOMON: Not on the -- the only objection that I have is one that I've already stated, so I don't need to restate it, not for purposes of Your Honor hearing it, but they've withdrawn the application that should lead to this being relevant evidence.

THE COURT: Well, I'll hear it to the extent that the relief -- that it's relevant to the relief they're seeking.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Thank you, Counsel. Okay.

The declaration will be admitted.

Would anyone like to cross-examine the witness?

MR. SHAUGHNESSY: If I may --

THE COURT: Yeah, please.

MR. SHAUGHNESSY: -- speak first, Your Honor?

Brian Shaughnessy, Togut, Segal & Segal, on behalf of Eletson Holdings. For the Court's convenience, just want you to know that the declaration -- there's a declaration and a rebuttal declaration. There are two declarations. The affirmative declaration is at Exhibit TX-21, and the rebuttal declaration is at Exhibit TX-22.

(Affirmative declaration of James Pierre was hereby marked for identification as Creditor's Exhibit TX-21, as of this date.)

(Rebuttal declaration of James Pierre was hereby marked for identification as Creditor's Exhibit TX-22, as of this date.)

THE COURT: Okay. Just so the record is clear, is there any objection to the Court receiving into evidence the declaration, which is found at Exhibit TX-21, or the rebuttal declaration, found at Exhibit TX-22?

MR. SOLOMON: That is clarified. No, Your Honor.

THE COURT: Thank you, Counsel.

So both declarations will be admitted: Exhibit TX-21 and Exhibit TX-22.

(Affirmative declaration of James Pierre was hereby

received into evidence as Creditor's Exhibit TX-21, as of this date.)

(Rebuttal declaration of James Pierre was hereby received into evidence as Creditor's Exhibit TX-22, as of this date.)

THE COURT: Would anyone like to cross-examine the witness?

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Okay. Mr. Pierre, can you raise your right hand?

(Witness sworn)

THE COURT: Thank you. Good morning.

THE WITNESS: Good morning.

CROSS-EXAMINATION

BY MR. SOLOMON:

Q. Good morning, Mr. Pierre. I'm Lou Solomon. I'm a lawyer at Reed Smith here in New York.

Can you hear me?

A. Yeah, I can hear you clearly.

Q. Thank you. Let's turn to page 3 of your initial declaration. You there say that --

MR. ORTIZ: Do you have your depositions --

THE WITNESS: I do have a --

MR. ORTIZ: -- in front of you?

THE WITNESS: No. I don't.

MR. SOLOMON: I was told that you had wanted it in on

your screen. Do you have it? think you could put it up in front of you?

MR. SHAUGHNESSY: Your Honor, for the record, we had agreed with Reed Smith that they would email the cross-examination binder to Mr. Pierre. I don't know if he has received it.

THE COURT: Have you received any documents, Mr. Pierre?

THE WITNESS: Not prior to 10 o'clock, 9:30, I didn't receive any --

MR. SHAUGHNESSY: Nothing for your testimony?

MR. SOLOMON: That wasn't exactly what we agreed. Let me try to clarify, with Your Honor's permission.

Q. Mr. Pierre, do you have access to the reports that you submitted that the Court just entered into evidence?

THE WITNESS: Not with me. Not now. No.

Q. I see. And do you have electronic access to that?

THE WITNESS: I could try to access it, but it's on another computer. I have to go log in. I'm using a different computer than my normal computer, but it's --

Q. Okay. Take a look at your inbox, because the examination that I have relates to your reports, and I think we emailed you your reports.

THE COURT: Can you access your inbox to see if the reports are there now, Mr. Pierre?

THE WITNESS: Yeah. I can log into my email. Yeah. Give me a couple of minutes.

THE COURT: Okay.

MR. SHAUGHNESSY: Your Honor, while we're waiting, I have hard copies of the declarations, if you would like them.

THE COURT: Sure.

MR. SHAUGHNESSY: May I approach?

THE COURT: Yes. Thank you.

THE WITNESS: Okay. I see the email. I'm downloading them now, the attachments.

Q. Okay. And your initial declaration on page --

MR. SHAUGHNESSY: Just give him -- he's said he's downloading them.

THE WITNESS: Okay. Can you give me a second? I'm -- I'm -- I'm in the process of downloading them.

MR. SHAUGHNESSY: He didn't say he had them yet.

THE COURT: You're looking at the declaration or the rebuttal declaration, Mr. Solomon?

MR. SOLOMON: The initial declaration, Your Honor.

THE WITNESS: Okay.

BY MR. SOLOMON:

Q. So prior to being retained by the Reorganized Holdings, prior to being retained by Pach Shemen, okay, you were retained by some of the petitioning creditors in this case, correct?

MR. SHAUGHNESSY: Objection. Mischaracterizes the

declaration.

THE COURT: Overruled. I'll let the witness answer.

A. Which paragraph are you looking at?

Q. Well, I was looking at paragraph 3, but were you engaged by any of the petitioning creditors in this case at any time?

A. I was -- prior to -- prior to being retained, I -- I was in contact with -- yes, with the petitioning creditors.

Q. Okay. And as part of that engagement, you worked with them to see whether various filings could be made in Liberia, correct?

A. Yeah, we worked on some filings.

Q. I didn't hear you. You say you were talking about filings?

A. No, I -- no, I said we worked on -- we had some engagement on certain filings in Liberia.

MR. SOLOMON: I don't think we heard it.

THE WITNESS: We worked on some filings --

A. Can you hear me?

Q. Not so well, actually. So maybe speak closer to something.

THE COURT: Yeah. If you can get closer to your microphone, that might help.

THE WITNESS: Okay. Hold on for a second. Okay. Let me get closer.

Q. Do you agree with me that --

A. Is it -- is it better now?
Q. I think that should be fine. Thank you very much.
A. Okay.
Q. So you agree that as part of that effort, you commented from a Liberian law perspective on the forms of the amended articles of incorporation, correct?
A. Yes.
Q. And the amended bylaws, correct?
A. We had some conversations about that.
Q. And a new shareholders agreement, correct?
A. Yes, we had some conversations about that.
Q. And you understood that those new documents would have to be filed in Liberia at some point, correct?
A. Not the bylaws and not the shareholders agreement.
Q. I see, but the amended articles of incorporation would need to be filed; is that right?
A. Yes.
Q. And in order to secure that filing, you would need prior recognition of the US. bankruptcy order, correct?
A. Not necessarily.
Q. If there were -- if there wasn't some consensual agreement, you would need that recognition, correct?
MR. SHAUGHNESSY: Objection, just to the extent it's calling for the disclosure of any privileged communications with the client.

THE COURT: Sustained. So Mr. Pierre, you -- well, you shouldn't discuss anything that you think would have been a privileged discussion with counsel. Although, as an expert, you may have to clarify what lines you're drawing.

MR. SHAUGHNESSY: Yeah, agreed, Your Honor, but it's not -- doesn't concern the conclusions offered here.

MR. SOLOMON: And I'm just -- I'm summarizing what he has in his report already, so it's obviously not going to be privileged.

May I try again, Your Honor?

THE COURT: Yeah.

Q. Mr. --

THE COURT: You want to direct him to something in the report?

MR. SOLOMON: Yeah.

Q. Mr. Pierre, you agree that if you don't have a consensual, voluntary filing, then you need to recognize the foreign bankruptcy order before any of those other pieces of paper could be filed; isn't that correct? Isn't that what your argument is?

A. No. My -- my statement in my -- the -- the initial declaration stated that if -- for the article -- in order for the articles of incorporation to be amended, they -- it must be submitted -- it must be filed with -- with LISCR, and that doesn't necessarily mean that it should be -- that it should

be -- go through any judicial proceedings.
Q. Right. I think your opinion is that there -- in your view, there are two different ways of doing it. One is voluntarily, consensually, and the other is through a recognition proceeding. Isn't that what you say in your report?
A. Oh, yeah.
Q. Okay. And so --
A. That -- that is mentioned in my report.
Q. All right. Now, you sought some pre-clearance with LISCR of some of the documents that we were just talking about, like the articles, the amended article of incorporation, you sought some pre-clearance from LISCR, correct?
A. Yes, we did. We --
Q. And you did not receive that pre-clearance, correct?
A. As of the -- as of the date of the -- of the -- the declaration, the initial declaration, we had not received it. as of that date.
Q. And as of the date of the second declaration, you also hadn't received it as of that date, correct?
A. That, I am not sure.
Q. Okay.
A. That, I cannot recall.
Q. Now --
THE COURT: Can I just ask, was it denied or just had

you not received it?

THE WITNESS: No. We've received clearance for the -- the only document we were seeking clearance for was the articles of -- of the amendment, and we received it, but -

THE COURT: You received it --

THE WITNESS: Yeah.

THE COURT: -- subsequent to the supplemental declaration?

THE WITNESS: That -- that's what I'm saying. On that, I'm not sure.

THE COURT: Okay. You're not sure of the timing?

THE WITNESS: Yeah. I can't -- I can't recall the date or if it was before or after the rebuttal declaration. That, I'm not sure of.

THE COURT: Okay. Thank you.

Q. You did not receive from LISCR pre-clearance of any change of the AOR, of the address of record, did you?

A. We -- we did not seek that because -- because it's -- we don't have the authority to get that.

Q. Did you say you did not have any authority to get that?

MR. SHAUGHNESSY: Yes.

A. I said we did not -- we did not seek -- we did not ask LISCR to change the -- the AOR. That was not within what I was asked LISCR to do.

Q. Okay. Now, you agree with me that if the source of the

authority for the filing of a document in Liberia is a foreign decree, a foreign order, you agree with me that if the source of that authority is the foreign decree, the decree needs to be recognized before the filing can be made. Do you agree with that statement?

A. No.

Q. Okay. Do you agree with me that there is any circumstance where a foreign decree needs to be recognized in Liberia before it has effect?

A. Can you repeat that?

Q. Do you agree -- is there any circumstance where a foreign decree needs recognition in Liberia before it has any effect?

A. I have to -- I have to think about that because that just -- that specific question wasn't within the context of my declaration. I'd have to think -- I'd have to think about that more.

Q. Okay. So sitting here right now, you can't think of a single case where a foreign decree needs recognition by a Liberian court before it's rendered effective in Liberia; is that correct?

MR. SHAUGHNESSY: Objection. Asked and answered.

THE COURT: Overruled.

A. I can think -- yeah, I can't -- I mean, off the top of my head, it's -- it's something that I have to think about more in terms of whether or not certain circumstances foreign decree

is -- is required to get the -- to get judicial recognition in Liberia.

Q. So sitting here now, to change the articles of incorporation of a Liberian company, when the source of authority for that is a foreign decree, does that foreign decree need recognition before the articles of incorporation can be changed?

A. I would say that if -- if the source of the -- is a foreign -- is a foreign order, and that -- and that's the primary reason why -- as the primary basis for the articles of incorporation, then yes.

Q. Then yes, you need recognition of that order beforehand, correct?

A. If an articles of incorporation be amended, yes.

Q. Okay. And what about the cancellation of shares? Do you agree with me that if the source of authority for the cancellation of the shares is a foreign decree, that before the shares can get canceled, you need recognition of the foreign decree?

A. No, I -- I disagree with that.

Q. Okay. So you agree that you need it for the filing of an article of incorporation, but not for the canceling of shares, right?

A. Yes.

Q. And what about with respect to the change of the board of

directors of a company? If the source of the change is a foreign decree, does that decree need to be recognized before you can change the board?
A. No, it does not need to be recognized.
Q. Okay. And what about -- let me turn, then, to the question of the AOR. You're of the view that where a corporation undergoes an ownership change as part of a merger or other transaction, that there, the parties can consensually agree to change the AOR; is that right?
A. Yes.
Q. Okay. If, however, the AOR is being changed and the source of that change is a foreign decree, then do you agree with me that the foreign decree needs to be recognized before it can be rendered effective and implementable in Liberia?
A. I disagree with that because at the end of the day, the AOR is not a matter of law. Just -- just is policies.
Q. Is the AOR a directive to one of the governmental officials of Liberia to do something or not do something? How would you describe that?
A. Can you -- can -- I -- I do not understand the question.
Q. Well, okay. So the AOR is filed where?
A. The AOR is filed -- from a practical matter, it's -- it's filed with LISCR.
Q. And it's filed with LISCR pursuant to an act of the Liberian law; isn't that right?

A. Yes. It's filed with LISCRV pursuant to an agreement between LISCR and the government of Liberia.
Q. Does LISCR administer the Liberian Corporate Registry pursuant to an act of Liberian law?
A. It's pursuant to an agreement that was ratified by the legislature.
Q. Ratified by whom, sir?
A. By the Liberian legislature.
Q. So you wouldn't be comfortable saying that it was -- that it administers the Corporate Registry pursuant to an act of Liberian law? That's not something you'd be comfortable saying?
MR. SHAUGHNESSY: Objection. Asked and answered.
THE COURT: Overruled.
A. I know it's an agreement that was ratified by the legislature.
Q. In paragraph 6 of the initial report that is in front of you -- we were on page, what, 2 or 3 before. Now, I'm on page 3, paragraph 6. I believe you state, "LISCR, the Liberian International Ship and Corporate Registry, administers the Liberian Corporate Registry pursuant to an act of Liberian law." Do you see that?
A. Yes.
Q. Okay. And then you next say, "Under Liberian law, LISCR is the deputy registrar, where all nonresident Liberian

corporations are required to file their official corporate governance documents," correct?
A. Yes.
Q. You agree with what you wrote there, obviously, right?
A. Yes.
Q. Okay. So to get back to the question of undergoing a change of ownership as part of a merger or other voluntary transaction, can you identify any other voluntary transactions other than a merger where an AOR can be changed volitionally or consensually by the parties without getting court approval?
A. Yes. Any AOR could be changed at any time by the shareholders. Doesn't necessarily have to be a transaction. It doesn't have to necessarily be a merger. The -- the -- the company can decide at any time to change its AOR.
Q. And if it decides that unilaterally, then it can do it without getting recognition; is that correct?
A. Yes. They can --
MR. SHAUGHNESSY: Objection. That's vague.
A. -- they can do it without
THE COURT: Hold on. Hold on. One at a time.
Sorry, Mr. Pierre, there was an objection lodged. Sorry. Let me just hear the objection and then rule on it.
MR. SHAUGHNESSY: Sorry, Your Honor. Counsel said recognition. Recognition of what? He didn't explain --
THE COURT: All right. Mr. Solomon, you want to

rephrase the question or restate it?

MR. SOLOMON: Yes. Yeah.

Q. We're talking about a case where the source of obligation to change the AOR, the source of the obligation comes from a foreign decree. Okay. That decree could be United States. It could be Russia. It could be any country of the world. And that decree requires a change of the AOR. Do you have my question in mind?

A. Yes.

Q. Okay. Do you agree with me that before that AOR can be changed, the foreign decree requires recognition by a Liberian sovereign court?

A. My response to that is the issue of AOR is a municipal policy. It's not a Liberian law issue. I mean, so -- so it -- it -- whether or not it is from any other country, at the end of the day, it's about LISCR's policy.

Q. And so it's your opinion that if Russia issues an order requiring a company, a Liberian company, to change the AOR, that that is enforceable in Liberia, even if no court in Liberia recognized or approved that order?

A. On -- just on my declarations about Liberian law. And the issue of AOR orders is not a matter of Liberian law.

Q. I see.

A. It's LISCR's policy.

Q. Okay. So your declaration is about Liberian law, but in

your view, the AOR isn't about Liberian law at all, right?
A. The -- there are -- the issue of AOR and how AOR is changed is not mentioned in any Liberian law.
Q. Okay. What is the deputy registrar? Is that a official position within Liberia?
A. So the deputy registrar is an individual who -- who is appointed. And the deputy registrar is a person who works closely with LISCR regarding these nonresident companies.
Q. All right. And when you say appointed, this person is appointed by law, by Liberian law, correct?
A. Appointed admin by the president.
Q. By the president of Liberia?
A. Yes.
Q. Thank you. Let's turn to your second declaration, please. In your second declaration -- you have that?
A. Yes.
Q. You cite to a number of provisions of the Liberian code that you didn't cite in your first declaration; isn't that right?
A. Yeah. Yes.
Q. By the way, are you aware of a case, a Liberian decision, that says, that holds, that a Liberian corporation can be directed to change the AOR without any recognition needed by a Liberian court? Do you know of any case that says that?
A. As I mentioned, the AOR is not a matter of Liberian law.

There's no case law. There's no statutory law on AOR.
Q. Okay. And so you're not aware of any case that says that, and you're not aware of any statute that says that; is that right?
A. The AOR -- the issue of AOR is -- is LISCR's policy.
Q. Okay. But just to maybe just answer my question, you're not aware of a case or of a statute that says that a foreign order can require a Liberian corporation to change the AOR, even without getting recognition, correct?
A. I would say Liberian law is silent on that issue.
Q. And I just want to make sure that when you say Liberian law is silent on that issue, meaning there's no case, and there's no statute, right?
MR. SHAUGHNESSY: Objection. Asked and answered three times.
THE COURT: Overruled.
A. Yes, as far as I'm aware.
Q. Okay. Thank you. Now, the statutory citations that you have in your second report that you did not have in your first report, are those the subject of case law? What are you relying on when you show the Court these statutes? Just the statutes? Just your reading of the statutes and your interpretation of the statutes? Or is there some case law supporting that?
MR. SHAUGHNESSY: Objection. This is a compound

question. There are multiple statutes. Maybe you can go one at a time.

THE COURT: Yes. Sustained.

Can you rephrase that, Mr. Solomon?

MR. SOLOMON: Of course. Of course.

Q. Did it occur to you that you might cite some of the statutes in your initial report? Did they have any pertinence to your initial report?

A. The statutes that I cited was in rebuttal to the Counsel Blamo's declaration, and specifically some certain points she raised. So they weren't exactly -- for the questions that was for my initial declaration, those issues were -- were not -- were not necessary. It became necessary upon reading Blamo's declaration.

Q. Okay. Well, you make reference here to 5.18. Five-eighteen. Do you see that you're citing that in footnote 8 and 9 and 10 and 11 and 12? Do you see that?

A. Yes.

Q. Okay. And your opinions on this are coming from your reading of the statute, or do you have any case law support or other support for your interpretation?

MR. SHAUGHNESSY: Objection. Opinions on what? This is totally vague.

THE COURT: Overruled. You can answer to the extent you can.

A. Can -- repeat the question. I didn't hear it.
Q. Yeah. When you're making these citations to 5.18, that's over on page four of your rebuttal report, do you see all those citations?
A. Yes.
Q. Okay. And I'm just asking, you're just reading the statute and interpreting it for the Court here; is that right?
MR. SHAUGHNESSY: Objection. He cites to multiple provisions. Again, this is unclear for the record.
THE COURT: Overruled.
A. These are -- 5.18. I'm -- I'm trying to find -- look at the -- the actual -- actual section. Give me a second. I'm -- I'm scrolling down. My computer's kind of slow. I'm sorry.
Yeah. So those -- the conclusions raised, I mean, in my -- in -- in these sections or these paragraphs of the rebuttal are initially quotes directly from the statute and --
Q. Uh-huh.
A. -- then my -- my legal conclusions.
Q. Okay. And are there cases that support the statements that you're making here? That really has been my question all along. Is there any case law that supports this, or you're just reading the statute and interpreting it for the Court here?
A. These are -- these are interpretations. There's no case law in Liberia on these particular issues.

Q. Thank you. Now, in paragraph 14, on the next page of your rebuttal report, you make a statement. "If a foreign judgment is enforceable in a foreign country, then that foreign judgment is enforceable in Liberia." Do you see that in paragraph 14?
A. Yes.
Q. And it's your opinion to this Court, as a matter of Liberian law, that if a foreign judgment is enforceable in a foreign country, then that foreign judgment is enforceable in Liberia, even without recognition by a Liberian sovereign court?
A. I do not understand. Can you repeat that or rephrase that a little bit?
Q. Yes. When you say here, "If a foreign judgment is enforceable in a foreign country, then that foreign judgment is enforceable in Liberia," are you saying that it's enforceable in Liberia, even without being recognized by a Liberian court?
A. If you read, like, the rest of the -- that paragraph 14, that specific statement, the context of that is in -- is rebutting Blamo's declaration that a foreign judgment is not -- cannot be enforced since it's under appeal in a foreign country. So my -- the point of this was even though the -- the judgment in a foreign country is under appeal, the appeal in that foreign country in this case doesn't operate as a stay. So since it's enforceable in the U.S., it's enforceable in Liberia. Therefore, proceedings can be commenced in Liberia to

have that judgment recognized.
Q. Mr. Pierre, before a foreign judgment is enforceable in Liberia, doesn't it need to be recognized by a Liberian court?
A. Yeah, what I -- yeah, that's what I just said. I said this -- that particular statement was in rebutting her -- her -- her assertion that a foreign judgment in this case cannot even be enforced in Liberia due to the fact that it was under appeal.
Q. Okay. I understand that you keep saying that. I'm just trying to ask a very simple question. And I think maybe you just answered it, and if you did, forgive me for repeating it.
If a foreign judgment is to be enforceable in Liberia -- a foreign judgment is to be enforceable in Liberia -- it needs to be recognized by a Liberian court beforehand, correct?
MR. SHAUGHNESSY: Objection.
THE COURT: Overruled.
MR. SHAUGHNESSY: Asked and answered.
A. Yes. It needs to be enforced as far -- in as far as it is necessary to be enforced in Liberia.
MR. SOLOMON: Thank you very much. I have nothing further.
THE COURT: Thank you, Counsel.
Any redirect?
MR. SHAUGHNESSY: Yes. Your Honor.
REDIRECT EXAMINATION

BY MR. SHAUGHNESSY:
Q. Brian Shaughnessy, Togut, Segal & Segal, on behalf of Eletson Holdings. Mr. Pierre, you discussed a lot of things. I just want the record to be clear on these issues.
My first question is are you aware of any criminal law in Liberia forbidding disclosure of an address of record?
MR. SOLOMON: Your Honor, how careful does the Court wish to be since that --
THE COURT: I'm sorry.
MR. SOLOMON: -- wasn't -- it wasn't part of the cross at all, and I object to it. And I just wonder how careful the Court wants to be that we're going to hold people to --
THE COURT: No, I'll allow him to answer.
A. I am not aware of any criminal law in Liberia regarding the disclosure of AOR opening somebody to potential criminal sanctions.
Q. Let's take a look at your rebuttal declaration, please.
A. Okay.
Q. I'd like to direct your attention to paragraph 3.
A. Yes.
Q. And you state, "The Blamo declaration cites no Liberian law that precludes the Violating Parties from voluntarily complying with the confirmation order by providing the name and contact information of Holdings' address of record." Do you see that?

A. Yes.
Q. And then you say a couple lines down, "The legal contentions raised in the Blamo declaration only become relevant in a situation where Former Holdings seeks to challenge the confirmation order's command that the plan should be fully implemented." Do you see that?
A. Yes.
Q. Can you please explain what you mean by that for the Court?
A. So this, the -- the purpose of this, the idea of this paragraph 3, is upon the effective date of the plan and it becoming enforceable, the Violating Parties could voluntarily go to -- go to -- gone to LISCR and said, pursuant to this plan that is current that's enforceable now, here, these are the new shareholders, these are the new directors, and therefore, they -- they are not control the company. And here's the AOR. They -- they can -- please allow them opportunity to provide a new AOR. That was an idea for them to fully comply -- to comply with this -- with the plan and comply with the confirmation order voluntarily upon the effective date -- upon the -- the plan becoming effective and enforceable.
Q. Thank you, Mr. Pierre. Mr. Pierre, are you aware of any Liberian law forbidding an individual or a company from voluntarily updating the AOR?
A. I am not aware of any Liberian law on that.

Q. Are you aware of any law in Liberia that forbids an individual or an entity from updating an address of record pursuant to a foreign order?
A. I am not aware of any agreement on that matter.
Q. Now, you had mentioned when you discussed these issues with Mr. Solomon about the distinction between Liberian law and LISCR's policy with respect to addresses of record. Do you recall that testimony?
A. Yes.
Q. And can you please expound on that distinction for the Court, the difference between Liberian law and LISCR's policies with respect to the address of record?
A. Okay. So the address of record is merely a billing address that, in a sense, a contact is, in a sense, a contact address for LISCR to -- to deal with the respective nonresident companies. So once a nonresident company is formed, upon the formation, the -- the company gives an address, a contact, who is -- and that is the person who LISCR deals with with regard to the administration registration of any -- each nonresident company. That is purely internal LISCR policy. It is not a matter of Liberian law. It is just -- it's just a matter of LISCR's policy.
That's why I was trying to draw a contrast with that with stuff that are not of Liberian law, whether it's case law or statutory law, when it comes to corporate matters and

nonresident company matters in Liberia. So the AOR is not a matter -- is not something that is even mentioned or referred to in Liberian law. It is only something that is an internal policy that LISCR has developed.

Q. Now, you were asked by Mr. Solomon about situations in which an individual or an entity are permitted to update an AOR voluntarily. I'd like to ask you, can you think of any situation in which an individual or an entity cannot voluntarily update an address of record?

A. No, I can't think of any.

Q. And why is that?

A. Because the AOR is something that a -- a -- a company -- the company controls, it's a -- it's an internal company matter, and if the company voluntarily decides to change the AOR, they can do that. It's the -- the law cannot prevent a company from changing its AOR.

Q. So I'll ask you the same question, with respect to a foreign order, such as the confirmation order here. Can you think of any situation in which a party would not be allowed to update an AOR pursuant to a foreign order in, for example, the United States, like the confirmation order here?

A. No. I -- I -- I can't think of any -- any such situation where the -- a foreign -- a -- a -- a foreign judge has ruled that, yes, the company is being restructured. Yes, there are new shareholders. And those -- those individuals who are --

who -- who control the AOR, nothing prevents them from going to LISCR and saying, here, these are pursuant to this order from the Court. Here are the new people who control the company. Nothing prevents them. There's no Liberian law that prevents them from doing that.

Q. Now, you were asked about the cancellation of shares in Liberia, and you testified that there's no need for recognition with respect to an order requiring the cancellation of shares; is that right?

A. Yes.

Q. And can you expand on that a little bit for the Court so the Court understands why you're coming to that conclusion?

A. Yes. So the cancellation of shares in -- in this regard, and when it comes to the articles -- the articles of incorporation, if the articles of incorporation is silent on it, which is in this case, then the -- a company can -- because sometimes, the cancellation of shares is dealt with in articles of incorporation because the -- the BCA itself is -- is silent on the cancellation of shares. So then it -- it -- when -- when that is the case, you can put the articles of incorporation. In this sense, the articles of incorporation is also silent. So in -- in that regard, there is nothing -- in that regard, there is nothing that precludes the current Holdings to cancel -- cancel the share under Liberian law. I hope I answered -- answered the question.

Q. I think that was sufficient. Thank you, Mr. Pierre. I'm going to ask the same question with respect to the change of a board pursuant to a foreign decree. You said that there would be no need for recognition of that foreign decree with respect to changing of a board. Can you please explain why that is for the Court as well?

MR. SOLOMON: I object. Your Honor, he's misstating the witness' testimony. At least, he should ask the question. In fact, the admission was exactly the opposite.

THE COURT: Overruled. I'll let the witness answer.

MR. SHAUGHNESSY: For the record, that's incorrect.

THE COURT: Can you answer the question, or do you --

A. Can you please restate --

THE COURT: -- need it restated?

Q. I'll restate the question.

A. Yeah. Please restate the question.

Q. You testified that there's no need for recognition with respect to the change of a board. Did I have that correct, or did you say that there is a need for recognition?

A. Oh, no. No, there's no need for recognition to change the board.

Q. And why is that, Mr. Pierre?

A. Because the -- the company -- so that's once the -- once the -- the -- the shareholders have changed pursuant to an order, then those -- the people, the new persons who will

control the company, can select the board. And once the -- the -- the -- the shares are canceled and there's new persons who control the company, those individuals can select the board. So in keeping with -- with my previous answer, the authority to -- to select the board, it doesn't necessarily need to be recognized in Liberia. If the enforcement of an order in Liberia is insofar as something needs to be enforced in Liberia. And the board -- the board and the composition not something that's in Liberia.

Q. Thank you, Mr. Pierre. You testified at the end of the cross-examination about the need for recognition to get a foreign order enforced in Liberia, but you also testified doesn't change the fact that it's enforceable. Can you please explain that distinction?

A. Yeah. So the point that was raised was in my view are follow declaration, I -- the -- the declaration of Blamo from the other party, her contention was the order cannot even be enforced in Liberia at this point -- I mean, at that point because it was under appeal. And since it was under appeal, then even though the petition had been filed, even Liberian courts will not recognize it because it was subject to an appeal, even though in the -- in those matters in this foreign case, the -- the -- the appeal doesn't operate as a stay. So her point was that, since under Liberian law, appeals generally operate as a stay, the Liberian courts will not permit the --

permit -- will not permit that order to be enforced in Liberia.

So that's what I was saying. I disagree with that because even due to the fact that the appeal operates as a stay in the foreign court reaching these foreign proceedings, then it's enforceable. It's enforceable in Liberia. Regarding the enforceability of it, the -- the recognition of it, then, the recognition of the order now, is once it -- being that it's enforceable in Liberia, that's different from getting -- trying to get judicial recognition in a foreign court. I mean, in -- in -- in -- of the foreign order in Liberia.

Q. Thank you. Now, you testified earlier with Mr. Solomon that you had been involved in some of the activities that Reorganized Holdings has engaged in with respect to things like the articles of incorporation, the AOR issue, the changing of the board, and so on and so forth. Are you aware or --

MR. SHAUGHNESSY: Strike that.

Q. In your opinion, has Reorganized Holdings violated any Liberia law in doing any of those things?

MR. SOLOMON: Objection. What things?

THE COURT: Overruled.

MR. SOLOMON: I just gave a list.

THE COURT: You can answer to the extent you can. The objection's overruled.

A. Yeah. As far as I'm aware, there has been no violations by law, subsequent -- once -- after the effective date, as far

as I'm aware.
Q. Now, you testified earlier, Mr. Solomon asked you about the two situations in which an AOR can be updated, voluntarily, we've talked about that a lot, and then if there is a dispute. And if there is a dispute with respect to recognition, then you might need to go to a Liberian court; is that correct?
A. Yes.
Q. Is it your opinion that the only time you have to go to a Liberian court is if somebody is actually disputing whether the AOR should be updated?
A. Yeah, because if -- yes, because if there was no dispute, then it won't be necessary to go to the Liberian court.
MR. SHAUGHNESSY: Can I confer with my clients for a minute, please?
THE COURT: Of course.
MR. SHAUGHNESSY: Thank you, Your Honor.
THE COURT: No problem.
MR. SHAUGHNESSY: Thank you. Nothing further, Your Honor.
THE COURT: Thank you, Counsel.
MR. SHAUGHNESSY: Thank you.
THE COURT: Would anyone else like to question the witness?
Okay. Mr. Pierre, you're excused. Thank you for your testimony today.

MR. PIERRE: Thank you, Your Honor.

THE COURT: Thank you.

MR. SHAUGHNESSY: Oh, Your Honor, can I speak on one issue briefly before we get to the next witness?

THE COURT: Please.

MR. SHAUGHNESSY: Thank you, Your Honor. Brian Shaughnessy, Togut, on behalf of Eletson Holdings. I just want to note for the record, this is unrelated to witnesses, but I wanted to get on the record before I forgot.

Mr. Solomon's opening statement had a whole bunch of slides. He went over a handful of them. There were at least thirty-five. Maybe there were more. I just want to note for the record, we would move to exclude anything in those slides which we have not seen or reviewed, anything in those slides that would constitute new arguments, new case law, things that we were not on notice of through the briefing. Thank you.

THE COURT: Thank you, Counsel.

MR. SOLOMON: Can I be briefly be heard, Your Honor?

THE COURT: Yes.

MR. SOLOMON: The slides aren't evidence. They're not nothing. Okay. Those that I didn't refer to, we're not even going to offer for the Court's consideration. As I said, I think the whole proceeding today has been a bit confusing to Your Honor. However, however, we've not had an opportunity to respond to their new submission. And so new --

THE COURT: Well, I'm going to give the parties an opportunity for a post-hearing submission so --

MR. SOLOMON: Thank you, Your Honor.

THE COURT: -- we can deal with any of those issues in that context, I think.

MR. SOLOMON: That's fine. Thank you.

MR. SHAUGHNESSY: Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Do we want to proceed to the next witness, or do the parties want to break?

MR. SHAUGHNESSY: We're prepared to proceed, Your Honor.

MR. MCCLAIN: I'd like to break, Your Honor. I'm going to cross-examine.

THE COURT: Okay. We'll take ten minutes, and then we'll proceed with the next witness. We'll come back at 11:55.

(Recess from 11:45 a.m., until 12:03 p.m.)

THE CLERK: All rise.

THE COURT: Please be seated. Okay. We're back on the record.

Counsel.

MR. SOLOMON: Thank you, Your Honor. We call Ms. Lamin Blamo, and Mr. Underwood's going to be conducting the examination.

THE COURT: Okay. Good afternoon, Ms. Blamo.

Counsel.

MR. UNDERWOOD: Your Honor, we offer the declaration of Betty Lamin Blamo that was submitted in connection with the with the pending motion. May I approach?

THE COURT: Yes. It's docket 1289. And what's the -- do you have the exhibit number?

MR. UNDERWOOD: I don't have it on this. 90.

THE COURT: 90?

MR. UNDERWOOD: Do you need another copy?

THE COURT: I have it. Thank you. Thank you. Thank you, Counsel.

Is there any objection to the Court receiving into evidence the declaration of Betty Lamin Blamo, which is found at docket 1289 and also TX 90 on the joint exhibit list, which is found at docket 1343.

MR. MCCLAIN: No objection, Your Honor.

THE COURT: Thank you, Counsel.

Okay. The declaration will be admitted into evidence.

(Declaration of Betty Lamin Blamo was hereby received into evidence as Debtor's Exhibit -- as of this date.)

THE COURT: Would anyone like to cross-examine the witness?

MR. MCCLAIN: Yes.

THE COURT: Okay. Ms. Lamin Blamo, please raise your right hand.

Oh, we can't hear you. I think you're on mute.

(Witness sworn)

THE COURT: Okay. Thank you. Good afternoon.

THE WITNESS: Thank you.

THE COURT: Counsel will now cross-examine you.

MR. MCCLAIN: Good morning. For the record, John McClain, Togut, Segal & Segal, for Eletson Holdings. Your Honor, I have a binder of exhibits that I'd like to ask the witness about. May I approach?

THE COURT: Yes. Does the witness have them?

MR. MCCLAIN: That's a good question.

Ms. Lamin Blamo --

THE WITNESS: I do.

MR. MCCLAIN: -- we attempted to email you some documents. Did you receive them?

THE WITNESS: We, as in?

MR. MCCLAIN: I believe my colleague Jared Borriello sent them earlier this morning.

THE WITNESS: No.

MR. MCCLAIN: No?

THE COURT: They were sent by email?

UNIDENTIFIED SPEAKER: Yeah, they were sent.

MR. MCCLAIN: We can put the documents on the screen. I can.

UNIDENTIFIED SPEAKER: Okay.

THE COURT: Thank you.

CROSS-EXAMINATION

BY MR. MCCLAIN:

Q. Just checking the time to see whether it was afternoon or morning. Good afternoon here, Ms. Lamin Blamo. I believe it's evening where you are.

A. Good afternoon.

Q. Am I pronouncing your name correctly?

A. Yes, you are.

Q. Great. Ms. Lamin Blamo, you're a Liberian lawyer, right?

A. I am.

Q. And you're providing an expert opinion regarding your understanding of Liberian law, right?

A. Right.

MR. MCCLAIN: If I could get -- well, if you could show tab 2.

MR. UNDERWOOD: This is the declaration?

MR. MCCLAIN: No, this is declaration Exhibit 90. You have the tabs from the binder?

MR. UNDERWOOD: I believe the witness has -- I believe the witness has her declaration in front of her.

MR. MCCLAIN: Okay. You could show the first page on the screen so we make sure we're talking about the same document.

Q. Ms. Lamin Blamo, do you recognize this document as your

declaration?
A. I do.
Q. Have you ever previously consulted on a case involving a Liberian nonresident corporation that underwent bankruptcy proceedings in the United States?
A. No.
Q. When were you first contacted in connection with this case?
A. Sometime in December, I believe, early December, late November.
Q. Late November of 2024?
A. Yeah. And I know that. I don't -- I'm not sure whether it's kind of this aspect of the case in terms of the enforcement of the judgment. But at some point -- and no, we have rendered -- the firm had given some opinion to you sent while back, but not as to this aspect. No.
Q. What aspect were you consulted with in connection earlier in the case?
A. I do not recall, and it's been probably like a year ago.
Q. But by whom were you contacted a year ago?
A. By -- by Reed Smith.
Q. And when they reached out to you, what was generally the nature of the consultation?
A. I believe it was -- it -- it -- it had something to do with some arbitration proceedings or so. I -- I -- it's been a

while but definitely did not have to do with the enforcement of the judgment.
Q. It was an arbitration proceeding; is that what you said?
A. I believe -- I -- I mean, it's been a while, so I can't remember exactly. But I know it did not have to do with the enforcement of a judgment. Any issues related to the enforcement of the judgment.
Q. Was that an arbitration between Eletson Corporation and Eletson Holdings and Levona?
A. I am not sure, but I know we had been contacted by Reed Smith perhaps a year ago. But I -- I -- I -- I'm not sure. But definitely, it did not have to do with any of the issues that we're discussing now in terms of the settlement of the -- the -- the dispute. It had nothing to do with that.
Q. Did you file any sort of documents or declarations or expert reports in connection with that arbitration?
A. No. No.
Q. You were just -- you were just giving Liberian legal advice; is that right?
A. Well, they just asked questions, I believe. And the firm did provide response.
Q. Do you recall what the sort of questions you were asked were?
A. I cannot recall. And I know that -- no, I cannot recall, but it's been a while.

Q. Do you have an understanding of who Reed Smith was representing in the arbitration?
A. I don't recall. Like I said, I -- I don't recall exactly what the -- it's been a while.
Q. Okay. Did you speak with anyone else other than Reed Smith in connection with that arbitration proceeding?
A. No.
Q. Okay. So I believe you said that you were first consulted in November of this year in connection with -- but you testified that you were consulted in November of 2024, right?
A. In November of 2024, I -- I believe towards the end of November.
Q. Okay. And who contacted you in November of 2024?
A. A law firm out of Greece. The Daniolos Law Firm, John Daniolos.
Q. And what was the general nature of that consultation?
A. I mean, I'm -- I'm -- I'm not sure I can disclose all of -- well, some privileged information between myself and the Daniolos Law Firm in terms of privilege. But the -- generally, I -- I would say that it had to do with the questions related to the enforcement of the foreign judgment.
Q. Okay. Did you have an understanding of who the Daniolos Law Firm represented at the time of the consultation?
A. At the time of the consultation, the Daniolos had represented the -- the clients were Eletson -- Eletson Holdings

and Eletson Corp., I believe.
Q. Eletson Holdings and Eletson Corp.? Is that what you --
A. Yeah.
Q. Okay. And did you ultimately file a -- make any filings in Liberia in connection with that consultation?
A. Yes.
Q. And what were those -- I'm sorry.
A. Yes, a law firm. Our law firm did make a -- a big (indiscernible) in Liberia.
Q. And what was --

MR. UNDERWOOD: Your Honor. Your Honor, I want to clarify that Ms. Lamin Blamo represents clients in connection with the Liberian proceeding. And with respect to that representation of clients in Liberia, she serves as counsel. And we believe that her communications relating to that matter are subject to privilege. She was separately retained as an expert on Liberian law in this matter, and we're perfectly comfortable with her answering questions about her retention as an expert in connection with the sanctions motion and the subject matter of her declaration.

But I do want to state that the clients who retained her in Liberia have not agreed to waive privilege with respect to her legal advice about the proceedings in Liberia.

MR. MCCLAIN: Your Honor, we -- I'd note for the record that the Daniolos Law Firm and their clients were

parties to our motion. And we have been in contact with the Daniolos Law Firm in connection with these proceedings. They've chosen not to show up. And it's curious that Reed Smith's here asserting the privilege on behalf of them. Perhaps --

THE COURT: Well, I said that they didn't have to appear today. But putting that aside, I'm not sure what you mean. So you're asking about -- hold on a second. You're asking about --

MR. MCCLAIN: Sorry. Yes, sir.

THE COURT: -- the declaration. Right. So if there's something that Ms. Lamin Blamo did as counsel for a party, I assume you agree that would be privileged.

MR. MCCLAIN: I'm certainly not seeking to discover privileged information, Your Honor.

THE COURT: Okay.

MR. MCCLAIN: I'm just trying to understand the general nature of her consultation --

THE COURT: Understood.

MR. MCCLAIN: -- and what she did.

THE COURT: Which I think that's fair, at least as a general matter, to ask what you were doing generally, but understanding that you shouldn't reveal anything privileged related to your representation of a client in another proceeding. But I think, Counsel, at least right now, is just

trying to ask general questions about what that was without revealing anything privileged.

MR. MCCLAIN: That's right.

THE WITNESS: Thank you, Your Honor.

BY MR. MCCLAIN:

Q. Okay. So what was the filing that you made in Liberia that you referenced earlier?

A. We filed returns to petition for enforcement of judgment that was filed in Liberia.

Q. And did those returns seek to have the recognition petition dismissed?

MR. UNDERWOOD: Your Honor, this clearly doesn't go to the subject matter of her declaration. It's seeking collateral discovery about the proceeding in Liberia.

THE COURT: Yeah. I think if it was a public filing that was made for a client, I think it says what it says. And I mean, if there's something you want to ask related to the declaration at some point, but --

MR. MCCLAIN: Well --

THE COURT: -- I wouldn't ask generally what's in it if she filed it as counsel on behalf of a client.

MR. MCCLAIN: Fair enough.

THE COURT: You can reference what's in it if you want to point to something, but I think getting beyond that would probably get into privileged material.

MR. MCCLAIN: I was just asking a question about the general nature of what the filing was. I think it goes to her credibility. But if you think that goes to -- that's off limits, then I'm happy to withdraw the question.

THE COURT: Well, the general nature of the filing was what it was.

MR. MCCLAIN: Fair enough. Withdrawn.

THE COURT: Okay.

MR. UNDERWOOD: In a proceeding that's been withdrawn now in Liberia.

THE COURT: No, understood.

BY MR. MCCLAIN:

Q. Ms. Lamin Blamo, who were your clients in connection with the Liberian filing that you made?

A. As I indicated before, Daniolos Law Firm reached out to our firm, and we were retained by -- by them to -- to -- to file on behalf of the respondents in the case in Liberia. And if you have seen the filings, the respondents in Liberia was designated as Eletson Holdings. And it did file returns on behalf of Eletson Holding, the respondents.

Q. Did you speak in connection with that representation with any corporate representatives of Eletson Holdings?

A. I mean, I think that with another speak of my clients would be privileged. Well, are we talking about what would be privilege that (indiscernible) want to.

Q. I'm just seeking the identity of the party, not the nature or the substance of the communications.
A. I believe I have said that Daniolos Law Firm reached out to us, requesting representation on behalf of clients Eletson Holding, who was named a respondent in the petition for enforcement of judgment that was filed in Liberia. That chairman.
Q. Right. But you understand that Daniolos is a law firm that represents clients, right?
A. I do understand that.
Q. And you understand that a corporation like Eletson Holdings only can act through its corporate representatives, right?
A. Well, if you have seen the filings, which I believe you have seen, there are documents that are attached, exhibits attached to the filings, authorizing us to file -- to file the returns on behalf of the respondents. The authorizations were attached to the -- to the -- to our returns.
Q. My question was just whether you had spoken with any individual corporate representatives of Eletson Holdings in connection with your representation in Liberia?
MR. UNDERWOOD: Your Honor, I really think this whole line of inquiry doesn't relate to the declaration that she submitted in connection with this motion. And just really going further into the events in Liberia, presumably to

undermine her authority to have filed something in Liberia in a proceeding that's now been withdrawn, we just don't see how it's relevant to what she's put in the declaration here.

THE COURT: It's overruled. I'll allow the question.

Q. Do you recall the question, or would you like me to ask it again?

A. You can ask the question again.

Q. In connection with the filing you made in Liberia, did you speak with any corporate representatives of Eletson Holdings?

A. No.

Q. So in connection with the filing in Liberia, you only spoke with Daniolos; is that right?

A. I spoke with Daniolos, and I received from Daniolos a authorization from the -- from Eletson Holdings in the form of a -- a resolution from the director of Eletson Holding.

Q. Okay. I asked you earlier, and then I got a little afield. But in your declaration, you're providing an expert opinion regarding your understanding of Liberian law, right?

A. Correct.

Q. And you aren't admitted to practice law anywhere other than Liberia, are you?

A. No, I'm not.

Q. You aren't an expert on the laws of any jurisdiction other than Liberia, right?

A. Correct.

MR. MCCLAIN: If we can pull up the declaration, paragraph 7, the TX 90, tab 2. And it's declaration page 3.

Q. So I'm going to read the first and last sentences here into the record. You say:

"The analysis and conclusions of this declaration are based on Liberian law, including other permitted and applicable laws because of Liberia's general construction law and not the laws of another jurisdiction."

And then in the last sentence, you say, "With regards to the issues addressed below, there is indeed applicable Liberian statutory and common law." Did I read that correctly?

A. Correct.

Q. So there is applicable Liberian statutory and common law concerning all the issues discussed within your declaration; is that right?

A. I believe so.

Q. And all of your expert opinions in your declaration are based exclusively upon applicable Liberian statutory and common law; is that right?

A. Correct.

Q. Okay. You mentioned or you quoted a Liberian case Turner (ph.) in declaration paragraph 10 that had some American authorities listed within it. But that's a Liberian case, so you're saying that you relied upon Turner and Turner is a Liberian case, so it's applicable Liberian law, right?

A. Correct.
Q. And other than Turner and the cases cited therein, or the legal authority cited therein, I see Liberia's General Construction Law in declaration paragraph 7, Liberia's Civil Procedure Law in footnote 1 of declaration paragraph 9, and Liberia's Business Corporations Act, cited in various places. Did I miss any other Liberian laws upon which you relied in reaching your expert opinions in your declaration?
A. And I believe we -- we also cited (indiscernible).
Q. I'm sorry, could you repeat that?
A. The Civil -- Civil Procedure Law Section 25.12.
Q. Right. So the General Construction Law, Civil Procedure law, and Business Corporations Act. Thank you. Any other Liberian laws that you relied on?
A. I mean, the Constitution of Liberia is also a -- a primary source of law. So yeah.
Q. Any other laws other than the General Construction Law, Civil Procedure Law, Business Corporations Act, and the Liberian Constitution that you relied upon?
A. I believe those are the laws that are relevant to this.
Q. And so none of the expert opinions in your declaration are based upon any other laws or legal authorities, right?
A. The opinions in -- express in my declaration, they are all based on Liberian law.
Q. Yes. My question is other than the laws we've just

discussed, are any of your expert opinions in your declaration based upon other Liberian laws and authorities?
A. Yeah, based on the BCA, the Constitution of Liberia, the Civil Procedure law, and Liberian common law, I should say.
Q. Any others?
A. I mean, I would say generally Liberian applicable law.
Q. So you based your expert opinion on legal authorities that aren't listed within your declaration; is that right?
A. The authorities I rely on are contained in my declaration. And it says that our analysis are based on Liberian law. So I would say our analysis are based on Liberian law as the declaration states.
Q. But I'm asking you what specific laws other than those listed in your declaration that we just discussed did you rely upon in rendering your expert opinion?
A. Relied upon the Business Corporations Act and relied upon the constitution of Liberia. We relied upon the general construction law. We relied upon the civil procedure law and so far as I can remember.
Q. Any others?
A. Well, like, the the Act, it's -- as I said, the analysis and the conclusions of this declaration are based on Liberian law. So we name all of the Liberian laws. Perhaps -- I'm not sure they're all -- I believe they're all contained into it.
Q. But I'm asking what the specific laws are so that I can

ask you questions about them. Can you identify them for the record if they're anything other than the Business Corporations Act, general construction law, Civil Procedure Act, and Turner? And the constitution, forgive me.

A. I mean, insofar, I believe those are the laws that we rely on so far.

Q. Okay. So you didn't rely on any criminal laws, for example?

A. No. We didn't cite any criminal statutes. No.

Q. Okay. I want to turn your attention to declaration page 3, paragraph 10.

A. Um-hum.

Q. Yeah. Go to paragraph 10. Sorry if I screwed that up. Are you looking at paragraph 10, Ms. Lamin-Blamo?

A. I am.

Q. Okay.

A. I am.

Q. So in question 1, which is on the previous page, you discuss, "the international of international comity and recognition of foreign judgments," right?

A. Yes.

Q. And you -- I'm sorry.

A. 1?

Q. I'm sorry. I didn't mean to cut you off.

A. Did you say in paragraph 1?

Q. No. It's question 1. It says first question there before paragraph 9.
A. Okay. Um-hum. Go ahead.
Q. Okay. So in this first question, you're discussing the issue of international comity and recognition of foreign judgments, right?
A. Correct.
Q. And in paragraph 10, you quote the Turner case, right?
A. Correct.
Q. And Turner says, "No sovereign state is bound to give effect within its territory to a judgment rendered by the tribunals of another county, and it is at liberty to give or refuse effect to it as may be found just and equitable."
A. Correct.
Q. I read that correctly?
A. Um-hum.
Q. And that's the -- that's the principle of comity, right?
A. What it says is that Liberian constitution has no prohibition, and there is no statute or treaty with respect to the effect giving involving judgment. In the absence of a special compact, no sovereign state is bound to give effect within its territory to a judgment rendered by the tribunals of another state. It is at liberty to refuse to give it effect or to give effect as it may be found just and equitable.
Q. And that describes the principle of comity, right?

A. But if this describes the principle of comity, it is just a general principle of international law that a judgment is restricted to its territory and is not bound in another country. The judgment of another country is not bounding on another country.

Q. Yeah. I understand. The United States has a similar principle. But Liberian courts apply the principle of comity in deciding whether to recognize a foreign court order, fight?

MR. UNDERWOOD: Object to the form of the question.

THE COURT: Overruled.

A. Yes. So the extent of which a decree is allowed to operate within another territory depends on the comity of nations, yes.

Q. Right. So in paragraph 11, you say, "Unless a formal petition is filed before a court of competition jurisdiction in the Republic of Liberia for the recognition and enforcement of the order or judgment and the petition is heard and granted, the SNDY confirmation order which purports to cancel and extinguish the common shares of a nonresident Liberian corporation and purports to issue new shares reorganized equity is not immediately and automatically conclusive and cannot be given recognition in effect by competent Liberian authorities," right?

A. Correct.

Q. So does Liberian law provide that the principle of comity

imposes any obligation upon Liberian courts to act one way or the other?

A. In the Turner case, the Turner -- the Turner opinion clearly states that the Liberian court cannot give effect to a foreign judgment when to enforce the foreign judgment would contradict the positive law of the country and that it would not and it has liberty to refuse or give effect to a foreign judgment.

Q. Right. It has liberty to give effect or not give effect to the foreign judgment, right?

A. Correct.

Q. Comity doesn't impose any obligation on the courts to act one way or the other with respect to the foreign court order, right?

A. It does not -- come again with the question.

Q. Yeah. My question is, does the principle of comity applied by Liberian courts impose any obligation upon Liberian courts to give effect to a foreign court order or to not give effect to a foreign court order?

MR. UNDERWOOD: Your Honor --

THE WITNESS: Well, the --

THE COURT: Hold on. There's an objection.

MR. UNDERWOOD: I'm going to object because the witness hasn't actually used or defined the term comity. Counsel is trying to take a court decision that she has cited,

take the fact that it mentions comity, and translate what she says here into some broad statement about what comity requires or doesn't require.

THE COURT: I'm going to overrule the objection.

MR. UNDERWOOD: So I don't --

THE COURT: But I'll allow the witness to answer to the extent she can.

THE WITNESS: Yeah. But in the -- in the -- in the Turner case, the Turner case sets the ground on which the Liberian -- a foreign judgment, Liberian. So it's declared that (indiscernible) the -- the -- the Turner case type of the statutes that jumped (indiscernible) statutes. So it's -- it's not just limited to just comity, but it also invokes the Liberian statute. It's a combination of both.

Q. Right. And Turner says -- well, Turner says the court is "at liberty to give or refuse effect to it as may be found just and equitable," right?

A. And it also says that it could connect foreign judgment when its enforcement would contradict the positive law of the country. It also says that this whole constitutional provision is regarding the effect to be given the foreign judgment.

Q. So my question is, does comity oblige Liberian courts to do anything?

A. Well, the Section 25 of the -- of the civil procedure of law obliges the Liberian court imposing a foreign judgment to

consider all of the issues and to admit -- and to view the foreign judgment as evidence in making the determination as to its enforcement.

Q. Okay. So at the of the Turner quote in paragraph 10, Turner says, "The application of comity does not rise to the effect of establishing an imperative rule of law. It has the power to persuade but not command. Comity, being voluntary and not obligatory, rests in the discretion of the tribunal of the forum." Did I read that correctly?

A. Yes. And it's governed by certain more or less widely recognized rules.

Q. Right. That's --

A. And it -- and a widely recognized rule is that a foreign judgment -- the imposing of a foreign judgment, it has more territory. And it does not -- a judgment does not cross borders of another country. That's a general recognized rule, I believe.

Q. Then it leaves the court entertaining the foreign court order the discretion to recognize the judgment or not recognize the judgment, right?

A. Correct.

Q. Okay. The Liberian principle of comity just provides that Liberian courts are free to decide whether to recognize or enforce a foreign court order, right?

A. Whether it -- whether it's free to recognize it or not to

recognize it?
Q. You know what? I'll just -- I'll just strike the question.
Comity is a principle of judicial discretion that's applied by courts, right?
A. It is.
Q. And comity is not a law that private parties can violate, is it?
A. I am not sure.
Q. You don't know whether comity imposes obligations on private parties?
A. I'm not sure.
Q. So you don't know whether under Liberian law, comity imposes any obligations upon any private party to act or not act in any particular way, right?
A. What I do know is that under Liberian law, a foreign judgment cannot cross the border from another country and that the ordering court cannot enforce this judgment within Liberia, that the judgment of the foreign court must be recognized in Liberia in order for a Liberian government official to enforce that judgment. It is what I note. And that is what we -- we -- we observe in Liberia.
Q. Right. Recognition of a foreign court order is necessary before a Liberian government authority acts upon the foreign court order, right?

A. Correct.
Q. But Liberian recognition isn't necessary for a private party to act or not act in any particular way, right?
A. If -- in light of our declaration, our declaration is basically to put in point that if a private party -- in the case of the petitioning creditors, if they are acting in particular way based on the -- certain authority on the basis of foreign judgment and we expect that the Liberian authorities would recognize the action. He said no, the Liberian authority such as the deputy registrar or the registrar will not take instructions from the petitioning creditor who derives its authority from the foreign judgment.
Q. Right. The Liberian authorities won't act on the foreign court order without recognition. But comity says nothing about what private parties can and can't do, right?
A. I mean, the issue for us is whether or not if private party could -- like to do what they want to do at any time, but whether or the Liberian authorities will recognize what they do as legal and possible in your question.
Q. Right. I'm not -- I'm not talking about the Liberian authorities acting at all. I'm saying, if -- Liberian persons and corporations have no obligation to refrain from doing what an unrecognized foreign court order demands, right?
A. For example, like, a Liberian corporation cannot -- would lack the authority to instruct the government official to take

certain action pursuant to the foreign court order. So they lack that authority. And they cannot do that. And it will be impossible. And that is where our opinion -- that's the crux of our opinion. It's not whether a Liberian corporation can elect to do -- can elect to take a certain action. But if it were to take the action -- the question that was posed to us, if they were able to take this action, whether that action would be enforceable under Liberian law or whether that action would be recognized and imposed by Liberian authorities in certain territories of Liberia.

Q. Right. Again, I'm not talking about enforcement by Liberian authorities. That's where you keep coming back to. I'm saying, if an American court orders a Liberian corporation to do something, is the Liberian corporation precluded from taking that act under Liberian law?

A. It depends on the act that is -- that is required to be taken. For example, if a U.S. court were to ask a Liberian corporation to file articles of amendment before the deputy of registrar, the Liberian corporation should not -- should not do that because they -- I mean, they -- they attempt to do it. But our opinion is to the effect that that act or that attempt to do that would not be one that would be accompanied by the -- by the Liberian authorities because, under Liberian law, the holdings -- (indiscernible) Liberian authorities to impose a foreign judgment that has not been recognized. You don't have

the authority to do that.
Q. But with respect --
A. So -- but -- yeah.
Q. Apologies. With respect to acts that don't require the involvement of the Liberian authorities, if an unrecognized foreign court order doesn't prohibit Liberian corporations from acting one way or the other, right?
A. I'm not -- I'm not -- I'm not sure. I'm not -- I'm not clear what the question is.
Q. So I'll give you an example.
MR. MCCLAIN: Let's bring up TX-122. Your Honor, this was left out of the binder, but I have copies here that I can share. If I could approach.
THE COURT: Thank you.
Q. So have you seen this document before, Ms. Lamin Blamo?
A. I can't see it. Hold on.
MR. MCCLAIN: So the first page -- for the record, this is at docket 1243. It's a letter filed by Reed Smith.
Q. And I want to ask you about the contents of the letter on page 3 thereof. You can take a second to read it.
A. I can't see it. Hold on. Okay. I haven't -- I haven't seen this, so I don't know whether it's something that I'm prepared to provide an opinion on at the moment because I haven't seen it.
Q. So I'll represent to you that this is an email sent from

the Daniolos law firm to Reed Smith advising that a Greek court, upon application of certain shareholders of holdings, had appointed a provisional board of holdings. And I'll direct your attention to the bottom of the letter beneath the names, starting with, "With the authority" -- so the provisional board, "With the authority to take care of urgent business of the company and to appoint legal representation for any legal matters, in particular before New York Courts, until the hearing of the above application." Do you see that?

A. I do see that. Um-hum.

Q. So assuming that's true, that means that a Greek court ordered that the individuals listed here had the authority to, among other things, appoint legal representation for Eletson Holdings for any legal matters?

MR. UNDERWOOD: Your Honor, I'm not sure what an expert in Liberian law is doing reviewing something she hasn't seen before and trying to answer a question about what the Greek court is doing.

MR. MCCLAIN: I'm about to get to the question.

THE COURT: You can ask.

Q. So assuming that that's true, the Greek court appointed this board -- or excuse me. The Greek court appointed this board and gave it the authority to hire legal counsel. My question for you is, if this board hired Reed Smith to represent it after that Greek court order but didn't seek

foreign recognition of the Greek court order, would that violate Liberian law?

A. Like I said -- I mean, I'm looking at this, but it's the first time having had the opportunity to -- to consider it. And I would -- I wouldn't say I would like to render an opinion at the moment without having read and without having seen whatever the Greek court did, what the records said. I wouldn't be in a position to provide a professional opinion on this -- on this document that is presented to me now that I haven't seen.

Q. Okay.

A. I'm shown this for the first --

Q. I'll represent to you that earlier in the bankruptcy case, this Court ordered Eletson Holdings to produce documents to the petitioning creditors in discovery. And Eletson Holdings produced those documents thereafter even though there existed no Liberian court order recognizing the Court's discovery order. Was that a violation of Liberian law for Eletson Holding to produce the documents without seeking recognition first?

A. Like I said, I have not -- I have not considered the document. I'm seeing it for the first time. So I wouldn't like to provide an opinion on this because I believe it wouldn't be considered.

THE COURT: Ms. Lamin-Blamo, can I ask a question?

Has there been any recognition of the actions of the Greek court in the Liberian proceeding?

THE WITNESS: I have no idea about Greek proceedings. I'm hearing this from you. So I have no idea. I have no documents there's a Greek proceeding. I do not know.

THE COURT: I understand. I'm just asking you, are you aware of any Liberian proceeding related to this?

THE WITNESS: I'm not aware. I mean, all I can say that I'm aware of is the Liberian proceedings that were asked to represent Eletson Holdings in that. I'm not aware of any proceedings in Liberia. Maybe there's one. But I just don't know.

THE COURT: Okay. Thank you. Were you aware that there was this provisional board appointed by the Greek court?

THE WITNESS: I mean, what I was -- what we received that we attached to the -- to the -- to our pleadings was just a certificate of incumbency and authorization from the board. I'm not sure of any provisional -- what we obtained is authorization from the board and a certificate of incumbency from LISCR.

THE COURT: Okay. Thank you.

BY MR. MCCLAIN:

Q. So again, my question is, generally if a foreign court orders a Liberian corporation to take an act, the corporation is free to take that act absent Liberian recognition of the

order, right?
A. His screen has gone dark.
Q. Sorry. I can't hear you.
A. Yeah. My entire screen has gone dark. Can you hear me?
Q. Yeah, we can -- we can hear you.
MR. MCCLAIN: If you want to bring up the declaration again? Bring up paragraph 11 on page 5, I believe.
Q. Would you like me to ask my question again?
A. Yes, please.
Q. If a foreign court orders a Liberian corporation to do something, is the Liberian corporation precluded or stayed from taking that action ordered until Liberian recognition of the order is completed?
A. If a -- if a -- if a foreign court orders the Liberian corporation to take an action and the -- the action that is required to be taken is one that -- that the Liberian government has to give effect to, then yes.
Q. So I'm not talking about actions that the Liberian government has to give effect to. I'm talking about actions that the Liberian government does not have to give effect to. Say that an American court orders a Liberian corporation to produce documents. Is the corporation free to produce those documents in the absence of a Liberian recognition proceeding?
A. If the Liberian court -- if the Liberian corporation is under the jurisdiction of the U.S. court, by example, and they

were asked to -- during the -- during the course of the hearing they were asked perhaps during discovery to produce documents, whether they could, yes.

Q. So unless a party is seeking to have the Liberian authorities enforce the foreign court order, the Liberian corporation is free to act consistently with the directives of an American court order, right?

A. Our opinion --we express the opinion that if a -- if a foreign court order cannot be enforced within the territories of Liberia , the foreign court cannot (indiscernible) authorities to recognize or to take certain action unless that judgment is -- is -- is entered in Liberian court for recognition.

By example, if a U.S. court were to order change of a board of directors and the -- it's now -- well, it's the same as though the board of directors have been changed can do it, can the board of directors effectively represent itself before the Liberian government authorities and instruct the Liberian authorities to act pursuant to the authority that they have -- they have gained through a U.S. court, we said no. If the U.S. government (indiscernible) well, today, all of the shares are canceled, all the -- the board of directors at the end resigned and we are appointing a new board and that board effectively give any instruction to any Liberian authorities, okay, can they function as the board before the Liberian authority, we

say no. Can they act as such until the judgment is recognized? We say no.

Q. So I'm going to ask about the board of directors changed. And I understand you're making a point that Liberian authorities can't act pursuant to a foreign court judgment until a Liberian court directs them to do that. But again, my question is different. My question is, if Liberian court intervention is not sought or necessary to perform the act that a foreign court order directs the Liberian corporation to undertake, the Liberian corporation can take that act generally speaking, right?

A. Our -- our declaration spoke to the effect of such an act that the Liberian corporation would take, because if a Liberian corporation takes an action pursuant to the U.S. court order to perhaps cancel shares or attempt to file a -- a -- as a corporation, new shareholders, that would be rejected because that initial authority pursuant to which the appointment is made was never recognized. So what effect would I have?

Q. So let's take another example. If an American court order directs a Liberian corporation's corporate to change an address of record, is judicial recognition required before the Liberian corporation can voluntarily change its address of record?

A. So an address of record is an agent of the corporation. So if a -- and the -- the BCA Section, Section 1 of the Liberian corporation law provides that the management -- the

management of the affairs of the corporation lies within the authority of the board, subject to whatever limitation articles of incorporation might provide.

So if a court -- a foreign court says, hey, I'm not -- my order -- my order is that I have appointed you a new board of directors, and they now have the authority to go and change the AOR. That will then be a circumvention of what Section 6.1 of the BCA says because the management and the authority of a corporation lies within the corporation's board of directors and not within a foreign court. So if the foreign court is saying I am now authorizing the change of your agent because the AOR is an agent of the corporation, and by law -- by law, that agent of the corporation can be changed by the corporation's board of directors.

And in this case, you are saying that the agent of the corporation now should not be directed by the -- the board of directors of the corporation pursuant to Section 6.1 of the BCA. Instead, the agent of the corporation should now be directed by authority of a foreign court.

And we say, no, that cannot be done. The foreign court cannot now direct the agent of the corporation, pursuant to its court order that has not been recognized, because an agent of the corporation can be directed by the board of directors of the corporation and not by a foreign court order that has not been recognized.

Q. So if an American court with jurisdiction over a Liberian corporation ordered the corporation to produce documents and discovery, is it your testimony that no agents of the corporation would be involved in the production of documents?
A. Would be -- if they -- they put their in a proceedings, yes, they will be. They should provide documents to the court if they're under jurisdiction of the court, and they are asked to provide documents, they should --
Q. So American --
A. -- put in full --
Q. Sorry.
A. That's okay.
Q. You're finished? I didn't mean to cut you off.
A. Yes.
Q. So an American court can order the agent of a Liberian corporation to take certain acts, right?
A. To take certain acts that -- that has to do with requesting a governor of Liberia to act because the change -- the -- the change the address of record of the corporations is to say the -- the -- the -- you're saying to the corporation, corporation -- Liberian corporation, instruct the Liberian government to take a certain action pursuant to my court order.
So what you're you asking is, you say the -- the -- the New York court order to order LISCR, who is a statutory agent, to take certain actions. So you are instructing a corporation

to instruct the Liberian government to take a certain action pursuant to the U.S. court order and assume that neither Eletson Holding or is AOR has the authority to instruct the Liberian government to take any action pursuant to a U.S. court order that has not been followed.

Q. So if an American court were to order -- strike that. Strike that. Let's back up.

You say in your declaration -- and I'm looking at paragraph 2 now -- that you specialize in, among others, corporate law, right?

A. Yeah.

Q. And you've taught corporations law at the Louis Arthur Grimes School of Law, right?

A. Yes.

Q. That's a Liberian law school, right?

A. It is.

Q. And so you're an expert in Liberian corporation law, right?

A. Yes.

Q. But you aren't an expert in any other jurisdiction's corporation's laws, are you?

A. No.

Q. Okay. And we've already discussed the Business Corporations Act, which I'll call the BCA for short.

The BCA is Liberia's statutory law governing Liberian

corporations, right?
A. Right.
Q. And it's your understanding that Eletson Holdings is subject to the BCA, right?
A. Right.
Q. A Liberian corporation's always subject to the provisions of the BCA, regardless of what their corporate documents may provide, right?
A. Liberian corporations are subject to the BCA, so their AOI and their bylaws are all subject to the BCA.
Q. So the rights and responsibilities of Eletson Holdings directors and officers are ultimately governed by the BCA, right?
A. They are. The bylaws, the articles are all subject to the BCA. They must be -- they cannot be contrary to what the law provides for you.
Q. And the rights and responsibilities of Eletson Holdings shareholders are ultimately governed by the BCA, right?
A. The what?
Q. I'm sorry?
A. Come again. Come with that question again.
Q. My question was are the rights and responsibilities of Eletson Holdings shareholders ultimately governed by the BCA?
A. Eletson Holdings, as a Liberian corporation, the entire BCA of a --

Q. I'm sorry. Could you speak up? I'm having trouble hearing you.
A. Eletson Holdings is a Liberian corporation. And so every aspect of the Liberian, the BCA applies to Eletson Holdings and the shareholders, yes.
Q. Okay. Thank you. Turning to declaration, page 5, question 2 -- the second question, rather.
You discussed the Liberian International Ship & Corporate Registry, which you call LISCR, right?
A. Yeah.
Q. So I'll call it LISCR, too. And in paragraph 12 of your declaration, you say, quote, "pursuant to Section 3.1 of the Business Corporation Act, LISCR is the statutory registered agent for Liberian nonresident domestic corporations and foreign maritime entities."
A. Yes.
Q. "LISCR is responsible for receipt and service of process and to ensure the keeping of the required information of directors, management, and ownership to enable accessibility and availability of that information to the relevant competent authorities", end quote. Did I read that correctly?
A. Yes.
Q. And also in paragraph 12, you discuss that Liberian corporations have, quote, "predesignated authorized representatives," end quote, that are known and referred to as

the address of record, right?
A. Yes.
Q. Okay. So I'll also refer to the address of record as AOR.
Is the AOR a concept that's described expressly within any Liberian law?
A. The AOR is an agent of the corporation. For procedures for LISCR, the corporation is required to provide the name of its agent. So of course, it is -- it's -- it's -- it comes with a procedure that's established by LISCR, but it's the concept of agency. And so the -- the -- the AOR is merely -- it's an agent. It's the authorized representative of the -- the -- the corporation. And so --
Q. Ms. Lamin Blamo, I'm sorry to interrupt you, but you're getting far afield from the question that I asked. I simply asked you whether the AOR is a concept --
THE COURT: Counsel, counsel. Let the witness finish. Let the witness finish the answer, and then you can pick up your question.
MR. MCCLAIN: Okay.
A. I said to you that the AOR is a representative -- the authorized representative of the corporation appointed by the shareholders who will be the person that communicates with LISCR in respect of the corporation's business, it's filing, payment of fees to the AOR. It's just technically the -- an authorized representative of the corporation, and the AOR

appointment is done pursuant to the business corporation law because the business and management of the affairs of the corporation is done by its board.

So the appointment of the AOR is done consistent with the BCA and the bylaws of the -- the articles of the corporation, the bylaws of the corporation, because those documents will state how decisions are made by the board. And so the appointment of the AOR is a decision that is made pursuant to the BCA. The AOR is just an authorized representative of the corporation that deals with the Government of Liberia through LISCR.

Q. Are you finished, Ms. Lamin Blamo?

A. I am.

MR. MCCLAIN: Your Honor, I move to strike that response as completely unresponsive.

THE COURT: Overruled.

Q. Ms. Lamin Blamo, if you can tell me, yes or no, is the AOR a concept that is expressly described within any Liberian law?

A. The management and affairs of a Liberian corporation is governed by its board. So the board has the authority to appoint agents in the management of a corporation. The AOR is an agent of the corporation, and so the board of directors has the right to appoint agents of the corporation.

So yes, the concept of the appointment of an agent to represent the corporation is covered by the BCA that grants

authority to the board to appoint the management and agents representing the corporation. So yes.

Q. So my question is different. Is the AOR a concept that itself is expressly described within any Liberian law?

A. The concept of a -- an authorized representative of a corporation is captured on a Liberian law because the management -- the board of directors has the authority to appoint authorized representatives. The board of directors has the authority to appoint the management. The board of directors has the authority to employ persons to represent the corporation.

So yes, the AOR position is just a designation, AOR -- but technically, the AOR is just an authorized representative of the corporation. And the appointment of an authorized representative by the corporation is covered by the BCA because the BCA provides that in management.

And affairs of the corporation is vested in a board of directors of the corporation, which then vests authority in the board to appoint, whether it's an -- whether it's designated an AOR or whether it's designated authorized representative, or whether it's designated a -- a person to -- to deal with the government, it's just a -- an authorized representative. So the designation of, you know, court -- AOR is just a designation.

But technically, that person is the authorized

representative of the corporation appointed by the shareholder to the board to interact with the Government of Liberia in respect of the corporation matters. So the government is able to identify a person that it takes instruction from in terms of filings, in terms of payment of fees. There is one person that is designated by the corporation as its authorized representative.

Q. Thank you. Can you direct me to any Liberian law that expressly describes the AOR?

A. Section 6.1 of the BCA provides that subject to the limitation of the articles of incorporation in the act, the business and affairs of the Federation is managed by its board, so the appointment of an authorized representative of the corporation falls within the business management of the corporation. It's a part of operations management and how the corporation functions on a day-to-day basis vis-a-vis Liberia. So yes, Section 6.1 is applicable to the appointment of authorized person who has the authority to do that, the board of directors.

Q. Does BCA Section 6.1 mention the words "address of record"?

A. It doesn't -- it doesn't mention the word address of -- address of record.

Q. Thank you.

A. It also wouldn't -- the BCA also would not, for example,

mention the word secretary or it may not mention the word managing director, but it authorizes the board of directors to appoint the management and -- and to run the business. So an authorized representative is named AOR, whether it's an employee or whether it's a lawyer. The 6.1 is applicable to the -- the authority -- appointing authority, and the AOR is just a designation. But technically, it's just the authorized representative of the corporation. That is it.

Q. All 6.1 references is a board of directors, right?

A. It says the board of directors has the authority to manage the affairs of the corporation. It's the appointment of an authorized representative, a function of the board in terms of its management, yes.

Q. So is address of record expressly discussed in any Liberian law?

A. I would say secretary is not addressed directly in any Liberian law.

Q. I'm sorry. I couldn't hear you. Could you repeat that?

A. I would say, for example, secretary is not addressed in Liberian law or general counsel is not addressed in Liberia law. But what is addressed in Liberian law is the authority of the board of directors of the corporation to -- to manage the corporation which -- which would include the appointment of legal counsel. It would -- it would include the appointment of authorized representatives. So all of those are -- are -- are

authorized persons who work for the corporation are not listed in the BCA, but the BCA grants the -- the board of directors the authority to make these appointments. So you know, all of the people that the board appoints to the -- its management authority granted under 6.1 are not listed in the BCA.

Q. So my question is different. It's can you point me to any Liberian law that specifically mentions the words "address of record"? That's a yes or no question, respectfully.

A. The BCA, like I said, the BCA does not have a list of all of the other rights that the board can appoint. The AOR is just one of the positions that the -- the board of directors, the shareholders through the board can appoint. So like the AOR, there are many other positions that the board has authority to appoint that are not listed in the BCA.

Q. So is there any Liberian law that expressly mentions the words "address of record" that you can direct my attention to? Again, respectfully, that's a yes or no question.

A. What I can say to you is that LISCR is the statutory representative of the Governor of Liberia. LISCR has a contract with the Governor of Liberia that was ratified by the Legislature of Liberia, which is a special law application.

And so by virtue of that law, LISCR has the authority to -- to -- to sign -- LISCR has the authority to -- to -- to produce procedure that will be followed by the Liberian corporation, have the authority -- has the power pursuant to

its agreement with the government of Liberia. And so if LISCR requires that the government -- the corporation should appoint a representative, the corporation has the power to appoint that representative to its board. And that's the best answer I can give.

MR. MCCLAIN: Your Honor, I again move to strike that as not responsive. I've asked the question four or five times. She refuses to answer, and I don't know if you want me to request to treat the witness as hostile or ask yourself, but I'm going to keep asking the question until she answers it one way or the other.

THE COURT: Well, I think -- I mean, I think she's answering as best she can.

Ms. Lamin Blamo, is there a particular code section -- I think Counsel is asking you -- is there a particular code section that uses the word "address of record"? I understand your point about the agents and the board, et cetera, but is there anything you can point to that uses the words "address of record"?

THE WITNESS: No, Your Honor.

THE COURT: Okay.

THE WITNESS: And like I said, Your Honor. No, but like I said, there are so many other agents of the corporation that are not listed in the BCA.

THE COURT: Understood.

MR. MCCLAIN: Thank you.
Q. And thank you, Ms. Lamin Blamo.
So turn your attention to declaration paragraph 12. You say that the AOR is, quote, "a procedure established by LISCR", end quote; is that right?
A. The submission of the -- the -- the submission of the authorized representative to deal with LISCR in the government is the procedure that was established by LISCR pursuant to its power under the agreement that it has with the government that was ratified by the legislature, which is law.
Q. And LISCR's procedure is that LISCR only communicates with corporations through its AORs, right?
A. Correct.
Q. Do the procedures established by the LISCR have the force of Liberian law?
A. Yes. I have the authority under Liberian law to establish these procedures, and those procedures I approved. And they are -- they are accepted by the Liberian government. The Liberian government implements it.
Q. Well, my question is, do the procedures -- if LISCR establishes a procedure, is that then the law of Liberia, or is it a procedure that LISCR follows?
A. LISCR has the authority, under its contract with the government, to establish procedures that will be followed. And those -- those procedures are regarded as pursuant to its

power. They can -- they can promulgate those procedures.
Q. So -- sorry.
A. So they do have their -- their -- their contract, which is law because it was ratified by the legislature.
Q. Okay. In the first sentence of paragraph 12, you say quote, "unless the foreign judgment in favor of the petitioning creditors is recognized and adjudged enforceable by a competent Liberian court, LISCR, in its capacity as statutory registered agent, cannot accept instructions, filings, or submission of information relating to directors, management and ownership, certificate of incumbency from the petitioning creditors," end quote, right?
A. Correct.
Q. And in the last sentence of the same paragraph, you say, "filings and submission of information relating to directors, management and ownership, certificate of incumbency can be made and accepted only from a predesignated authorized representative of the nonresident domestic corporation and foreign maritime entities known and referred to as the address of record as per the procedure established by LISCR, unless otherwise instructed by a competent Liberian court," right?
A. Right.
Q. So if the procedure is established by LISCR have the force of law, are Liberian courts empowered to change those procedures?

A. It's not like we're -- we're not saying that the Liberian courts should change the procedures. We're saying if -- if -- if this case is responsible for the receipt and service of process is to ensure the keeping of the records following submission of the information relating to directors can be made by the director and the (indiscernible) of this case, unless otherwise instructed by a competent Liberian court.

So if -- if -- if there is a foreign judgment and there is a matter relating to the change of address -- or the Ministry of Foreign Judgment -- but if there is a matter relating to the change of an address of record -- for example, maybe the shareholders wanted to remove an address of record, and sometimes the address of record says he doesn't want to be removed and he cannot file something (indiscernible) in a court, the shareholders have the right to file something before the Liberian courts and say, look, you know, we have appointed this person. We need to remove him. Can you order -- and then the court look into the facts and circumstances and -- and -- and order the -- the -- the address of records removed.

So this is where, yes, we like a competent court and can take action on all sorts of records where there is a dispute.

Q. Under Liberian law, does the judiciary have the power to issue orders that conflict with Liberian statutory law?

A. No.

Q. So you said that LISCR's procedures had the force of

Liberian law, right?
A. That LISCR has the authority under its contract with the Liberian government to promulgate procedures.
Q. But LISCR's procedures aren't themselves -- don't themselves have the force of Liberian legislative acts, right?
A. That is not -- LISCR procedures are not Liberian legislative acts.
Q. Thank you. So going back to the end of paragraph 12, it's your testimony that LISCR can accept filings and submission of information relating to directors, management, and ownership of a Liberian corporation from either the corporation's AOR or a Liberian court, right?
A. Can accept filings from a Liberian court? They can accept filings upon orders of Liberian courts.
Q. Yeah. So I'll direct your attention to paragraph 12. Strike that. Yeah. No. Paragraph 12. I'm sorry. I got lost for a second.
You said that filings and submission of information relating to directors, management, and ownership can be made and accepted only from the AOR or a Liberian court, right?
A. Filings can be accepted from the AOR. And so for example, if the AOR is instructed by shareholders of the corporation to do certain filings in the -- for example, they refuse to do it, the shareholders can -- can go to a Liberian court to compel the AOR to do that or to move the AOR to do certain steps. So

this is where the Liberian code comes in.
Q. Okay. So if a Liberian corporation's existing AOR files an updated corporate document with LISCR, LISCR can then deliver the document to the registrar or deputy registrar for certification, right?
A. You see what? You say AOR files --
Q. If the AOR files a corporate document with LISCR, LISCR passes that document along to the deputy registrar or the registrar for certification, right?
A. If, for example, if -- if -- if -- and if you -- if the AOR wanted to file an amendment to the Articles of Incorporation and took the documents to give to LISCR, because LISCR does the back office work, but LISCR would not sign on that amended articles of incorporation. The signature that appears on the -- on that blue jacket is the signature of the deputy registrar.

So yes, the AOR might pass something on to -- to LISCR, and then LISCR will review it because they are the statutory agent. They have information. They're the statutory registered agent of, you know, the corporation. So they have all of the information of the corporation.

So they look at it and then they pass it on to the deputy registrar, whose signature is then placed on the document, say, for instance, articles of incorporation or amendments. So the articles of incorporation is never signed or filed by LISCR.

It's filed by government of Liberia because that's an official government function. It's filed by the deputy registrar or the registrar, yes.

Q. Thank you. And once the registrar or deputy registrar are provided with the -- or updated corporate document from LISCR, the registrar or deputy registrar can certify the document and render the document effective, right?

A. Correct.

Q. Pull up tab 14, please. Ms. Lamin Blamo, did you receive --

MR. MCCLAIN: Did we give her the documents by email?

MR. BORRIELLO: Yes.

MR. MCCLAIN: Yeah.

Q. Did you receive the documents that I'm showing you via email?

A. No, I didn't receive any documents from you. When did you send these documents? I didn't.

Q. Okay. I mean, we can do it on the screen. I was just saying, if you'd gotten them, it'd be more effective.

A. And like I said, these documents that you're presenting to me that I showed that -- that these are documents that I'm going to -- to --

Q. Yeah, it would have come in your email from Jared Borriello.

A. Yeah, I didn't receive it, so I'm not sure.

Q. Okay. Okay.
A. Like I said, with regard to all the emails that you are showing to me, are we able to provide a considerate opinion at the moment, having just seen it on the screen.
Q. Can you check your email and see whether you got any emails from Josh Peles or from Jared Borriello?
A. Can I (indiscernible) --
Q. That would make this easier for everyone.
A. Yeah. All I'm saying, assuming I did -- yeah, I see three emails from -- from -- from -- from -- from Jared -- from Jared --
Q. Okay.
A. -- Borriello. But yeah, I haven't opened them. And from Josh Peles that I hadn't opened. In fact, I see several -- I see, like, three emails from -- from Jared Borriello.
Q. Do you see a document that has tab 14 written on it?
A. What I'm saying is I haven't opened these documents. These documents came at about 9:31.
Q. Yeah.
A. And 9:15. And --
Q. If you can't -- if you can't open them, then we can just do it on the screen. I just thought it would be easier.
A. All I'm saying -- never mind. Let me see. Jared Borriello. Let me get back there.
Q. Let's just do it on the screen. It's fine.

MR. MCCLAIN: Okay. Can you scroll down so she can see the certified bit?

Q. Ms. Lamin Blamo, does this document indicate to you that the deputy registrar of Liberia certified a document on January 3rd, 2025?

A. Does it appear to me that what?

Q. Is this a document by which the deputy registrar is certifying a document on January 3rd, 2025?

A. Let me see a second -- I mean, I don't know. Can we --

MR. MCCLAIN: Scroll back down.

Q. Can you read the document?

A. It says that this public document has been signed by Margaret Ansumana, acting in the capacity of deputy registrar.

Q. And that's on January 3rd, 2025, right?

A. Correct

MR. MCCLAIN: If you go to the next page (indiscernible) the --

Q. Can you read -- starting at certificate, can you read that language?

A. That's the certificate of Eletson -- election and incumbency of Eletson Holding.

Q. And for the record, this is --

A. (Indiscernible).

MR. MCCLAIN: Sorry. For the record, this is TX 104.

Q. Does this document indicate to you that Eletson Holdings

AOR filed a document last week?
A. I don't -- I -- I -- I -- I -- I can't -- I can't be sure. I don't know. May have filed a document last week. So I'm not -- I -- I -- I -- I -- I cannot say for sure.
Q. Okay.
A. Because I -- yeah, I didn't see any document that was filed.
MR. MCCLAIN: If you're not participating, if you go on mute, please.
And could you go to the next page?
Q. Do you see that this document says, "Certificate of Election and Incumbency of Eletson Holdings, Inc." And it says, "Republic of Liberia Ministry of Foreign Affairs filed on this third day of January 2025". Do you see that?
A. Yes, I can see something that appears to be that way. Yeah. At least from what appears on the screen that what you read.
MR. MCCLAIN: Okay. Scroll down a little bit.
Q. And you see that it's signed by order of the registrar?
A. I see that what it reads.
Q. So this is a corporate document, right?
A. Hmm?
MR. MCCLAIN: Strike that.
Q. This is a corporate document that the AOR would be responsible for filing with LISCR, who would then pass it along

to the registrar, right?
A. The typical election incumbency, generally I believe so.
Q. Okay. Does this document indicate to you that Eletson Holdings' existing AOR filed a document with LISCR last week?
A. It doesn't indicate that to me on its face. I don't see anything that says it's not Holding. At first, I don't know who Eletson Holding AOR is, so I -- I wouldn't be able to say.
Q. Well, I believe in your declaration, you testified that corporate documents get to LISCR either through the AOR or through a Liberian court, right?
A. Correct.
MR. MCCLAIN: Okay. We should go to the next page.
Q. So if this document didn't get to LISCR through a Liberian court, it got there from Eletson Holdings' existing AOR, right?
A. Well, I can't -- I can't say. All I could say is that documents are filed by the AOR. I cannot see that -- how this document got there because I don't know. But all I can testify to is that the AOR is the one who LISCR procedures files with the registry. Whether this document was filed by LISCR AOR, I don't know because I don't who filed it. I don't know Eletson AOR, or I don't know who that person is.
Q. But it's either --
A. I can't speak --
Q. I'm sorry. I didn't mean to cut you off. But it's either the AOR or a Liberian court, right?

A. I said -- I -- I stated in my declaration, I confirm that the AOR is the person appointed by the shareholders of the corporation, the personal -- the authorized representative that deals with LISCR and the Government of Liberia as the -- the -- the -- the person with whom they deal with. So in this specific matter, I cannot say because I don't even know who the -- the -- the AOR of -- of Eletson Holding is.

Q. But --

THE COURT: Ms. Lamin --

Sorry, Counsel.

MR. MCCLAIN: Sorry.

THE COURT: Ms. Lamin Blamo, let me ask you, is there a way to determine who filed this document?

THE WITNESS: I mean, I can't -- they wouldn't give me information as to -- no they wouldn't give me information. I can't just go to this guy and ask. They wouldn't -- they wouldn't normally give that information.

THE COURT: Well, how would one determine who filed it? Would that be a matter of public record?

THE WITNESS: I'm not sure because it's the -- the -- no, I'm not sure. I -- I'm not sure where that -- that record could be. But I know that with LISCR, the filings in with the registrar, normally they will accept filings from -- from the AOR. I -- the filings that I have done some, you know, filings and authorization, I mean, but that -- that's not in this kind

of matter. Perhaps, like, mortgages and other stuff that are filed, but that's different. So all I can -- I can -- I can say is, as I said in my declaration, that LISCR accepts instructions from the AOR and -- and its shareholders.

Q. If you see at the bottom of that page, it says that it's signed by Vassilis Hadjieleftheriadis. Do you see that?

A. I see that.

Q. Do you recognize that name?

A. I'm not sure. I am not sure. I know that we did receive a certificate of incumbency that we -- we pleaded, along with what we found in Liberia and also a -- a resolution from the board. But at the moment, I can't remember all of the names, tell you the truth. I can't remember the names.

Q. But have you ever -- have you ever spoken with Vassilis Hadjieleftheriadis?

A. I told you, I testified before, that you asked whether I had any contact with anyone from Eletson or -- and I said no. So I don't know who this person is. I -- I mean, I can't say I don't know who he is. I -- I haven't spoken to that person. I can say that it's a certificate of incumbency was sent to us, along with the resolution I have before me. And I know there were names in there. I don't remember those names at the top of my head. So I can confirm that the names in there -- you know, his name is one of the names that was in there, I can't remember.

MR. MCCLAIN: Okay. You can take the document down.
Q. Are you aware of any provision of Liberian law that prohibits Eletson Holdings' existing AOR from filing updated articles of incorporation for Eletson Holdings with LISCR voluntarily?
A. Whether there is a provision that -- that prohibits the AOR from filing voluntarily, I mean, in the normal course of its business, the AOR on instruction of the shareholders to file. Yes, on instruction of the shareholders, the AOR would file. I don't know of a law that would prohibit them. If their shareholders were to -- the shareholders of the corporation were to instruct them whether there will be any law that would prohibit them on instruction of their shareholders.
Q. So if Eletson Holdings' shareholders instructed the existing AOR to file amended articles of incorporation, the existing AOR could do that?
A. I mean, in the -- in the ordinary course, if the -- if the shareholders -- you -- you -- even if -- if they were voluntarily in the -- in the normal course, you know, maybe during an annual meeting, they -- they agree that the decision, and they pass that over to the AOR, the AOR should be able to instruct LISCR because that's in the normal course in that the -- the authority is derived from the shareholders as per the PCA.
Q. Okay. And in the normal course, in order for the articles

of incorporation to become effective, a judicial recognition proceeding in Liberia wouldn't be required, right?
A. I mean, if -- if -- if -- if Eletson Holding is -- I mean, a regular Liberian corporation has the right to amend its corporation -- its articles of incorporation and nothing to prohibit from amending the articles of incorporation. If the shareholders for the board provide them the -- the resolution because under Section 9.5 of the BCA, when you are -- you are required to state in your -- your Amendment the source of your authority, it requires that you state the source of the authority for the amendment of the article. So if you are amending the articles of -- if the -- if the AOR wants to amend the article of incorporation, you have to then present the shareholders' resolution along with the amendment AOR to prove the source of authority because it's required under Section 9.5 of the BCA that you provide the source of authority.
Q. Thank you. Can the existing AOR update the AOR on file with LISCR and change the AOR to a different corporate representative without violating Liberian law?
A. Ordinarily, if the shareholders approve that, they could do it if the shareholders of the corporation agree to that.
Q. So if the shareholders voted, consistent with their corporate documents, to have the AOR be changed, that could happen in the ordinary course without violating Liberian law, right?

A. That could happen in the ordinary course.
Q. And that wouldn't require judicial recognition in Liberia, right?
A. I mean, the -- the corporation, the -- the day-to-day affairs of the corporation is managed by the board. So if the board of -- the shareholders instructed the board with an action, that resolution of the board of the corporation consistent with the articles of incorporation and bylaws because, for example, the bylaws will say how decisions are made by the board. The bylaws will say how shareholders' decisions are made, you know, whether it's made by a simple majority or a supermajority. The -- the -- a -- the articles of incorporation and bylaws of the corporation will guide the decision making of the -- the -- the corporation. And so the shareholders vote consistent with what the -- the -- the bylaws would provide. Or the board will vote to give the instruction to AOR in the ordinary course. Yes.
Q. So are you aware of any provision of Liberian law prohibiting Ellington Holdings' shareholders from updating the AOR with LISCR right now, voluntarily?
A. Am I aware? I mean, I have read the -- I have read the -- the -- the -- the order from the -- the -- the -- the -- the court, from the -- the New York court, and it says that as of the effective date of the order, all of the directors and the -- the -- I guess the shareholders, they were all deemed

removed or resigned. So I'm not sure or whether the -- the -- who would be -- who are the shareholders would be that you're referring to or who the directors would be, which directors you're referring to.

Q. I'm not sure that I heard an answer to my question. Are you aware of any provision of Liberian law that prohibits Eletson Holdings' current shareholders from voluntarily updating the AOR with LISCR, not in reliance --

A. No.

Q. -- upon any foreign court judgment?

A. Well, when you say -- so when -- the current shareholders, I will -- I will seek clarification as to whom you refer to as the current shareholders.

Q. But I'm saying whoever the current shareholders are, those current shareholders, there's no Liberian law preventing those current shareholders from directing the AOR to update the AOR, right?

A. If the current shareholders that you're referring to are shareholders that came in place as a result of a foreign judgment, then their status as foreign shareholders need to be -- be recognized by Liberian court.

Q. But if they're not, if the shareholders are not shareholders by virtue of the foreign judgment --

A. If the share --

Q. -- then they can instruct --

A. If the shareholders are not shareholders by virtue of the of the foreign judgment, then yes, they -- they -- they -- I mean, shareholders can give instruction to the AOR to act pursuant to Liberian law. Yes.

Q. Thank you. And that AOR change wouldn't have to be judicially recognized by a Liberian court before the AOR change was effective, right?

A. In the regular course, yes.

Q. Okay. But if I understand your testimony, you're saying that if the act takes place in reliance on a foreign judgment, then the corporation cannot be directed to act.

MR. MCCLAIN: Strike that.

Q. Are you saying that if a foreign court orders the current shareholders, that is to say the pre-confirmation shareholders, to effect a change of the AOR, the shareholders are prohibited from doing that voluntarily until a Liberian court recognizes the foreign court order?

A. What I'm saying is that the pre-confirmation from shareholders and the AOR cannot instruct the Liberian government authorities to take any action pursuant to the order that has not been recognized. So were you -- were you asking me that the U.S. court in order to have the existing shareholders, I mean pre-confirmation shareholders, and the pre-confirmation shareholders pursuant to that order of the U.S. court that has not been recognized in pre-confirmation,

shareholders should then instruct them to take action pursuant to the U.S. court order.

And I submit that the pre-confirmation shareholders and the AOR cannot instruct LISCR. They don't have the authority to -- to instruct LISCR to take an action pursuant to a U.S. court order. They can, in their regular course, have a shareholders meeting and ask LISCR to take an act. But the pre-confirmation shareholders cannot come to LISCR and write LISCR and say -- and say, AOR, pursuant to an order that we have received from the New York court, without a recognition.

Q. Right. Right. Thank you. Can the board of directors of a Liberian corporation issue new shares in the corporation without violating the BCA in the ordinary course?

A. The board of directors can issue shares. I mean, in the regular course of business, if there's not a judicial order, I mean, you're running your business without the authority to do that. But it -- I mean, it just depends on the articles of incorporation and is consistent with the PCA.

Q. I'm having a little trouble hearing you. I think I got that, but if you don't mind speaking up, that'd be helpful. Are you aware of any provision of Liberian law prohibiting Eletson Holdings' board of directors from issuing new shares in the company now?

A. Am I -- but I mean, I -- what I -- what -- what I have seen is -- and like I said, our opinion was given in context

because what we were presented with is the confirmation order that had said specifically that as of the effective date, there were no -- there was no longer a board, and so the board was deemed resigned. And so when you speak of board issuing shares, are you speaking of the board post-confirmation and the shares to be issued in reliance upon the foreign court order?

Q. So I'll tell you what I'm not talking about. I'm not --

A. Um-hum.

Q. -- talking about the board of directors that came into being after confirmation.

MR. MCCLAIN: Strike that.

Q. I'm asking whatever you think the current board of directors of Eletson Holdings is, are you aware of any provision of Liberian law, as we sit here today, that prohibits that board from issuing new shares in the company?

A. When the board of directors of the -- of companies, subject to whatever limitations is -- I mean, it's subject to the limitations of the articles of incorporation make and whatever limitations may be, BCA or the articles -- it's the articles of incorporation and the bylaws. They can issue shares in the ordinary course of their business. I mean, it's just subject to their existing AOI and their bylaws.

Q. Thank you. And does a Liberian corporation's issuance of new shares have to be recognized by a Liberian court before the issuance is effective in the ordinary course?

A. I mean, if it's -- if it's just in the ordinary course, no.

Q. Thank you. Can the shareholders of a Liberian corporation replace the directors of the corporation without violating the BCA?

A. I mean, subject to the AOI and the provisions of the BCA. The -- the -- the -- the directors, I mean, it just depends on what how directors can be replaced under the -- the bylaws, what it states, and under the articles of incorporation, subject to the articles of incorporation and bylaws. The board of directors may take actions relating to, you know, removal or replacement of the board that's subject to the AOI and their bylaws.

Q. So if the Liberian corporation's corporate documents don't have a prohibition on removing directors, Liberian law doesn't otherwise preclude the shareholders from electing new directors, right?

A. Like I said, it's all subject to the AOI, the bylaws, and the BCA as to how directors -- if -- if perhaps the AOI and the bylaws are silent and the BCA -- the (indiscernible) rules in terms of the removal of directors.

Q. I couldn't hear the end of that. I'm sorry. I think you said if the articles --

A. So if --

Q. Sorry.

A. If the AO -- if the articles of incorporations is silent or -- and -- or the bylaws as for removal, how and when and by what means, you know, the -- the -- the board can be removed or replaced and you referred to the -- to the BCA. But if there are provisions in the existing articles of incorporation and the bylaws of the corporation, then the board of directors, they have to abide with those provisions for the removal of the director.

Q. Okay. So if I understood you, is your testimony that if a Liberian corporation's corporate documents don't prohibit the shareholders from removing the directors, the shareholders can remove those directors and elect new directors in the ordinary course?

A. Yes. Like I said, it's subject to what the provisions of the bylaws and the --

Q. Right.

A. -- articles of (indiscernible) the bylaws and the articles of (indiscernible), so as to how and when the mode and manner in which directors can be elected or replaced.

Q. Thank you.

A. Or appointed.

Q. Are you aware of any provision of Liberian law preventing Eletson Holdings' current shareholders from replacing Eletson Holdings' board of directors?

A. I mean, it depends on -- I mean, in the context in which

we speak, who Eletson Holdings' current directors are when you refer to those directors.

Q. Whoever the current shareholders are.

A. It cannot be --

Q. Are you aware of any provision of Liberian law preventing those shareholders from replacing Eletson Holdings' board of directors?

A. I mean, I -- I can't -- when -- when I provided my declaration, I provided in the context that the -- the petitioning creditors are now claiming to be the -- the -- the -- the shareholders of (indiscernible). If you're referring to whether or not the petitioning creditors at the moment can replace the directors and remove directors pursuant to the New York court order, I would say no.

Q. So I understand your testimony is that the petitioning creditors cannot become new shareholders of Eletson Holdings by virtue of the Court's confirmation order until the confirmation order is recognized by a Liberian court? I'm not talking about the petitioning creditors, necessarily. I'm saying whoever the current shareholders are in your mind, are you aware of any provision of Liberian law preventing them from replacing Eletson Holdings' board of directors?

A. That's why I said it depends who -- who -- because again, in my mind. You're asking the question. So you know, you have to declare as to who the -- the -- these shareholders are that

are making the determination. Became a whosoever question. So I would say it depends.

Q. Yeah.

A. So if you referring -- if you are referring to the existing shareholders as the petitioning creditors, I -- I would say no. If you're referring to the pre-confirmation, and -- and from all that I have seen in letters and everything that I have received (indiscernible) as though you may be referring to the -- the shareholders before the confirmation order because that's -- per what I've read, it -- it doesn't seem as though they -- they recognized by you as shareholders anymore.

But if you're referring to the shareholders that still -- that exist, the -- the -- the shareholders before the confirmation, if they still are deemed as shareholders, then yes, they can make decisions pursuant to the articles of incorporation and bylaws, if those are the shareholders that you are recognizing as shareholders.

Q. Thank you. And does a Liberian corporation's shareholders' replacement of the directors have to be recognized by a Liberian court before the replacement is effective in the ordinary course?

A. Can you ask that question again?

Q. Sure. In the ordinary course, if a Liberian corporation's shareholders replaces the board of directors, does the

replacement have to be judicially recognized by a Liberian court before the new board --

A. Now, if you say in the ordinary course, if the -- the -- the shareholders appointed by the New York court appoint new directors and we say they cannot do so without the recognition, in the ordinary course, then the directors, if the shareholders who were the shareholders -- and you know, I don't know how -- whether you regard them as shareholders, but who are the shareholders prior to the -- the confirmation, if they were to take that action, we can put a question with the bylaws and the articles.

But if your question is whether -- which is not clear to me -- whether the -- the petitioning creditor was the -- the effective date of the order, what are they in the -- I guess they're probably considering the ordinary course of business. If -- if we refer to what they're doing at in the ordinary course of business, that they can do it (indiscernible).

Q. You said --

MR. UNDERWOOD: John. John, do you know how much longer you have with the witness? We've been going for nearly two hours, and I think --

MR. MCCLAIN: I'm happy to take --

MR. UNDERWOOD: -- my indication --

MR. MCCLAIN: I'm happy to take a --

THE COURT: Counsel. Counselman. Counsel. How much

longer do you think you need, now?

MR. MCCLAIN: Probably fifteen minutes, maybe less.

THE COURT: You want to take a break now?

MR. UNDERWOOD: No. Let's finish. We'll finish. If it's going to be fifteen minutes, we'll --

THE COURT: Well, I assume that's an estimate, but --

MR. UNDERWOOD: Yeah.

THE COURT: -- do your best.

MR. MCCLAIN: Yeah, it's tough to gauge, right? I lost my train of thought. Give me just a second.

BY MR. MCCLAIN:

Q. All right. I want to run through your specific responses at a high level to understand what you're saying and what you're not saying. So if we can turn to your declaration at page 3, looking at question 1, you're testifying that unless and until the confirmation order's formally recognized by a Liberian court, the confirmation order cannot be given recognition and effect by "competent Liberian authorities", right?

A. Where do you read from, if I may ask, the first question?

THE COURT: Ms. Lamin Blamo, can you just get closer to the microphone and maybe speak up a little bit? It's a little hard to hear.

THE WITNESS: Okay.

THE COURT: Thank you.

THE WITNESS: Can you hear me now? Okay.
BY MR. MCCLAIN:
Q. Yeah. Sorry. I misdirected you. You can go to page 5, paragraph 11. So this is the end of your response to question 1. And I understand your testimony to be that, unless and until the confirmation order is formally recognized by a Liberian court, "competent Liberian authorities" can't give an effect; is that right?
A. Correct.
Q. But you're not testifying that Eletson Holdings, its shareholders, or its directors are prohibited by Liberian law from acting consistently with the confirmation order, right?
A. Sorry, there. Can you ask that question again?
Q. Sure. You're not testifying that Eletson Holdings, its shareholders, or its directors are prohibited by Liberian law from acting consistently with the confirmation order voluntarily, right?
A. So when you say Eletson Holding, its directors and shareholders, which directors and shareholders are you referring to? Are you referring to the petitioning creditor?
Q. I'm referring to whoever are the shareholders and whoever are the directors. I understand there's a dispute about who --
A. Let me -- I can't --
Q. -- represents Eletson Holdings --
A. I can't --

Q. -- who is the shareholders, who are the directors. I'm just saying in the abstract, whoever it is, as a matter of law?
A. How can I answer the question --
Q. Yeah, yeah.
A. -- if you keep asking --
Q. I'm sorry. I'm trying to --
A. -- them forever?
Q. Yeah.
A. I'm not sure I can answer the question in the abstract.
Q. Well, it's --
A. I'm not sure.
Q. It's not an abstract question.
A. The question --
Q. I'm asking --
A. The question -- the questions that were directed at me in -- in the declaration to which I -- I opined were specific questions in answer to specific. So if you're asking me, in the abstract, whether anyone can -- can take any action in the abstract, I -- I -- I -- I -- the question wouldn't -- going to be -- I'm not sure I can answer that question.
Q. So do you have a view of who are the current shareholders of Eletson Holdings?
A. What I have -- what I have said, in my opinion, is that unless the -- the judgment or the -- the -- the -- the -- the -- the -- the Court is recognized, the order appointing the

petitioning creditors, shareholders, or -- or as directors, so to speak, is not -- cannot be -- cannot be honored by any Liberian -- by competent Liberian authority until and unless the -- the judgment is recognized in Liberia. So I -- I wouldn't say, at the moment, that if the petition has not been recognized that the petitioning creditors are now regarded under the -- in Liberia as the -- the -- the shareholders of Eletson. Almost certainly.

Q. Right. I understand that your view is that the petitioning creditors are not the shareholders. My question is, do you have a view of who are the shareholders?

A. I have a view as to who -- who -- who are -- those who are not the shareholders because I -- I -- I -- I -- I don't know who the -- the -- the shareholders were, but I know that the orders of the New York court, that has not yet been recognized. The petitioning creditors can -- can -- can -- cannot act as such, and competent Liberian authorities --

Q. Right.

A. -- would not recognize.

Q. So --

THE COURT: Hold on. Hold on. Ms. Lamin Blamo, so is it your view that any order of a Greek court appointing directors would also need to be recognized by a Liberian court before it could be enforced?

THE WITNESS: I mean, I don't know about kind of like

the -- the -- any order because for example, if -- if -- if -- if you -- like, one corporation was once involved with a litigation in another court for maybe an action, or damages, or whatever, and that Court ruled that they were liable to someone, you know, that order of that Court would be enforced in that country.

But I'm not -- I'm not sure whether, you know, the specific order. Like I said before, I haven't -- if it was in a Greek court, I don't know what the basis, whatever was filed, what they've done, what they haven't done, I don't know, or --

THE COURT: But why would that matter if a foreign court appointed a board? It sounds like you're saying that would need to be recognized in the Liberian court first.

THE WITNESS: If a foreign court appointed a board, like, you know, the Court appoints a -- a -- a board, and that appointment -- that ruling has not been recognized, I am -- is my opinion that that board cannot -- the actions of that board would not be recognized by a competent Liberian authority. That's my opinion.

THE COURT: Okay. Thank you.

UNIDENTIFIED SPEAKER: That answer's (indiscernible)--

BY MR. MCCLAIN:

Q. So getting back to my question, I think I understand you to say -- and correct me if I'm wrong -- but it's your view that Eletson Holdings' current shareholders are the pre-

confirmation order shareholders, right?
A. All I have -- what I have said is that the petitioning creditors and I will not -- the petitioning creditors cannot be regarded. And this --
Q. I'm not talking about who they're not. I'm talking about who they are. Do you have a view of who Eletson Holdings current shareholders are? I think you're saying that because the confirmation order hasn't been recognized in a Liberian court, it's whoever the shareholders were before the order came down, right?
A. That's my opinion.
Q. Okay. And I think you would agree, and correct me if you don't, that because the confirmation order hasn't been recognized in Liberian court, the board of directors of Eletson Holdings are the pre-confirmation board of directors, right?
A. Well, I'm not -- I -- I'm not sure who the -- I know that if the -- the -- the pre-confirmation -- the pre-confirmation, the shareholders are regarded as the shareholders, and whomever they appoint are the board of directors. I don't know at the moment whether they have appointed or who they have appointed, but they have the authority to appoint.
Q. So if the pre-confirmation order board of directors hasn't been changed by the pre-confirmation shareholders, it's the pre-confirmation board of directors that's still the board of directors of Eletson Holdings, right? If there hasn't been a

change, it's the same, right?
A. If there hasn't been a change? I'm not sure whether there has been a change or there hasn't been a change, so I cannot -- I cannot say whether -- who they are today, because I don't know whether there has been a change or whether there hasn't been a change.
Q. So assume with me that the board of directors --
MR. MCCLAIN: Strike that.
BY MR. MCCLAIN:
Q. Are you testifying that Eletson Holdings, its shareholders, or its directors are prohibited by Liberian law from voluntarily acting consistent with the confirmation order, whoever the legitimate Eletson Holdings, Eletson Holdings shareholders, and Eletson board of directors is?
A. Can you repeat that question? Because I know I have said that if -- if the union appointed -- appointed its board and that board of directors were -- were to act to give effective action that they thought that competent Liberian authority would honor, it is my opinion that the board of directors appointed of shareholders and appointed by the New York court can't request the competent Liberian authorities to take any action, or whatever action is taken by them without a recognition will not be recognized by competent Liberian authorities. That is my opinion.
Q. But is your opinion that the confirmation order prohibits

anyone from taking any voluntary act under Liberian law?
A. Whether the confirmation order prohibits someone from taking an act under the law? Because what I have in -- in my opinion is the confirmation order, it said that several things should be done. Like, I believe articles of amendment to the articles of incorporation should be -- my opinion is that articles of amendment to the articles of incorporation can be filed with LISCR on order of the -- the file with the Liberian Government on orders of the New York court if that government is recognized. I mean --
Q. So my question was just whether the confirmation order, unrecognized by a Liberian court, prohibits any party from taking any act under Liberian law?
A. But how can a confirmation order prohibit? Because a confirmation order does not seek to prohibit anyone. It -- it asks people to do things. So how the confirmation order is, there is no prohibition in the confirmation order. So I don't see one. So how can the confirmation order prohibit someone from doing something under Liberian law when the confirmation order does not say that?
Q. So but is it your testimony that Eletson Holdings, its shareholders, or its directors are prohibited by Liberian law from voluntarily doing what the confirmation order directs them to do?
A. What I said is that the confirmation order, for example,

directed that -- directed that the body of the director, effective as the date attained, resigned. So that's the confirmation order. So if they had then resigned and their new board of directors appointed the confirmation order, and if that board of directors were to -- to act like they were like the government authorities' instructions, like government authorities had instructions from board that was appointed by the -- the -- the -- under in pursuant to the confirmation order without the -- the -- the -- the -- the recognition of judgment in Liberia.

Because the confirmation order is -- confirmation order -- confirmation direct that the members of the governing body, prior to effective date, shall have no continuing obligation to resign. So if we're looking at the confirmation order, it says the old directors and team resigns.

So if the question is if the directors then can -- can they take any action? They -- they -- they could take action. The -- the idea is whatever action they take, it be recognized by competent Liberian authorities. And that is what I provided an opinion on, so.

Q. I'm not talking about the competent Liberian authorities. I'm saying does the fact that the confirmation order was entered prohibit anybody from doing anything until it's recognized, under Liberian law?

A. I mean, anybody could do anything. But what I will be

giving effect is the -- testing the effectiveness of it is what you would -- I believe it -- it were discussed --

Q. But the confirmation -- sorry.

A. -- where the --

Q. But the confirmation order can't be enforced by Liberian courts until it's recognized, right?

A. That is my opinion.

MR. MCCLAIN: Thank you. Just a second, please.

(Counsel confer)

MR. MCCLAIN: Just a couple follow-up questions.

BY MR. MCCLAIN:

Q. Did you speak with Reed Smith in connection with the Liberia proceeding?

A. No.

Q. And who retained you in connection with the Liberian proceeding?

A. Like I said, we were contacted by the law firm of Daniolos, June -- can't remember date -- and they forwarded to us some documents. Yeah, that's what I can say. So far, that is complete.

Q. So what does your retention agreement say?

A. I'm not sure I can say what I can agree with my clients.

THE COURT: I'm sorry, Ms. Lamin Blamo. I can't really hear you.

THE WITNESS: I said I'm not sure I can -- I would

like to divulge to you what I agreed with my clients.

THE COURT: Well, I think counsel is just asking who actually retained you. Who is the party that retained you in the retention agreement?

THE WITNESS: Well, it was the -- the -- the Eletson Holdings board of directors and Eletson Inc.

BY MR. MCCLAIN:

Q. And who's paying you for appearing today?

A. Eletson, Reed. Like I said, we -- we were contacted by Daniolos Law Firm. So when we signed an agreement with Eletson Holdings and Eletson Corp, and so we believe Eletson Corp might be.

Q. So you're getting paid by Eletson Holdings and Eletson Corp for appearing here today?

A. We were retained in the Liberian matter by Eletson Holdings and Eletson Corp, and were requested by those parties to provide expert testimony in these matters.

Q. And you're retained and are being paid by the same parties in connection with the Liberia proceedings, right?

A. In connection with the -- I -- I -- I -- I -- I have not been paid, I believe, in Liberian -- in the Liberian proceedings. We -- we were paid. I need to verify that because I have been outside of Liberia for a little bit, so I need to verify from the office. I can't say specifically to whom the payment was made because I have been out, but we -- as

far as the -- the agreement, the agreement was between Eletson Holdings and Eletson Corp. Now whose account, or who worked, or who wrote the check, I need to verify that. I don't have that information readily because I haven't had access to that outside of Liberia.

Q. So I'm not asking you about the substance of the retention, but who's obligated under your retention agreement to pay you?

A. Like I said, the agreement was signed by Eletson Holding and Eletson Corp, so --

Q. Do you remember who --

A. -- who --

Q. -- signed? Sorry. Do you remember who signed the agreement on behalf of those two parties?

A. It's -- I can't remember the name. It's a long name, to tell you the truth. I can't -- I can't -- I don't even know.

Q. Okay. Lastly, Liberian court's entered orders directing parties to do things, right?

A. Liberian courts?

Q. Liberian courts order parties to do stuff, right?

A. I think.

Q. Yes? I didn't hear you. Yes?

A. Yes, yes.

Q. And Liberian courts have the power to hold a party in contempt and to sanction the party when the party fails to

follow the Liberian court order, right?
A. Yeah. If the -- if the -- if -- if the -- after the hearing.
Q. Are you aware of any case in which a Liberian court said that the imposition of contempt or sanctions was subject to a foreign court's recognition of the underlying order that wasn't being followed?
A. Huh? Can you ask that question again?
Q. Yeah. Are you aware of any case in which a Liberian court said a party is violating a Liberian court order, but whether it's in contempt of the order and whether it should be sanctioned is up to another country's court?
A. That's confusing, so let me -- let me see if I understand your question. The question is, can a Liberian court hold someone in contempt, but that it would be dependent on the judgment from another court? Is that it?
Q. I guess my question is, Liberian courts exercise their contempt and sanctions power without respect to what another country's courts have to say about the Liberian order, right?
MR. MCCLAIN: Yeah. Withdrawn.
THE COURT: Anything else?
MR. MCCLAIN: Your Honor, that's all that I have.
THE COURT: Okay. Thank you, Counsel.
MR. MCCLAIN: Thank you, Ms. Lamin Blamo.
THE COURT: Ms. Lamin Blamo, you've been going for a

while. Do you want a break before I ask if there's any redirect? Or perhaps Counsel is going to tell me there isn't any?

MR. UNDERWOOD: Oh, there --

THE COURT: I'll assume you're not going to tell me that.

MR. UNDERWOOD: There will be some. I --

THE COURT: Okay. Would you like a break before redirect, Ms. Lamin Blamo, or are you okay to proceed?

THE WITNESS: I'd like a break. I'd like -- I'd like a break.

THE COURT: Okay. You've been going for a while. Why don't we take ten minutes?

MR. MCCLAIN: Could I ask the Court to instruct Reed Smith not to talk with the witness during the break?

THE COURT: Yes. You shouldn't talk with anyone during the break, Ms. Lamin Blamo, okay? Thank you. Okay. We'll be back in ten minutes.

MR. UNDERWOOD: Thank you.

THE COURT: Thank you.

(Recess from 2:18 p.m., until 2:33 p.m.)

THE COURT: Please be seated. Okay. Back on the record.

Counsel.

MR. UNDERWOOD: Thank you, Your Honor.

REDIRECT EXAMINATION
BY MR. UNDERWOOD:
Q. Good afternoon.
A. Good afternoon.
Q. In your testimony earlier, there were a number of times when you referred to Liberian authorities. And I believe in your declaration, it actually says the competent Liberian authorities. In your opinion, does that include LISCR?
A. Yes.
Q. You include LISCR when you refer to the competent Liberian authorities?
A. Yes.
Q. Okay.
THE COURT: I'm sorry, Ms. Lamin Blamo. If you could just speak up a little bit, it would be helpful. Thank you.
THE WITNESS: Yes.
THE COURT: Thank you.
Q. Now, there was a --
MR. UNDERWOOD: Excuse me, Your Honor.
Q. There was a fair amount of testimony earlier in which you. You discussed what a corporation can do in the ordinary course. And I'm not going to take you back over all of that testimony, but could you explain briefly what you mean when you use the term "ordinary course"?
A. Well in -- in -- in this case, the ordinary course would

be matters that are not taking one -- or actions are not taken pursuant to the New York court order. I think that the -- the day-to-day that the shareholders or directors or the management of the corporation would do voluntarily and not as the result of an (indiscernible).

Q. And there was a fair amount of questioning about voluntary acts that the shareholders or corporate representatives were authorized to take. Would you characterize taking actions pursuant to a foreign court order as voluntary actions?

A. No.

Q. In your opinion, if the AOR or the shareholders or the directors of a corporation make a request to LISCR based on a foreign court order, will LISCR comply with that request absent a showing that the foreign court order has been recognized by a Liberian court of competent jurisdiction?

A. In my opinion, LISCR would not recognize that one unless the order is recognized by the Liberian court.

Q. Okay. In your testimony earlier, you referred to Section 9.5 of the BCA. Do you recall discussing Section 9.5?

A. Yeah.

Q. Okay. And you talked about the requirements of Section 9.5. 9.5 refers specifically to amending the articles of incorporation; is that correct?

A. Yeah.

MR. UNDERWOOD: And can we bring up section 9.5?

Q. Okay. So this is the document that was included in the binder at tab --

UNIDENTIFIED SPEAKER: 91.

MR. UNDERWOOD: No, it's tab 4 of the binder.

UNIDENTIFIED SPEAKER: The cross binder.

Q. Of the cross binder that was provided earlier. It is TX 91. And this is page 133, which is the BCA, the Librarian BCA. This is page 133, Section 9.5, Articles Of Amendment. And this is this the section you were referring to earlier?

A. It was.

Q. Okay. And this says -- this has provisions for what a corporation must submit in order to make a change to the articles of incorporation; is that correct?

A. It is correct.

Q. Okay. And on this page, it sets forth items A through D. And if we turn to the next page, page 134, there are two additional requirements to be submitted with an amendment to the articles of incorporation. And if you could take a look at item F, is that the item you were referring to previously?

A. Correct.

Q. Item F says that, among other things, the corporation must provide the manner in which the amendment of the articles of incorporation was authorized. Could you explain --

A. Yeah.

Q. -- what you understand that to mean?

A. Well, in my experience, when you file articles of amendment, normally articles of amendment under the -- the law would be approved or authorized, depending on what is sought to be amended by the -- the board of directors or the shareholders or both. So when this provision says you should state or provide amendment to existing articles of incorporation that authorized the amendment, in my experience, we would attach -- if -- if the amendment was authorized by the shareholders' resolution, we attach the shareholder' resolution. If the amendment was authorized by a board resolution or both, because there are instances where both will apply -- will apply. You know, you attach both of them, that is.

Q. And if the amendment to the articles of incorporation was being done pursuant to a foreign court order, would you --

A. We attach the foreign court order, and hence the reason why I think if that foreign court order is presented to LISCR, LISCR would request that the -- the -- the -- that court order be recognized because they wouldn't be filing articles of amendment pursuant to a foreign court order that has not been recognized.

Q. Thank you. Were you present for or were you listening in for Mr. Pierre's testimony this morning?

A. Yeah. I believe I did listen to -- to --

Q. Okay.

A. -- to some of --

Q. At one point, Mr. Pierre testified -- and I did write this phrase down; I think I got it verbatim -- that if the parties said to LISCR that pursuant to this plan that is now enforceable and they requested that LISCR change the address of record, using the request pursuant to this plan, this foreign court order that is now enforceable, please change the AOR, he said that LISCR would accept that request. Do you agree with that testimony?

A. I do not.

Q. What is your opinion as to what LISCR would do if the parties said, we're here voluntarily, pursuant to a foreign court order that is now enforceable; please change the AOR?

A. My opinion, the corporation or the AOR lacks the authority to instruct the Ministry of -- the Minister of Foreign Affairs or the Deputy Minister of Foreign Affairs, who are the registrar, deputy registrar officials of the Liberian government, to take an action to file amendments to the article of incorporation of the corporation pursuant to the foreign court order. The fact that you are the AOR or you're the corporation, in my opinion, I do not believe that you can instruct the -- the -- the Minister of Foreign Affairs of Liberia or the Deputy Minister of Foreign Affairs to act on your instruction pursuant to a foreign court order.

Q. Thank you.

MR. UNDERWOOD: Just a second, Your Honor.

Q. Did you hear Mr. Pierre testify that a judgment enforceable in a foreign country can be enforced in Liberia once it is recognized by a Liberian court?
A. Yes.
Q. Do you agree that once a foreign judgment is recognized by a Liberian -- by the Liberian court, it can then be enforced in Liberia?
A. I agree.
Q. Is there a procedure under Liberian law that the petitioning creditors could have used here to accomplish their goal of being named the shareholders of Eletson Holdings?
A. Yes. The -- the -- the -- the procedure that I'm aware of is by way of filing a petition for the enforcement of judgment, which I believe fact the petitioning creditors did do. They commenced a -- a proceedings for enforcement of judgment. But on the 23rd of December, two days, I believe, two or three days before their returns were due to be filed, they withdrew. They discontinued the entire proceedings and removed it in the -- from the jurisdiction of the Liberian court. But I believe they are aware -- they are well aware of the proceedings that should be filed in this attempt to take advantage of the proceedings.
MR. UNDERWOOD: I have nothing further, Your Honor.
THE COURT: Thank you, Counsel.
Would anyone else like to question the witness?

MR. MCCLAIN: Briefly, Your Honor.

RECROSS-EXAMINATION

BY MR. MCCLAIN:

Q. So Ms. Lamin Blamo, you just described your opinion of what LISCR would do in the event that articles of amendment were submitted to LISCR, noting that they were voluntarily being provided pursuant to a foreign court order, right?

A. I'm not sure that it can be voluntary if it's done pursuant to a court order because I, in my opinion, if it's voluntary, then it's not something that you are ordered to do. So if the AOR files an articles of amendment and attaching a court order and says LISCR has been instructed by the court, the New York court, pursuant to this order, as I'm not sure that that will be voluntary.

My opinion that if the AOR or the -- the -- the corporation instructs the government of Liberia, the minister, which is the equivalent of the Secretary of State in the U.S., and says, I am the U.S. Corporation; a Liberian court has asked me to order you to do this, I'm not sure that will happen here. And I'm not sure the Minister of Foreign Affairs or the Deputy Minister of Foreign Affairs, who are officials of Liberian government, can be instructed by a corporation or the AOR of the corporation take an action pursuant to a foreign court judgment.

Q. So you're not aware of --

MR. MCCLAIN: Strike that.
Q. So if a party were to file articles of amendment with LISCR saying that they were voluntarily being amended pursuant to a court order, that kind of wouldn't make sense to you; is that what you're saying?
A. I'm saying they attach the court order and they -- they asking LISCR take action that pursuant to a court order that has not been recognized, in my opinion, a Liberian government officials cannot be instructed by a corporation or an -- an AOR to take an action pursuant to a foreign court order because they have asked LISCR to do so. Ask the government officials to do so.
Q. So is your testimony that once the foreign court order comes down, the parties are no longer authorized to voluntarily do what the court orders? In effect, that the foreign court order affects a stay of actions consistent with the order until recognition's obtained?
A. I mean, the question -- I -- I don't get it. So if there is a foreign court order that is sustained on what now?
Q. So if an American court orders Eletson Holdings shareholders to --
A. Um-hum.
Q. -- direct a change of the AOR --
A. Um-hum.
Q. -- can the shareholders do that irrespective of the

foreign court order, or are they prohibited by the court order from actually doing what the court ordered?

A. In my -- my -- my declaration, in my opinion, is that if the -- the shareholders or the corporation or the AOR were to instruct the Liberian government pursuant to that court order, the government of Liberia, acting through the deputy registrar or the registrar, would not take such an instruction. And I do not believe that the corporation or the AOR has such an authority or should exercise -- or could legally -- or could exercise such an authority to instruct the -- the -- the government of Liberia to take action pursuant to the Court order that has been recognized. That's just my opinion.

Q. Let me ask you a different way. Is it your testimony that when a foreign court order directs a Liberian corporation to take an act, the Liberian corporation can no longer voluntarily do what the court orders?

A. So if a foreign corporation directs a Liberian corporation to take a -- an action when the -- the -- if that -- if that action is not consistent with Liberian law under which the corporation is -- operates, then I'm unsure that the -- I mean, we -- we are not suggesting that the order should -- the -- the -- should disobey the U.S. order. I mean, our opinion is that that -- that that order is not effective.

Q. It can't be obeyed, right?

UNIDENTIFIED SPEAKER: Yes, please.

MR. MCCLAIN: Apologies. I'm just trying to --

UNIDENTIFIED SPEAKER: Your Honor --

THE COURT: Let the witness finish.

Ms. Lamin Blamo, finish your answer, and then counsel will follow up.

THE WITNESS: Yeah, I think I'm done.

Q. Okay. So if I'm hearing you, you're saying that a foreign court order --

A. Um-hum.

MR. MCCLAIN: Strike that. Nothing further, Your Honor.

THE COURT: Thank you, Counsel.

Would anyone else like to question the witness?

Okay. Ms. Lamin Blamo, you're excused. Thank you for your testimony today.

MS. LAMIN BLAMO: Thank you, Your Honor.

THE COURT: Thank you.

MR. MCCLAIN: Thank you.

THE COURT: Counsel.

MR. ORTIZ: Good afternoon, Your Honor. Kyle Ortiz of Togut, Segal for Eletson Holdings. That concludes the testimony, Your Honor. So I think from there, we're just looking for guidance on what this post-trial briefing would look like.

THE COURT: Okay.

MR. ORTIZ: And I would just note, Your Honor, that we paid 53.5-million dollars for something two months ago, and it's been disastrous for that value what's gone on. So to the extent that we could do this on as tight a time frame as possible and limit pages if possible, that would be, at least from our side, welcome.

THE COURT: I agree.

MR. SOLOMON: Okay. If Your Honor already agrees, then there's probably little point in my responding.

THE COURT: Well, I'm sure you agree as a general proposition.

MR. SOLOMON: As a general proposition. They went effective by waiving conditions to comply with foreign law. They didn't need to do that. They did that so that they could put more pressure, both on this Court and on the company. So now for them to say that having voluntarily waived the condition that protected them so that they could now say, oh, they paid all this money so we should disregard the plan, I think should not lie -- does not lie well.

Your Honor, we request that the motion for contempt that is addressed to Reed Smith and to the shareholders be denied. And then we actually agree that we should expeditiously get Your Honor as much information on the law as we can, given the testimony today.

THE COURT: Thank you, Counsel.

MR. ORTIZ: Good afternoon, Your Honor. Kyle Ortiz of Togut, Segal for Eletson Holdings. These are conditions precedent. I don't know what he's referring to. But in any event, I do think there seems to be a little bit of backtracking and attempting to kind of say certain things didn't happen that they've acknowledged have happened. They've accepted payments.

So we do think it should be focused. And I do think you heard a lot of information and a lot of testimony on Liberian law. And we should be focused on just these simple steps which are in the revised order, which, again, are that we get this AOR, which, as you know, Your Honor, hasn't even been identified, and that they're directed to take steps to implement the plan, which has been kind of in limbo and only partially implemented because of their actions, which I think we went over quite clearly, is a violation of the confirmation order that requires them to work in good faith and not to interfere in any way with implementation.

THE COURT: Thank you, Counsel.

MR. ORTIZ: Thank you, Your Honor.

THE COURT: Okay. I would like the parties each to submit proposed findings of fact and conclusions of law by Monday the 13th at 2 p.m. and then a closing brief of no more than twenty pages by Friday the 17th at 4 p.m.

MR. SOLOMON: Your Honor, that's fine. There has been

absolutely no evidence concerning Reed Smith and three shareholders, and we should not be asked --

THE COURT: Well, I think the parties should discuss what still remains on those issues because I understand fact witnesses were withdrawn, and I'm not sure -- the focus of this has been, I think, the AOR. Some of the other requirements.

MR. SOLOMON: Right.

THE COURT: So I think the parties should discuss the issue that you're raising. And what is sort of still on the table and what counsel will be seeking. You'll see it in the proposed findings of fact and conclusions of law. So I'm not --

MR. SOLOMON: Well, so they sent Your Honor --

THE COURT: -- going to rule on it right now. I think you all should discuss it. And then I'm assuming that everyone will focus on the issues that need to be focused on, at least in the near term.

MR. SOLOMON: It is very difficult for Reed Smith to be focusing on the issues to try to help this Court answer questions concerning provisional Holdings when they sue us and they seek sanctions against us --

THE COURT: No, no, I understand that.

MR. SOLOMON: -- and then they withdraw it. They sent Your Honor a letter on Thursday. They were withdrawing all past conduct, and Your Honor has heard no evidence on any past

conduct.

THE COURT: Well, that's a good thing, though, isn't it --

MR. SOLOMON: Well, I think it was --

THE COURT: -- they're withdrawing that?

MR. ORTIZ: -- a frivolous motion. I'd like the motion denied. And then we can go and we can still brief all of the rest of this. But that motion as to which there's been no evidence of any kind should be withdrawn or denied.

THE COURT: Counsel, are you still seeking sanctions against Reed Smith?

MR. ORTIZ: Your Honor, Kyle Ortiz of Togut, Segal on behalf of Eletson Holdings. What we are -- you'll see in these proposed findings of fact and conclusions of law, which is very similar to what we put in the proposed order, is we are not seeking sanctions at this moment for past conduct. We are seeking compliance, which they will presumably be part of. And if they then do not do that, we're going to be seeking, and as you'll see in that language, that they are then held in contempt and sanctioned.

THE COURT: No, I understand. That's a separate issue too, though. But I understand what counsel is raising. But this is why I'm saying I think you should discuss it because I think it's a fair point too. Is there still a motion for sanctions pending against Reed Smith, for instance. If not,

then you all should identify that or file something to indicate that. And I understand you're drawing a distinction between conduct going forward, and there may be sanctions depending on what people do. But I think it's also fair, given the nature of the motion, to ask or to have some clarity on the record about that.

MR. ORTIZ: Understood, Your Honor, and that's something we're happy to talk to our client with and speak with Reed Smith and clarify before we submit those initial papers.

THE COURT: Well, I think it will streamline the filings as well. But I think, given the nature of the motion, it's fair to ask what sort of remains looking back and looking forward.

MR. ORTIZ: Understood, Your Honor.

THE COURT: Okay.

MR. ORTIZ: I hear that.

THE COURT: What else?

MR. ORTIZ: I don't think there's anything else, Your Honor. But if we prevented you from getting lunch with Mr. Hemlock (ph.), I sincerely apologize because he is a exceptional human being.

THE COURT: That's okay, but it's not the first time. But that's okay. I'm happy to go through lunch to get the parties where they need to be. That's fine. And the witnesses, they had long days as well so --

MR. ORTIZ: Thank you, Your Honor.

THE COURT: Anything else, Counsel?

MR. SOLOMON: No. No, Your Honor.

THE COURT: Okay. Okay. Thank you, everyone. We're adjourned. Have a nice day.

(Whereupon these proceedings were concluded at 3:07 PM)

I N D E X

E X H I B I T S

C E R T I F I C A T I O N

I, River Wolfe, certify that the foregoing transcript is a true and accurate record of the proceedings.

River Wolfe

eScribers
7227 North 16th Street, Suite #207
Phoenix, AZ 85020

Date: January 7, 2025

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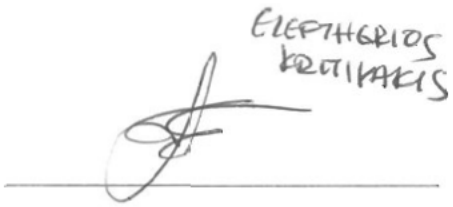
EXHIBIT “26”

Niles, Illinois

TRANSLATOR AFFIDAVIT

I, Eleftherios Kritikakis of Niles, Illinois, am a qualified, Berlitz-certified legal translator and interpreter for the Greek and English languages, member of the American Translators Association (ATA) and the Association of Judiciary Interpreters and Translators (NAJIT).
I hereby certify that the attached translation of Lawsuit is, to the best of my knowledge and belief, a true and accurate translation from Greek into English.

Niles, IL, on February 28, 2025



Signature

TRANSPERFECT

City of New York, State of New York, County of New York

I, Shayna Himelfarb, hereby certify that the document "Lawsuit" is, to the best of my knowledge and belief, a true and accurate translation from Greek into English.

Shayna Himelfarb

Sworn to before me this
February 28, 2025

Signature, Notary Public

Stamp, Notary Public

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K. F. CALAVROS LAW FIRM
Ch. P. FILIOS • Th. Th, KLOUKINAS

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BEFORE THE MULTI-MEMBER FIRST-INSTANCE COURT OF PIRAEUS

MARITIME DEPARTMENT

(Ordinary proceedings)

COMPLAINT

(article 70 of the Code of Civil Procedure)

1) Of the foreign maritime company called "**ELETSON HOLDINGS INC**.", which is based per its statutory seat in Liberia, in fact in Greece, at 118 Kolokotroni Street in Piraeus, as legally represented by its provisionary management pursuant to the **temporary order granted on 11/12/2024** of the President of the Service of the Single-Member Court of First Instance of Piraeus, Antonia MENGUAi, in conjunction with the **Minutes of Election** of the Members of the Board of Directors **dated 11/12/2024** and its representation (already entered in the Company's record on 11/19/2024 in the Register of Companies of the Republic of Liberia in Greece), without a Tax Registration Number,

2) The foreign maritime company with name "**ELAFONISSOS SHIPPING CORPORATION**". which is based, per its statutory seat, in Liberia, in fact in Greece, at 118 Kolokotroni Street in Piraeus, legally represented and without a Tax Registration Number,

K. F. CALAVROS
UNIVERSITY PROFESSOR

M. K. CALAVROU D.E.A.
Ch. K. CALAVROU, LL.M.
Th. Th. KLOUKINAS
A. G. KARALEKAS
A. G. TSILIKA

Ch. P FILIOS
UNIVERSITY PROFESSOR

I. N. VERGETI LL.M.
P. A. KIOUSI LL.M.

M. Ch. ASIMINAKI
X. N. DIAMANTI, M.A.
E. H. ZIAKAS Ph.D.
K. SP. IGLEZIS
P. N. KALODIKIS
A. A. KELESIDOU, LL.M.
E. Th. KLOUKINA LL.M.

I. g. DOLAPSI LL.M.
L. N.. PAPASTATHOPOULOS LL.M.
A. K. ROUSAKI LL.M.
N. A. TSEMBERA LL.M.
B. G. TSOURRA, LL.M.
K. G. FILIPPOUPOLITIS, LL.M.
M. P. HAHAMI

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19 VRANA
115 25 ATHENS
210 3698700
CALAVROS@CALAVROS.GR

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5 PAVLOU MELA
546 21 THESSALONIKI
2310 500770
THESSALONIKI@CALAVROS.GR

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65 DONATOU DIMOULITSA
491 00 CORFU
26610 49736
CORFU@CALAVROS.GR

WWW.CALAVROS.GR

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3) The foreign maritime company with company name **"ELETSON HOLDINGS INC."**, which is based per its statutory seat in Liberia, in fact in Greece, at 118 Kolokotroni Street in Piraeus, with Tax Reg. No. 098035979 / Public Tax Service of Ships of Piraeus, as legally represented, and

4) The foreign maritime company with company name "**ELETSON GAS LLC"**, which is based, per its statutory seat, in the Marshal Islands, in fact in Greece, at 118 Kolokotroni Street in Piraeus, legally represented and without a Tax Registration Number,

5) The maritime company with company name **"KASTOS SPECIAL MARITIME ENTERPRISE",** which is based in Piraeus (Iroon Polytechneiou Ave. No. 62), holder of Tax Registration Number 997904595, as legally represented,

6) The maritime company with company name **"KASTOS SPECIAL MARITIME ENTERPRISE",** which is based in Piraeus (Iroon Polytechneiou Ave. No. 62), holder of Tax Registration Number 998049676, as legally represented,

7) The maritime company with company name **"KIMOLOS II SPECIAL MARITIME ENTERPRISE",** which is based in Piraeus (Iroon Polytechneiou Ave. No. 62), holder of Tax Registration Number 997904024, as legally represented,

8) The maritime company with company name **"FOURNI SPECIAL MARITIME ENTERPRISE",** which is based in Piraeus (Iroon Polytechneiou Ave. No. 62), holder of Tax Registration Number 997904583, as legally represented,

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1) The foreign special purpose company named **"Pach Shemen LLC",** which is based in Delaware (1209 N. Orange Street, Wilmington, DE 19801), legally represented,

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2) The foreign special purpose company **"VR Global Partners, L.P."**, which is based in the Cayman Islands (One Nexus Way, Camana Bay, Grand Cayman, Cayman Islands, KYI-9005), legally represented,

3) The foreign special purpose company with company name **"Alpine Partners (BVI), L.P.",** which is based in New York (140 Broadway, 38th Floor, New York, New York, 10005), legally represented,

4) The foreign capital management company with company name **"DuPont Capital Management",** which is based in Delaware (Chestnut Run Plaza Building C735-1 974 Center Road, Wilmington, DE 19805), legally represented.

5) The foreign special purpose company named **"Levona Holdings Ltd.",** based in the British Virgin Islands (Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands), legally represented,

6) The foreign company with company name "**Mulberry Street Ltd",** which is based in Scotland (4/1 39 Muirhouse Street, Glasgow, Scotland, G41 1QD), legally represented,

7) The foreign special purpose company with company name "**Murchinson Ltd",** which is based in Canada (4th Floor, 145 Adelaide Street West Toronto, Suite 400, ON M5H 4E5 Canada), legally represented,

8) **Adam Spears,** resident of Canada (17 Cortleigh Crescent, ON, M4R 2C6, Toronto, Canada),

9) **Leonard Hoskinson,** resident of New York, and in particular at the registered seat of the foreign law firm "Togut, Segal & Segal LLP" (One Penn Plaza, Suite 3335, New York, NY 10119),

10) **Mark Lichtenstein,** resident, as a result of his employment with the foreign special purpose company "**Murchinson Ltd"**, of Canada (4th Floor, 145 Adelaide Street West Toronto, Suite 400, ON M5H 4E5 Canada),

11) **Marc Bistricer,** resident, as a result of his employment with the foreign special purpose company "Murchinson Ltd", of Canada (4th Floor, 145 Adelaide Street West Toronto, Suite 400, ON M5H 4E5 Canada),

12) The company with company name **"BRASCHEL A GREECE SINGLE-MEMBER PRIVATE EQUITY COMPANY"**, which is based in Athens (26 Amalias Avenue), as legally represented.

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13) The company with company name **"BRASCHEL A GREECE SINGLE-MEMBER PRIVATE EQUITY COMPANY"**, which is based in Athens (26 Amalias Avenue), as legally represented.

14) The company with company name **"BRASCHEL C GREECE SINGLE-MEMBER PRIVATE EQUITY COMPANY",** which is based in Athens (26 Amalias Avenue), as legally represented and

15) **Ionas Varouxakis,** resident of Athens, on 1 Bakou Street, holder of State ID card No. N033180, Tax Reg. No. 074097190.

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A. Procedural History

A.1. The multi-family maritime house "ELETSON". - Its parent company "ELETSON HOLDINGS INC." and its subsidiary, "ELETSON CORPORATION".

The company **ELETSON HOLDINGS INC.** (hereinafter referred to as "***the Company***" or "***Company***" or "***ELETSON HOLDINGS***") is the "parent" company of the maritime multi-family enterprise known in maritime events on a global scale as "ELETSON". The latter was founded in Piraeus in 1966, by Vasilis Hatzieleftheriadis, a common ancestor of the members of the Board of Directors of ELETSON HOLDINGS and their grandparents, who, with his sons, daughters and sons-in-law as partners, founded ELETSON and afterwards managed, both himself and his descendants, to draw a highly successful maritime course that spans over 50 years.

The company is a Societe Anonyme (corporation), which is, as mentioned above, the "parent" company of the Eletson Family House, was established as early as 12/04/1985 under the laws of Liberia, having its real seat in Greece where it maintains offices, at the address 118 Kolokotroni in Piraeus, given that it was managed and is managed (details on this below under A.8) by an eight-member board of directors, that meets at its aforementioned facilities, all members of which are Greeks and residents of Greece, all decisions for its business activities and the fulfillment of its statutory objective are taken at its offices which it maintains at the above address, given that the Company is a holding company of shipping companies, performs all its activities in Piraeus through its 100% **subsidiary Eletson**

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Corporation, third plaintiff herein, which maintains, in Piraeus, a legally established office in accordance with the provisions of article 25 of Law 27/1975, where it employs approximately 50 employees (and many more seamen on duty), that is paid, is insured and employed by Eletson Corporation, in accordance with the provisions of Greek law.

As mentioned above, the Company is a holding company and, among other things, owns in full the shares of four Greek Special Maritime Enterprises (**SMEs**), which control the ships MT Kastos, MT Kinaros, MT Kimolos and MT Fourni, under the Greek Flag, which are tankers and in particular **the 5th through 8th of the plaintiffs - Greek companies** "KASTOS SPECIAL MARITIME ENTERPRISE", "KIMAROS SPECIAL MARITIME ENTERPRISE", KIMOLOS II SPECIAL MARITIME ENTERPRISE" AND "FOURNI SPECIAL MARITIME ENTERPRISE", respectively.

The ships are financed through loan agreements with reverse leasing (sale and lease back agreements). This means that the ships, which belonged to the above plaintiff SMEs, were sold to companies which are subsidiaries or affiliated with the funder, and then re-leased under bareboat charterparty to the previous owners. The amount of funding is the purchase price as the case may be. The former shipowner companies (i.e. the SMEs), which are currently charterers of each ship by bareboat charterparty, pay the rent and through the rent they have been repaying financing and interest. When the loan is repaid (or leasing reaches its maturity), each ship is returned to the respective SME (through the exercise of an option by the first shipowner SME for the repurchase of the ship – purchase option).

The owners of the above ships (who are currently registered as owners in the Registry) are subsidiaries and/or affiliates of Oaktree Capital Management ("Oaktree") which is the funding company. The SMEs are the charterers by bareboat charterparty which own the ships, the crews of which, as well as the captain, are appointed by said companies. The ships are then chartered by time-charterparties to third-party charterers, usually with long-term contracts.

The above ships are managed by the Liberian company, and **third of the plaintiffs herein** Eletson Corporation (***hereinafter: "ELETSON CORPORATION"***), which is also a 100% subsidiary of ELETSON HOLDINGS, as mentioned above, and maintains a lawful establishment, in accordance with the provisions of Article 25 of Law 27/1975 and Law 89/67, in Greece, specifically in Piraeus, at 118 Kolokotroni Street, Piraeus, with Tax Registration Number, 098035979/ Public Tax Service of Ships of Piraeus.

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A.2. ELETSON HOLDINGS share capital structure.

According to the recent Statement of the Directors, Nominated Employees and Shareholders of the company ELETSON HOLDINGS, dated 11/22/2024, the share capital amounts to 10,000 class A nominal shares, with no par value.

Shareholders of **ELETSON HOLDINGS** are the following foreign shipping companies, which belong to **Greek families, namely:**

a. **The foreign maritime company "LASSIA INVESTMENT COMPANY**" of the family of Laskarina Karastamati ("Karastamati"), holder of 3,072 shares, representing **percentage of 30.72%** of the share capital of the Company;

b. **The foreign maritime company "FAMILY UNITY TRUST COMPANY**" of the family of Vasilis Kertsikoff ("Kertsikoff"), holder of 3,072 shares, representing a **percentage of 30.72%** of the share capital of the Company;

c. The foreign shipping company "**GLAFKOS TRUST COMPANY**" of the family of Vasilis Hatzieleftheriadis ("Hatzieleftheriadis") holder of 3,072 shares, which represent **percentage of 30.72%** of the share capital of the Company;

d. **The company "ELAFONISSOS SHIPPING CORPORATION" of the family of Nikos Zilakos ("Zilakos")**, applicant herein, holder of 392 shares representing **percentage of 3.92%** of the share capital of the Company, and finally,

e. The foreign shipping company **"KEROS SHIPPING CORPORATION" of the family of Vasiliki Androulaki ("Androulaki")**, holder of 392 shares, which represent **percentage of 3.92%** of the share capital of the Company.

ELETSON HOLDINGS - first plaintiff herein, therefore, belongs to foreign companies also belonging to Greek ultimate beneficiaries, which has been incorporated under the laws of Liberia and has **the center of its main interests** in Greece, specifically in Piraeus of Attica, at 118 Kolokotroni Street.

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A.3. Eletson Gas LLC, a company incorporated by ELETSON HOLDINGS and Blackstone Tactical Opportunities.

In early 2013, **ELETSON HOLDINGS** entered into a commercial arrangement with the foreign investment fund **Blackstone Tactical Opportunities (*hereinafter Blackstone*)**, which manages alternative investments to establish a joint venture, focusing on the purchase of **LPG** ships.

Indeed, in fulfilling the above objective, the new company Eletson Holdings was established by Eletson Holdings and by Blackstone's investment fund[1], **the fourth of the plaintiffs herein** - new company Eletson Gas LLC ***(hereinafter "Eletson Gas")*** which was incorporated as a limited liability company (LLC) under the laws of the Marshall Islands, which provide for the establishment of a limited liability company (LLC) **by an agreement to establish a limited liability company (LLC Agreement** dated April 12th 2013, which was amended and codified on August 16, 2019 - Amended and Restated LLC Agreement - to which subsequent amendments have also been made). Shareholders of Eletson Gas were, ***on the one hand***, ELETSON HOLDINGS, holding the common shares/units, and in particular 13,000,000 common shares which were and are the sum (100%) of the common shares, ***and on the other hand*** the investment fund Blackstone, holder of the preferred shares/units, i.e. having priority over the distribution of dividends and, under conditions, decisive power over the company, in particular 8,811,080 preferred shares which were the sum (100%) of the preferred shares. ELETSON CORPORATION also became a shareholder in Eletson Gas, being the managing company of the ships, by issuing to them certain "special membership units".

At **Eletson Gas**, **ELETSON HOLDINGS** contributed in-kind **five (5) new pre-existing LPG ships**, all under Greek flag, and in particular the ships ANAFI, NISYROS, TILOS, TELENDOS and SYMI, and held all common shares (stock shares), and **Blackstone** contributed significant capital to build/purchase **another nine (9) state-of-the-art liquid gas ships, with the capacity to carry ethylene products as well**, and held all **preferred shares** which, however, in accordance with the "LLC Agreement" (***hereinafter: "LLCA"***) had increased rights and **controlled Eletson Gas LLC**, that is, they could make important corporate decisions and appointed the majority of the BoD members.

[1] More precisely, Blackstone participated in Eletson Gas LLC through the following legal entities it controlled, namely: (i) Blackstone Family Tactical Opportunities Investment Partnership (CAYMAN) ESC L.P., (ii) Blackstone Tactical Opportunities Investment Partnership (CAYMAN) SMD L.P. and (iii) BTO Eletson Holdings L.P.

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Accordingly, in early 2022, **Eletson Gas** owned, directly or indirectly, **fourteen (14) liquefied gas transport vessels**, thereby making its fleet the second largest on the market - the first largest is Unigas' fleet, a major and direct competitor of ELETSON. **Eletson Gas**' revenues derive primarily from the exploitation of said vessels. **ELETSON CORPORATION** (a subsidiary of ELETSON HOLDINGS) together with **EMC GAS Corporation** (as mentioned below) are responsible for providing management services to ships directly or indirectly owned by **Eletson Gas**' subsidiaries. For the management services, **ELETSON CORPORATION** receives management fees from its own subsidiary ship-owning companies. **Management fees are an asset of ELETSON CORPORATION and an obligation for Eletson Gas or their respective subsidiaries incurring the relevant cost.** Throughout Eletson's corporate relationship with Blackstone, ELETSON (HOLDINGS and CORPORATION) was managing said vessels. In particular, the co-management of the above Eletson Gas' fleet was undertaken, on the one hand, by **ELETSON CORPORATION** (technical management), and on the other hand (commercial representation – monitoring-financial management) by **EMC GAS Corporation** which was established as a subsidiary of Eletson Gas, with statutory registered offices in the Marshall Islands, and was established as a shipping company under the legal framework of article 25 of Law 27/1975 and Law 89/67 (as a subsidiary of the above non-registered Eletson Gas).

Today, of these original fourteen (14) liquefied gas transport vessels, **Eletson Gas now controls and operates twelve (12)** (i.e. the original ships, except the "SYMI" and "TELENDOS" ships). These vessels are operated either directly by Eletson Gas or through subsidiary companies of the same, charterers of these bare ships. These Eletson Gas subsidiaries are not owners of the aforementioned ships only formally, since these ships have been transferred to Eletson Gas' lenders under the obtained loan by sale and lease-back financing as it was described above (see **under paragraph A.1**). In fact, they act as owners in everything, and after the repayment of the loan received and interest through the payment of rents, according to the bareboat charterparties of said ships, they will also become formal owners of the ships.

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A.4. The purchase of Blackstone's share by Levona, and Levona's agreement to withdraw (by transferring its (Levona's) shares in Eietson Gas or to companies it would recommend).

In November 2021, another investment fund (hedge fund), **Murchison Ltd *(hereafter Murchison)* - seventh defendant herein**, purchased its share from Blackstone (for a consideration later revealed to be just US$3 million), thereby becoming a partner (shareholder) in Eietson Gas, in the place of Blackstone. The purchase was made through an affiliate of Murchinson, which was a special purpose vehicle, Levona Holdings Ltd ***(hereinafter "Levona") - fifth defendant herein***, incorporated under the laws of the British Virgin Islands.

Murchinson and **Levona** immediately stated from the outset that they did not intend to be long-term investors but wanted to withdraw soon with a significant profit above their investment. That's why negotiations started, which took place mainly in January and February 2022 and resulted in the conclusion of a Binding Offer Letter (***hereinafter "BOL"***) between **Eletson Holdings**, **Eletson Corporation**, **Eletson Gas** and **Levona**, dated **February 22, 2022**, according to which **Eletson Gas** would pay **Levona** twenty-three million US$ ($23,000,000) (or give Levona two ships of equivalent value, and in fact the stocks of the bareboat charterers, that is, SYMI II ENE and TELENDOS II ENE) and in return Levona would transfer the shares (preferred shares) it held to **Eletson Gas**, or to legal entities that the latter would indicate. Meanwhile, under the same agreement, Levona would initially make a US$10 million loan, which was increased to US$14 million (of which US$12.8 million was ultimately used) so that Eletson Gas would pay its short-term obligations to lenders. This loan would be repaid in one lump sum in two (2) years.

More specifically:

Term **2.1 of the BOL** provided that:

> *"Subject to and in exchange for the Transfer which takes place and on the terms set out in Terms 2.2. and 2.3, Levona hereby grants Eletson Gas the preemptive right upon written notice to Levona by the two companies (a "Preemptive Right Notice"), according to which Eletson Gas or another company nominated by it is entitled to purchase all of the shares held by Levona in Eletson Gas (the "Option Company Shares") in exchange for a consideration equal to the Call Option Exchange payable in cash* ***at the conclusion of the transfer of the Company Shares*** *into an account which Levona may indicate in writing.* (J-06 § 2.1)."

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Term 2.2. of the BOL provided that Notice of the Exercise of the Option Right may only be served after:

(a) the Loan, that is, the Intra-Group Loan, pursuant to which Levona provided to "ELETSON GAS" a loan of up to US$10 million for a period of up to two (2) years and which was amended in April of the same year, allowing ELETSON GAS the capacity to raise an additional US$4 million and any interest accrued thereon has been fully repaid; or
(b) an adequate guarantee and/or security is provided for the Loan (the adequacy of such security is at Levona's discretion).

Pursuant to **Term 2.3 of the BOL**, Eletson Gas was required to exercise the option by sending the Option Exercise Update **within thirty days of the BOL's (signing) date**, unless the period was extended under Terms 2.4 or 2.5 of the BOL.

"**Call Option Exchange**" was defined as *"amount equal to USD **1 plus an amount equal to USD 23,000,000** minus the Net Value. If the Net Value equals US$23,000,000, the Call Option Exchange will be US$1. If the Net Value exceeds US$23,000,000, the amount owed on the Loan will be reduced by the amount of the balance."*

Indeed, after the BOL was signed and according to its definitions, on **March 11, 2022**, the parties entered into a series of contracts, including **(a) Eletson Gas** transferred to Levona the shares it held in the ship-owning companies MT SYMI and MT TELENDOS **worth US$23,000,000 in appropriate consideration for the acquisition of Levona's preferred shares; and (b) Eletson Corporation** assigned to Levona all of its claims in respect of its management fees and liquidity provision due to it by Eletson Gas or its subsidiaries, thereby providing Levona with sufficient collateral for the Loan.

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In particular, the following "**Transactional Documents**" were signed between the parties:

(i) the Intra-group Loan, pursuant to which Levona provided Eletson Gas with a loan of up to $10 million for a period of up to two years;

(ii) the Share Transfer Agreement pursuant to which Eletson Gas transferred to Levona 100% of its shares in SYMI and TELENDOS;

(iii) the Assignment of Claims, pursuant to which Eletson Corporation assigned to Levona all its claims in respect of management fees and the provision of liquidity owed to it by Eletson Gas or its subsidiaries;

(iv) the act of Waiver and Release; and

(v) the Letter of Fundamental Acts.

Following the above, Levona (now **fifth of the defendants**) under the terms of the BOL and as judged under the New York Arbitration Award dated 09/29/2023 (JAMS arbitration award), as we will set out directly below **under par. A.6.** was no longer a shareholder of Eletson Gas - **fourth defendant** herein, while the latter indicated, according to the agreement in the BOL, and made its preferred shareholders **the foreign Cypriot shipping companies Fentalon Limited, Apargo Limited and Desimusco Trading Limited (*"New Preferred Shareholders"*) on 03/11/2022**, which **ELETSON GAS** indicated, as per the above.

In fact, Eletson Holdings and in particular Eletson Corporation, without having a legal obligation to do so, offered to assist Levona in further reselling these ships (SYMI and TELENDOS) to third parties, i.e. liquidating them, obtaining the relevant benefit. In this way, Levona's investment of three million US dollars ($3,000,000) in November 2021 had an extra-multiplying return, that is, an amount of twenty three million USD ($23,000,000) just a few months later.

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A.5. Levona's allegations that it had not transferred the Eletson Gas shares. - The unconventional, in bad faith, and contrary to good faith and good transactional ethics conduct of Levona. – The violation of the terms of the LLC Agreement by Levona.

While the communication and procedures between Eletson and Levona (currently **fifth of the defendants**) continued for the change of flag of the above two (2) ships and their resale to third parties, Levona (in about mid-July 2022) suddenly started claiming that while indeed the shares of SMEs SYMI and TELENDOS had been transferred to it as early as March 2022, it allegedly had not transferred to Eletson Gas its preferred shares in Eletson Gas, and this because according to the BOL [see above under **par. A.4.**, Eletson Gas should have followed some formal procedures for exercising an option to acquire such preferred shares, which, according to Levona's allegations, had not occurred. Therefore, Levona began claiming at that point that **BOTH** of its ships had been transferred **AND** it had not transferred the preferred shares it owned in Eletson Gas, and therefore it continued, currently the fifth defendant company, to be the preferred shareholder of the latter and currently fourth of us plaintiffs, Eletson Gas. In fact, Levona's conduct, in bad faith, unconventional and criminally punishable had become apparent when they attempted to sell the other twelve (12) ships of the Eletson Gas management fleet to Eletson's major competitor, the company Unigas. In particular, by a Letter of Intent **(LOI)** purportedly signed on **July 15, 2022**, between the company Unigas (which is a key competitor of Eletson Gas, as already mentioned) and Eletson Gas, which was allegedly signed by a representative of Levona (who, however, was not entitled to sign in the name and on behalf of Eletson Gas) it is assumed that the sale and transfer of the other twelve (12) ships to Unigas had been agreed, **and in this way Levona violated the LLCA terms (see above under par.** A.3.] since Levona ceased to be a shareholder of Eletson Gas, had no right under the LLCA to draft the Unigas LOI or to otherwise act on its behalf, while at the same time causing, with its bad faith, unconventionally and contrary to the rules of good faith and transactional ethics, **damages to both Eletson Gas and the New Preferred Shareholders**.

Levona's wholly unconventional, in bad faith and contrary to good faith and ethical conduct, had basically an underlying cause: The fact that the **values of the 12 LPG ships that remained under the control of Eletson Gas had begun to rise significantly** between the time the BOL was signed (that is, February 22, 2022) until Levona dramatically changed its stance (mid July 2022). The reason for the increase was the (particularly critical for the gas market) geopolitical **event of Russia's invasion of Ukrainian territories** (which completely incidentally began in late February 2022, and escalated in the months that followed). The Western world's effort to find alternatives to mining and primarily liquid gas

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transport (i.e. not through Russian pipelines, but through ships) **dramatically increased demand for LPG transport ships, resulting in the skyrocketing commercial value of these types of ships.** Thus, Levona, as a hedge fund with the sole pursuit of high profits, rather than simply satisfying the already increasing value of SYMI and TELENDOS it controlled since March 11, 2022, **illegally attempted to reap benefits from the rest of the Eletson Gas fleet (i.e. the remaining, as mentioned above, 12 ships) as well**. In other words, it was not enough for Levona to have just invested $3 million and would have generated on the basis of the contractual documents at least $23 million (!) from both ships, but upon discovering the new market prospects, they tried to multiply their profits (by tens of additional millions) claiming that they still owned the preferred shares and therefore had "to gain" as a preferred shareholder from the attempt to sell the remaining 12 ships as well (!!!).

A.6. The initiated arbitration in New York. - The Arbitration Award issued in New York dated 09/29/2023 by the Arbitral Tribunal, consisting of Judge-Arbitrator Ariel E. BELEN *(hereinafter referred to as "the Arbitration Award dated 09/29/2023").*

After the above unconventional and in all bad faith conduct of Levona (now the fifth of the defendants); which, as immediately mentioned above on **July 15, 2022**, was attempted to transfer the twelve (12) ships of Eletson Gas to its competitor Unigas, both the shareholder of Eletson Gas - fourth plaintiff herein - to its competitor company Unigas, both the shareholder of Eletson Gas, first plaintiff herein, **Eletson Holdings**, as well as its subsidiary **Eletson Corporation**, responsible for the provision of management services to ships owned by Eletson Gas through its subsidiaries (the management fees are property of **Eletson Corporation** and an obligation to Eletson Gas or their respective incurring subsidiaries) **appealed to arbitration** in New York pursuant to their written recourse dated **07/29/2022** to Levona - currently fifth of the defendants; on the basis of the arbitration clause contained in the attached "LLC Agreement" **[article 12.14(a) at p. 69** of the "Third Amendment and Restatement of a Limited Liability Company Corporate Agreement for Eletson Gas LLC" dated **August 16, 2019 (LLC Agreement)]**, in order to resolve the dispute between them and "**Levona**" as to whether they had been transferred to Eletson Gas or to companies that it would have indicated (and had already indicated) the shares/share units and in particular its preferred shares (shares/units) held by Levona in Eletson Gas as well as related corporate disputes resulting from the "LLC Agreement" (LLCA).

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More specifically, with their recourse above, the applicants (ELETSON HOLDINGS and ELETSON CORPORATION) requested that it be recognized that Levona **had breached the terms of the LLCA**, as well as the **rules of good faith and transactional ethics,** since **the respondent, Levona, had ceased to be a shareholder of Eletson Gas**, following Eletson's exercise of the Option to Acquire the Preferred Shares of the respondent (Levona) in Eletson Gas, in accordance with the terms of the attached BOL and in particular following the transfer, to Levona, of the shares held by **Eletson Gas** in the ship-owning companies of MT SYMI and MT TELENDOS worth US$23,000,000, by virtue of which (transfer) it acquired the preferred shares of Levona and, at the direction of Eletson Gas, became New Preferred Shareholders of said foreign shipping companies, Fentalon Limited, Apargo Limited and Desimusco Trading Limited.

Therefore, based on this data, the above applicant companies (ELETSON HOLDINGS and ELETSON CORPORATION) **argued that Levona** had no right under the LLCA to draft the Unigas LOI or to act in any other way on behalf of Eletson Gas, and further that the actions taken by it resulted in property damage of Eletson Gas itself, as well as its New Preferred Shareholders, Fentalon Limited, Apargo Limited, and Desimusco Trading Limited, the remedy of which they (damage) requested through their aforementioned appeal.

Said Arbitral Tribunal, consisting of Judge-sole Arbitrator, Mr. Ariel E. Belen, after investigating the case, following the principle of equality and hearing both sides, invited the parties to attend the hearing, and after having taken into account the evidence produced and heard the attorneys of both sides, as well as the witness statements given during the discussion, which took place on the 15th, 16, 18, 19, 22, 23 and 24 May 2023, issued his final decision dated 09/29/2023, published in New York, United States of America (USA), that is, at the place that was agreed as the seat of the arbitration.

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In accordance with that decision, the Arbitral Tribunal decided on the one hand **that Eletson exercised the option under the terms of the BOL; on the other hand, adjudicated on the claims** of the above applicants, and that indeed Levona **had breached the terms of the LLCA, and that the same and its affiliates, "Pach Shemen" and "Murchinson"** – herein **first** and **seventh** of the defendants, respectively, had violated the **rules of good faith and transactional ethics,** causing quantifiable damage to Eletson Gas and its New Preferred Shareholders.

A.6.1. The rationale for the Arbitration Award dated 09/29/2023. - The evidence of the bad faith, unconventional and contrary to ethical conduct by the side of Levona, Murchinson and Pach Shemen, that is, the current fifth, seventh and first of the defendants, respectively.

During the arbitration as aforementioned which was initiated in New York, **serious illegal acts and violations of ethics by Levona, Murchinson and Pach Shemen** were revealed, which occurred before Levona had even acquired the shares (units) of Blackstone in Eletson Gas, **after** the acquisition and **during the course** of the arbitration, such as, among other things, that Levona/Murchinson fraudulently: **a)** bribed a high-ranking official of Eletson (the Chief Financial Officer) to act against the interests of the latter, **b)** breached the confidentiality obligations of the LLCA, **c)** interfered with the relationships of Eletson Gas with its lenders, causing the seizure of ships of Eletson Gas, **d)** falsified evidence by creating purported meeting minutes of the Board of Directors dated March 10, 2022, after the commencement of the arbitration, e) conspired with the lawyers of Eletson Gas (Watson Farley & Williams, hereinafter "WFW") against the interests of the latter.

In fact, the disclosure, during the Arbitration, that Peter Kanelos, a senior officer of Eletson and Financial Director of Eletson Corporation (currently third of the plaintiffs), had been bribed by Murchinson/Levona, led Eletson Holdings and Eletson Corporation to **file a complaint** against Peter Kanelos before the **Piraeus Misdemeanor Prosecutor. Following this, a criminal prosecution was brought against Peter Kanelos (that is, former Eletson's financial director) in July 2024 for the offenses of a) repetitive breach of professional confidentiality with consequential damages, b) repetitive breach of professional confidentiality, and c) repetitive receipt of bribes in the private sector. The criminal proceedings are still in progress and Peter Kanelos has already been referred to trial before the court.**

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In particular, as discussed in **CHAPTER "*V. ANALYSIS AND DECISION ON THE SUBSTANCE OF THE CLAIMS AND OF THE COUNTERCLAIMS OF THE PARTIES***" of the Arbitration Award dated 09/29/2023, Judge-Arbitrator Ariel E. BELEN ruled that the following were proven:

"A. Eletson exercised the option under the terms of the BOL.

[...] As a result, after weighing the evidence, I find that the conditions for the acquisition are more likely to have been met. Therefore, according to the BOL, Levona's rights should have been transferred to Eletson Gas or its designee. As mentioned above, Eletson has demonstrated that Eletson Gas transferred these rights to the Preferred Shareholders. Thus, as of March 11, 2022, Levona was no longer the Preferred Shareholder and ceased to have any ownership in the Company.

It follows, therefore, that Levona had no power to enter into the Unigas LOI, to direct the Company's business or otherwise to exercise control over the Company's assets.

B. Eletson's pre-BOL claims.

[…]

iii. Claims after the acquisition/prior to the BOL

As to the allegations regarding the claims after the acquisition/before the BOL, the evidence provided during the discussion demonstrates that ***Murchinson bribed*** *an Eietson executive and Company representative,* ***violated the NDA with Blackstone, and disclosed confidential Company information****. These actions, which were never disclosed to Eletson after Levona became a party to the LLCA, violated the LLCA and/or the good faith and ethics clause.*

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(a) Kanelos' Bribery

As stated above, the evidence shows that Murchinson bribed Kanelos to act against the interests of the Company. ***The secret relationship began before November 2, 2021, but continued after Levona/Murchinson became the Preferred Shareholder.*** *Indeed, the illegal "Services Agreement" was drafted between Levona/Murchinson and Kanelos in December 2021, and according to that Murchinson paid Kanelos US$100,000. (C-1699, C-1700, C-1701).*

Kanelos was apparently a director of Eletson Corporation and, according to Levona, of Eletson Gas. The LLCA provides that "Each director has the duty of trust to the Affiliates as they apply to a director to a company incorporated under the laws of Delaware." (J-0 § 6.1 (d)). In accordance with Schedule VII (m) (Fundamental actions) Levona could not "enter into, amend or waive any term of agreement between the Company and any director or member of senior management". (J-01 Annex VII (m)). The so-called Service Agreement caused the breach of these duties of trust and was a breach of the good faith and transactional ethics clause."

(b) Violation of confidentiality obligations and involvement in the Company's contracts with its banks and financiers

The evidence also shows ***that Murchinson breached the NDA*** *with Blackstone by directly contacting the Company's financiers and lenders.*

[…]

(c) Breach of the LLCA through efforts to terminate management agreements

Levona also breached the LLCA immediately upon entering the Company*, attempting to terminate the management contracts and replace the directors of the Company's subsidiaries. (C-818, C-837, C-838, C-1964 ¶¶ 20, 115-121.)*

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C. Eletson's Allegations Regarding the Injunction Relief Award[2]

Eletson makes numerous allegations against the (legal) entities affiliated with Levona, for violations of the Injunction Relief Award. *Some of these allegations, even if they are true, and while they are harassing and threatening, did not cause quantifiable damage to the Company.* For example, Levona's early termination of the loan sent on October 25, 2022 and Levona's convening board meetings. (C-404, C-405, C-086).

Therefore, I will only specifically refer to the claims regarding violations that caused quantifiable damage (to the Company). ***The three actions are all relevant: the purchase, by Pach Shemen, of a majority stake in outstanding bonds issued by Holdings, the instruction by Pach Shemen to the bond manager to initiate a trial against Holdings, and the instruction by Pach Shemen to file a petition for involuntary bankruptcy against Holdings.***

On about January 4, 2023, ***Pach Shemen purchased Holdings bonds valued at US$183,851,546 for US$2 million****.(C-746, May 22, 2023 Minutes p. 332:16-20). In addition,* ***Mr. Spears, on behalf of the (legal) entities affiliated with Levona, offered additional consideration to the bondholders depending on the outcome of this arbitration****, stating that he would pay in addition "US$500 thousand if the arbitration was awarded in our favor in connection with Eletson Gas and we were able to exercise our rights - to act as the Preferred Shareholders for the sale of the Eletson Gas ships and/or the company". (C- 746.0008). Holdings' bonds were purchased for Pach Shemen from Nomis Bay and BPY via private transactions and then were transferred to Pach Shemen. (C-746). Mr. Spears testified that he purchased the bonds from four previously held investment funds called Beachpoint, Caspian, Redwood and Knighthead. (May 23, 2023 Minutes p. Tr. 326:20- 327:2).*

On ***January 11, 2023, Pach Shemen then instructed the bond manager, Wilmington Savings Fund Society, to sue Holdings in order to collect the overdue debts attributable to those bonds ("Bondholder Complaint").***[3] *Subsequently, on March 7, 2023, Pach Shemen and two other Holdings creditors filed petitions for involuntary bankruptcy against Holdings in the Southern District of New York.* The petition for involuntary bankruptcy and some of the documents included

[2] It is noted in this case that Judge-Arbitrator Mr. BELEN issued temporary orders and injunctive relief in the course of the JAMS arbitration, prohibiting, for as long as the arbitration lasted, the legal and actual change of the disputed assets of the companies involved.

[3] *Eletson alleges that Pach Shemen's purchase of those bonds and the mandate to the administrator to file a complaint violated Eletson's agreement on suspension of payments with the original owners of the bonds. This allegation, although probably true, lies outside my jurisdiction.*

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in the petition were signed by Mr. Lichtenstein and Mr. Spears. (C-749- C-751- C-746). The time during which this petition was filed is remarkable – it was three days after some decisions were issued verbally regarding the discovery process which was unfavorable to Levona, including that they had waived allegations of attorneys' secrecy with the WFW, which was when I ordered that Levona/Murchinson's communications with Kanelos *be produced.*

Levona alleges that none of Pach Shemen's actions constitutes a violation of the Injunction Relief Award, because Pach Shemen is not bound by such decisions, and in respect of the administrator's trial and bankruptcy, Pach Shemen is not the only creditor to direct such trials.

As mentioned above, ***Pach Shemen is Levona's alter ego. The indistinguishableness of the two is by name only. Its representatives, including Spears and Lichtenstein, were bound by the Injunction Relief Award.*** *Despite this fact, Pach Shemen otherwise Levona II, (C-746.0008), proceeded to a transaction for the purchase of the bonds, offering in exchange value related to the assets that are the subject of the dispute in this arbitration. TRO*[4] *and the clarification of November 2022 expressly ordered the parties to "maintain the existing status quo" and prohibited the "transfer or sale, or attempting to sell or transfer in any way, any of the assets ... of Gas ...", and the Injunction Relief Award issued in January 2023, further extended the prohibition to include "or assets subject to the dispute in this arbitration." (C-1816- C-1887- C- 1838).* ***While Pach Shemen technically did not transfer assets of Gas or assets that are the subject of the dispute in this arbitration, the overall strategy was to disrupt the status quo and find another avenue for acquiring the "assets of Gas ... or assets that are the subject of the dispute in this arbitration.***

[4] It is noted that in this case the TRO (Temporary Restraining Order) is the equivalent of the "Temporary Order" in the Greek proceedings.

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In other words, the (legal) entities affiliated with Levona have sought either to deprive this arbitration of its jurisdiction or to secure themselves against a potential defeat in the context of this arbitration. They believed, at that time – even though wrongly – that if I ruled that Eletson had exercised the option and acquired Levona's shares, the preferred shares would pass on to Holdings. And that in this way, with the purchase of bonds, it became Holdings' primary creditor with the potential to bring about Holdings' bankruptcy. In the first instance, the filing of the bankruptcy petition led to Levona's insistence that such claims could not be adjudicated by the arbitral tribunal because of the automatic stay of bankruptcy. This certainly wasn't a preservation of the status quo. *In the event that the stay was lifted and Levona lost in the context of this arbitration, the (legal) entities affiliated with Levona would then be able to argue that, as a creditor of Holdings, the value of the preferred shares passed on to them.*

Unfortunately for Levona, this strategy was incorrect because the BOL expressly provided that in the event of a successful exercise of the option, the shares would be transferred to "Eletson Gas or its designee" (J-06 § 2.1), and as discussed above, Eletson Gas had transferred the rights to the Preferred Shareholders. Although Pach Shemen's actions may have been futile, its actions were intentional and (constitute) direct violations of the Injunction Relief Award."

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A.6.2. The operative part of the Arbitration Award dated 09/29/2023. - The judgment of full passive liability of Levona, Murehinson and Pach Shemen in compensation to Eletson Gas, fourth plaintiff herein, as well as its New Preferred Shareholders, Fentalon Limited, Apargo Limited and Desimusco Trading Limited.

Subsequently, according to the operative part of said decision, the Arbitral Tribunal ruled positively on the recourse of **ELETSON HOLDINGS and ELETSON CORPORATION**[5] and after dismissing Levona's allegations and requests, but also the claims of Levona (currently fifth of the defendants) in the Arbitration Counterclaim filed by them, decided the following (emphasis added):

«VIII. CONCLUSION AND FINAL ARBITRATION AWARD"

This Final Arbitration Award resolves all issues submitted for judgment in this arbitration. The undersigned examined and decided on all issues and arguments raised regarding the merits of the claims and counter-claims, the requests regarding the amount of the Plaintiffs' solicitors' fees, costs, expenses and default interest, including those not expressly set forth herein. Any argument not contemplated in this Interim Decision was found to be unacceptable, unfounded, meaningless or unnecessary to be examined.

This Final Arbitral Award shall determine and stipulate the following:

1. The Plaintiffs have demonstrated the breach of the LLCA and the rule of good faith and transactional ethics, and have proven that Eletson exercised the call option pursuant to the BOL, and is therefore entitled to the issuance of an acknowledging decision for direct damages, punitive damages, default interest and attorneys' fees, as set out below.

2. Defendant did not prove any of its counterclaims, which (thus) are dismissed.

Defendant is not entitled to claim anything from the Plaintiffs.

[5] It is noted that in the Arbitration Award dated 09/29/2023, where **"ELETSON" or "Plaintiffs"** is mentioned, it means **"ELETSON HOLDINGS"** and **"ELETSON CORPORATION",** a subsidiary of the first, which happen to be also the first and third of the Plaintiffs, and where **"Company"** is mentioned, it means **"Eletson Gas" - fourth of the plaintiffs herein.**

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"A. <u>Recognition award</u>

The following are hereby recognized:

1. Eletson effectively exercised the redemption option granted through the BOL dated February 22, 2022 on March 11, 2022, and any purported condition for exercising that right was either satisfied or waived.

2. ***As of March 11, 2022, Defendant Levona had no right of participation in the company Eletson Gas.***

3. The Company exercised its rights under the BOL to appoint three entities – Fentalon, Apargo and Desimusco (the Preferred Shareholders) – associated with the principals of the Plaintiffs as the parties who would receive the preferred shares of the Company which were previously held by Levona.

4. The preferred shares in the Company were transferred to the Preferred Shareholders, effective as of March 11, 2022, and the Preferred Shareholders are permitted assignees under the LLCA. They have agreed to be bound by this award and by each award issued thereon.

5. Eletson Holdings and Eletson Corporation never owned any of the company's preferred shares.

6. ***The shares of the subsidiaries controlling the ships Symi and Telendos were transferred to Levona on March 11, 2022, as consideration for the Call Option in relation to the BOL.*** *As of Mach 11, 2022, Levona reserves all rights relating to the ownership of the subsidiaries of those ships,*

7. The Injunction Relief Award shall remain in effect until a final judgment is issued on any Arbitral Award or any other award of said arbitrator.

8. ***Levona, Murchinson and Pach Shemen, are each alter ego of the other with respect to each event proven in the present case, and any kind of compensation granted hereunder. Any reference to Levona herein therefore concerns all alter egos, and for the avoidance of doubt, any decisions against Levona also concern any alter ego thereof.***

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9. ***Levona breached the LLCA and its related obligations****, including, without limitation, common law obligations and contractual obligations to Plaintiffs and the Company, in at least* ***the following ways****:*

i. *By bribing an employee of Eletson Corporation and a representative of the Company, Peter Kanelos, so that he would disclose confidential information of the Company;*

ii. *Breaching confidentiality obligations by disclosing confidential Company information to third parties, while failing to take steps to retrieve such information, and then deceiving the Plaintiffs and the Company about said breaches after becoming a shareholder in the Company,*

iii. *Actively engaging in illegal conduct, which led the Company's funders to turn against the Company and the Plaintiffs, including but not limited to, by causing the seizure of five ships of the Company and not disclosing such infringing conduct to Eletson or the Company after becoming a shareholder in the Company;*

iv. *By not recognizing that Eletson has fully complied with the terms of the BOL Call Option and by not acting in good faith, silencing its purported belief that the Company could or may not meet the terms of the BOL;*

v. *Claiming to act on the Company's behalf in its business dealings with third parties, including, among other things, by attempting to sell the Company's assets to its main competitor, Unigas, and concealing such breach from the Plaintiffs;*

vi. *By illicitly* threatening Eletson and its associated officers and directors, including, among other things, by suing them;

vii. *By illicitly alleging* to have taken control of the board of directors of the Company after March 11, 2022;

viii. *By illicitly alleging* that they were directing the Company's day-to-day operations after March 11, 2022;

ix. *By illicitly alleging* that they are pursuing control of the Company's assets after March 11, 2022;

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x. *By illicitly* alleging that they convened and held meetings of the Company's Board of Directors without following appropriate procedures, and for unlawful and illicit purposes of approving illegal and improper conduct after March 11, 2022;

xi. *By breaching their obligations under the LLCA, including without limitation, by claiming to terminate the management agreements Eletson Corporation has with the Company's subsidiaries, that they are modifying the management of the Company's subsidiaries,* ***excluding Eletson Corporation from communications with the Company's funders (violations) that Levona knew were anti–contractual and violated the LLCA****, and*

10. By breaching the Injunction Relief Award of this arbitration;

i. *By illicitly declaring the Company in default of the loan by Levona and unfairly terminating the loan;*

ii. *By trying to sell ships, including Symi and Telendos, while the Injunction Relief Award was in effect; and*

iii. *By leading and/or causing Levona's subsidiaries to purchase a majority stake in Eletson Holdings securities in January 2023 to commence and then bring proceedings against Eletson Holdings and file a petition for involuntary bankruptcy against Eletson Holdings.*

Subsequently, the same Arbitration Award dated 09/29/2023 as above, of Judge-Arbitrator Ariel E. BELEN recognized the obligation of the companies that are plaintiffs herein, and in particular the fifth, first and seventh of them (that is, the companies Levona, Pach Shemen and Murchinson) to pay, jointly and severally, to the aforementioned companies, the amounts referred to therein as: a) compensation for direct damages, and b) punitive damages, plus c) attorneys' fees, costs, expenses and additional interest, and specifically recognized that:

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"B. Compensation for direct damages

Levona, Murchinson and Pach Shemen, as alter-egos, jointly and severally, will pay $43,455,122.21 in compensation as follows:

1. *US$21,777,378.50 to be paid to Eletson Gas as compensation for direct damages for illicit seizures of the Eletson Gas' ships, which includes default interest at 10% from the date of the seizures (or the approximate date the costs incurred) up to January 2023;*

2. *US$19,677,743.71 which must be paid to the Preferred Shareholders, which consist of lost profits (EBITDA) due to Levona's unjust enrichment arising from the exploitation of the Symi and Telendos ships from March 11, 2022, without the concurrent transfer of the preferred shares, which include pre-trial interest until January 2023;*

3. *US$2,000,000 to be paid to Eletson Gas as compensation for direct damages arising from the other breaches of the contract by Levona, with a preliminary interest of 10% from the date of this Interim Arbitration Award until the repayment of the compensation awarded by this award or the confirmation of this award by a competent court, depending on which day is earliest.*

4. *The entities referred to above under B.1 and B.2 respectively are also awarded default interest on the principal amount of the compensation referred to in paragraph B.1. above (compensation for unlawful seizures) and paragraph B.2. above (compensation for lost profits due to unjust enrichment of Levona) at a rate of 10% from 30 January 2023 until the earlier of either the payment of the compensation or the confirmation of the (present) award by a competent court.*

C. Punitive damages

Levona, Murchinson and Pach Shemen, as alter-egos, jointly and severally, are liable to pay punitive damages in the total amount of US$43,455,122.21, as follows:

1. $23,777,378.50 to be paid to Eletson Gas; and

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2. *$19,677,743.71 to be paid to the Preferred Shareholders.*

D. <u>Attorneys' Fees, Costs, Expenses and Additional Interest</u>

Levona, Murchinson and Pach Shemen, as alter-egos, jointly and severally, will pay:

1. *Solicitors' fees, costs and expenses incurred to date in connection with this arbitration, the Bondholders' Complaint and the Bankruptcy pursuant to Article 12.14(d) of the LLCA and Rule 24(5) of the JAMS, as follows:*

   i. *Attorneys' fees, costs and expenses due in connection with this arbitration amounting to US$9,590,222.99.*

   ii. *An additional amount of US$22,366.10, which represents additional costs of JAMS incurred in connection with this arbitration from the time Eletson filed the Initial Acknowledgment, and with respect of which Eletson paid both the share corresponding to them too the same as well as the share corresponding to the Defendant.*

   iii. *Attorneys' fees, costs and expenses due in connection with the Bankruptcy and the Bondholders' Claims of $3,007,266.20;*

2. *Additional default interest on the principal amount of the compensation as awarded by the Corrected Interim Arbitration Award by 31 August 2023, amounting to US$2,496,081.88, which shall be paid as follows:*

   i. *To Eletson Gas: US$1,319,163.14.*

   ii. *To the Preferred Shareholders: US$1,176,918.74.*

3. *Additional default interest on the principal amount of the compensation from August 31, 2023 until the date of payment of the amount due or the date of confirmation of this Final Arbitration Award, as enforceable by a court of competent jurisdiction, whichever date is earlier, and calculated using the formula set forth above in this Final Arbitration Award; and*

4. *Additional default interest on fees, costs and expenses awarded by this Final Arbitration Award; from the time of publication of this Final Arbitration Award until the date of payment of the amounts due or the date of ratification of this Final Arbitration Award as enforceable by a competent court, whichever date is earlier, and calculated using the formula set out above in this Final Arbitration Award."*

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Furthermore, it is noted that on **July 28, 2023**, the same Arbitral Tribunal, consisting of Judge-Arbitrator Ariel E, Belen, issued an **Interim Arbitration Award** in the context of the aforementioned open arbitration, which was corrected by the same Arbitrator on **August 15, 2023** under a **Corrected Interim Arbitration Award**, by which he clarified that in Section VII. B4 of the arbitration *award "The entities referred to in paragraphs B.1 and B.2, respectively, are also awarded default interest on the main amount of the indemnification of paragraph B.1."*

The **Final Arbitral Award dated 09/29/2023** adopts, incorporates and republishes the **Corrected Interim Arbitral Award in its entirety, amending the Corrected Interim Arbitration Award** only to the extent necessary to make certain notional and stylistic changes, and to incorporate the subsequent decisions of the undersigned arbitrator in relation to the Plaintiffs' request for award of costs and attorneys' fees. Section VII of the Corrected Interim Arbitration Award titled *"Conclusion and Interim Arbitration Award" is not* reproduced within the critical **Final Arbitration Decision dated 09/29/2023** for the sake of brevity and clarity, although the findings and legal conclusions of that section are adopted in their entirety in **Section VIII of the Final Arbitration Award dated 09/29/2023 titled** "Conclusion and Final Arbitration Award".

A.6.3. The internal confirmation procedure of the Arbitration Award dated 09/29/2023 under the federal arbitration law governing the interpretation and execution of said arbitration procedure in New York.

For the sake of completeness of the background alone, we mention that on 10/19/2023 **the applicants above and first and third of the plaintiffs, respectively, ELETSON HOLDINGS and ELETSON CORPORATION**, appealed to the U.S. District Court - Southern District of New York, **requesting confirmation of the above Arbitration Award dated 09/29/2023, in order to be executed in the USA, in accordance with their domestic laws and in particular the federal arbitration law governing the interpretation and performance of such arbitration proceedings in New York, as provided in article 207 of the Federal Arbitration Act codified as 9 U.S.C. §§ 1-16.**

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It is noted that this confirmation process is purely domestic, concerning the USA only, and does not affect the recognition of the arbitration award in other countries according to the New York Convention on the recognition and enforcement of foreign arbitration awards dated 06/10/1958, ratified by Greece with Law 4220/1961.

The above article 207 of 9 U.S.C. §§ 1-16 specifically states the following:

"§207. Award of arbitrators; confirmation; jurisdiction; proceeding

Within three years after an arbitral award falling under the Convention is made, any party to the arbitration may apply to any court having jurisdiction under this chapter for an order confirming the award as against any other party to the arbitration. The court shall confirm the award unless it finds one of the grounds for refusal or deferral of recognition or enforcement of the award specified in the said Convention» and faithfully translated:

"§207. Arbitration Awards; confirmation; jurisdiction; progress

Within three years after an arbitral award falling under the Convention is made, any party to the arbitration may apply to any court having jurisdiction under this chapter ***for an order confirming the award as against any other party to the arbitration. The court shall confirm the award unless it finds one of the grounds for refusal or deferral of recognition or enforcement of the award specified in the said Convention."***

Thereafter, on **02/09/2024**, Judge LIMAN issued a judgment, pursuant to which the Arbitration Award of the Arbitral Tribunal, consisting of Honorable Judge - Arbitrator Ariel E. BELEN, was confirmed in its entirety, as set forth in said judgment dated 09/29/2023.

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In particular, Judge LIMAN confirmed, inter alia, the following:

(a) That Eletson effectively exercised the redemption option granted through the BOL dated February 22, 2022 on March 11, 2022, and any purported condition for exercising that right was either satisfied or waived.

(b) That as of March 11, 2022, Defendant Levona had no right of participation in the company Eletson Gas.

(c) That the preferred shares in Eletson Gas were transferred to the Preferred Shareholders, effective March 11, 2022.

(d) The sum of US$43,455,122.21 awarded by the Arbitrator to Eletson Gas and to the Preferred Shareholders as compensation for consequential damages.

(e) The sum of US$43,455,122.21 awarded by the Arbitrator to Eletson Gas and the Preferred Shareholders as punitive damages.

(f) The amounts awarded by the Arbitrator for attorneys' fees, costs and expenses, with the only exception of the attorneys' fees awarded, costs and expenses related to the involuntary bankruptcy petition and the bondholder trial, in the amount of US$3,007,266.20.

Also, although Judge Liman did not confirm the provisions of the arbitration award concerning Murchinson and Pach Shemen, judging that the Arbitrator *"exceeded his powers by extending his award against both Murchinson and Pach Shemen because they were neither signatories to the LLCA Agreement nor parties to the arbitration,"* Judge Liman accepted that this *"does not relieve Levona of responsibility for her role in the actions of these entities."*

Finally, the Judge did not confirm the relevant provisions of the arbitration award and the compensation awarded, based on breaches of the order to uphold the status quo, which prohibited the parties from changing the current status quo, which prohibited the filing of a petition for involuntary bankruptcy of Eletson Holdings. However, as mentioned immediately below, this non-confirmation did not affect in any way the amounts finally awarded by the aforementioned Arbitrator as compensation for consequential damages (i.e. the amount of US$43,455,122.21) and as punitive damages (i.e. the amount of US$43,455,122.21), as well as their beneficiaries (i.e. Eletson Gas and the Preferred Shareholders).

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At the same time, Judge LIMAN asked the parties to file a proposed form of judgment (**Proposed Judgment**). In view of the fact that Judge LIMAN in his judgment dated February 9, 2024 did not confirm all "*compensation, including punitive damages, based on Status Quo Injunction violations*," Levona filed a proposed judgment and suggested that all the amount awarded as punitive damages be voided (i.e., the amount of US$43,455,122.21), while on the contrary, the side of Eletson (HOLDINGS and CORPORATION) claimed that the punitive damages should remain in their entirety, because Judge-Arbitrator Ariel E. BELEN had numerous other reasons to award this amount of punitive damages, and in any case the issue of the percentage of punitive damages that should be confirmed was an issue that only the Arbitrator himself had the power to adjudicate.

Following this, Judge LIMAN issued a decision on **April 19, 2024**, by which he referred to Judge-Arbitrator Ariel E. BELEN the relevant matter, requesting clarification as to whether part of the amount awarded as punitive damages concerns the violations of Status Quo Injunction, and in the event of a positive response, what amount corresponds to these violations.

On **August 9, 2024**, a clarification ruling was issued by **Judge-Arbitrator Ariel E. BELEN** with regard to the matter of referral, in which **he accepted that the entire amount of the punitive damages (US$43,455,122.21) must be confirmed**, as he held that no part of the amount that had been awarded as punitive damages corresponded to violations of Status Quo Injunction, and this is because there were many other factors that had led him to determine that he had to award such high punitive damages against Levona (currently fifth of the defendants).

Meanwhile, Levona, relying on allegations of alleged fraud by Eletson, filed an application on 3 July 2024 before Judge LIMAN to amend its opposition to Eletson's application (ie ELETSON HOLDINGS and ELETSON CORPORATION) for confirmation of the arbitration award and the counter-application for annulment of the arbitration award. Levona supported its allegations of the alleged commission of fraud by invoking that certain documents allegedly had to have been given to the arbitration in the context of document production (discovery) and were not given.

Following this, Judge LIMAN issued a judgment on September 6, 2024, allowing Levona to amend its opposition to the application for arbitral award confirmation and permitted the production of documents (discovery) in connection with the alleged fraud issue in the context of the Arbitration.

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A case management plan was then set up, which determined what actions they would take and within which deadlines.

On **October 25, 2024**, two **final judgments** were issued by the U.S. Bankruptcy Court - the Southern District of New York on the proceedings opened at the expense of the Company and first plaintiff herein (see details immediately below **under par. A.7.**) by which the debtors' oppositions against the claims of certain purported creditors were dismissed ***and the amended Restructuring plan that the Creditors had proposed (****hereinafter* ***the "Amended Creditor Restructuring Plan")*** was approved in relation to the Bankruptcy of the first plaintiff herein **ELETSON HOLDINGS**.

In view of these two awards of the Bankruptcy Court, and given that the management of ELETSON HOLDINGS, as well as its subsidiary, ELETSON CORPORATION, of the two companies, that is, that were part of the Arbitration and the arbitration award confirmation process, was expected to pass to the Creditors (i.e. basically to Pach Shemen, Levona, Murchinson - currently first, fifth and seventh defendants, respectively), if these (awards) are recognized - implemented in Liberia and Greece, Levona submitted a letter before Liman requesting the stay of the confirmation procedure of the Arbitration Award dated 09/29/2023.

Although Eletson's side responded to the above letter with convincing arguments, on October 30, 2024, Judge LIMAN issued a decision on **October 31, 2024 staying the arbitration award confirmation process until November 12, 2024**.

On November 25, 2024, Judge Liman ordered the full stay of proceedings, including filing requests for intervention, the production of documents (discovery), and all pending requests and applications concerning the production of documents.

On 12/20/2024, Levona requested by letter sent to Judge Liman to conduct a status conference in order to lift the stay that had been granted on 11/25/2024.

On 12/23/2024, a status conference took place before Judge Liman and in his decision dated 12/30/2024, Judge Liman ordered the lifting of the stay of the arbitration award confirmation proceedings on all issues, except the issue of production of documents (discovery) in respect of Levona's application to annul the arbitration award due to fraud. The issue of the production of documents (discovery) remains stayed until a newer Order of the Court.

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This domestic, as already mentioned, concerning the USA, confirmation procedure of **the Arbitration Award dated 09/29/2023 under the federal arbitration law governing the interpretation and execution of said arbitration proceedings in New York, is still pending before Judge LIMAN.**

It is noted, that both "ELETSON GAS" and its New Preferred Shareholders, foreign Cypriot shipping companies, Fentalon Limited, Apargo Limited and Desimusco Trading Limited, filed before the Single-Member Court of First Instance of Piraeus on 11/27/2024 with General Filing Number 18551/2024 and Special Filing Number 8368/2024 their application against the respondents to the arbitration award, "Levona Holdings Ltd.", "Pach Shemen LLC" and "Murchinson Ltd", requesting the recognition of said arbitration award dated 09/29/2023 and its declaration as enforceable in Greece. Hearing of the above application dated 11/27/2024 was scheduled for 06/03/2025.

A.7. The manipulation, in bad faith, of the bankruptcy petition of ELETSON HOLDINGS by its opposing party to the Arbitration, Levona and its other affiliated companies.

Murchinson and Levona, currently seventh and fifth of the defendants, respectively (consisting of one and the same), when they realized that the possibility of defeat in the above arbitration was increasing, which happened with the Arbitration Award dated 09/29/2023, put in place a plan to prevent, first of all, the **issuance** of the above Arbitration Award by filing a petition for declaring ELETSON HOLDINGS under **involuntary bankruptcy**. In particular, Levona, acting through another special purpose affiliated company (of precisely the same interests) (special purpose vehicle), that is, the first defendant herein Pach Shemen LLC (which in some correspondence that arose from discovery, they were calling it Levona II), purchased old bonds issued by ELETSON HOLDINGS that had been repaid in large part by selling all the ships securing these bonds and then the first defendant herein, **Pach Shemen LLC**, filed, on 03/07/2023, **a petition for involuntary bankruptcy of ELETSON HOLDINGS (pursuant to chapter 7 of the American Bankruptcy Code)**. Given that a prerequisite for filing **an involuntary bankruptcy petition** before the American Bankruptcy Court is for it to be filed by three creditors; co-applicants with the first defendant herein **Pach Shemen** were two other companies, namely the second defendant herein **VR Global** and the third defendant herein **Alpine Partners**, who had also purchased bonds issued by ELETSON HOLDINGS. It is notable that Pach Shemen appeared as an ELETSON HOLDINGS creditor-bondholder by making an illegal agreement to

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purchase from the old bondholders bonds of an approximate nominal value of US$183 million for the embarrassing price of approximately US$2 million (plus some additional returns were if it were to emerge winner of the Arbitration). **That is, Levona, through the alter ego of Pach Shemen LLC, spent just US$2 million but sought repayment of US$183 million and filed for bankruptcy against its opposing party in the then pending ELETSON HOLDINGS Arbitration (!).**

The filing of said petition, results, under US (federal) bankruptcy law, in the automatic stay of all proceedings and arbitrations (individual prosecutions), and that is why **the aforementioned arbitration which had been initiated at that time, was stopped.** However, following the intense reaction of ELETSON HOLDINGS, which sought to continue the arbitration, the Pach Shemen /Levona /Murchinson side was forced to come to an agreement that was converted into a court order (stipulation & order), and thus the U.S. Bankruptcy Court issued a decision on 04/17/2023 and allowed said arbitration to continue. The Arbitration proceedings lasted for about two weeks in May 2023, by examining a series of witnesses on both sides, and then the Arbitration Award dated 09/29/2023 \was issued in New York by the Arbitral Tribunal consisting of Judge-Arbitrator Ariel E. BELEN, as detailed above **under A.6.1.**

In more detail:

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A.7.1. The Decision on Voluntary Bankruptcy / Restructuring (Chapter 11) dated 10/25/2024 of ELETSON HOLDINGS and the other companies of the U.S. Bankruptcy Court - South District of New York, consisting of Judge John P. MASTANDO.

*While ELETSON HOLDINGS and ELETSON CORPORATION had already sought recourse, as of **07/29/2022** to arbitration against Levona (see above **under par. A.6.1.**), on **March 7, 2023,** petitions of involuntary (forced) bankruptcy (chapter 7 of the US Bankruptcy Code) were filed before the Bankruptcy Court of the Southern District of New York (hereinafter the "**Bankruptcy Court**") by three purported creditors of them, and in particular from the **first up to the third defendant,** Pach Shemen LLC, VR Global Partners and L.P., Alpine Partners L.P. (hereinafter the "**Creditors**") against ELETSON HOLDINGS, as well as against its co-debtors Agathonisos Finance LLC and Eletson Finance (US) LLC (hereinafter the "**purported Debtors**")*

On **March 8, 2023**, Levona sent a letter to Judge-Arbitrator Ariel E. BELEN, informing him of the filing of involuntary bankruptcy petitions against ELETSON HOLDINGS which have resulted, under U.S. bankruptcy law, in all proceedings concerning Eletson Holdings and its subsidiaries (such as Eletson Corporation) being automatically stayed. Indeed, on **March 10, 2023**, Judge-Arbitrator Ariel E. BELEN stayed the aforementioned arbitration pending further judgment or notice by the Bankruptcy Court.

On **April 17, 2023**, upon agreement of the parties confirmed by the Bankruptcy Court, the latter lifted the automatic suspension for the limited purpose of continuing arbitration under the terms of the related agreement (stipulation) between the parties.

In the meantime, on **April 14, 2023**, the purported Debtors filed an application for dismissal of the above involuntary bankruptcy petitions.

Finally, the arbitration continued, as mentioned above, with extensive hearings, and on July 29, 2023, the Interim Arbitration Award (**Interim Award**) was issued by Judge - Arbitrator Ariel E. BELEN, and on August 15, 2023, the Corrected Interim Arbitration Award (**Corrected Interim Award**) was issued, by which certain non-substantial corrections were made to the Interim Award.

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At the same time, however, the above involuntary bankruptcy proceedings of "ELETSON HOLDINGS" and the remaining two (2) companies of its interests, Agathonisos Finance LLC and Eletson Finance (US) LLC, continued before the Bankruptcy Court. Given the then conditions, the ongoing pressures they received from the opposing side (Levona), which by continuous tricks hindered the progress of the Arbitration and in order for ELETSON HOLDINGS to have control of its property, at least until the issuance of the expected arbitration award, on September 9, 2023, upon agreement of the parties confirmed by the Bankruptcy Court, the **involuntary** bankruptcy proceedings (based on chapter 7 of the American Bankruptcy Code) were amended to **voluntary** bankruptcy (Restructuring) proceedings (based on chapter 11 of the American Bankruptcy Code). That is, the filing of the voluntary Restructuring (chapter 11) in this case was done in necessity and due to the prevailing conditions, that is, essentially compulsory and not voluntary.

Subsequently, and upon manipulations, in bad faith, of Levona and its affiliated companies, Murchinson/Pach Shemen, two decisions were issued on **10/25/2024** by the Bankruptcy Court of New York, consisting of John P. MASTANDO J, with which the oppositions of the alleged debtors were dismissed (ELETSON HOLDINGS, Agathonisos Finance LLC and Eletson Finance (US) LLC) against the claims of certain creditors (by Pach Shemen LLC; VR Global Partners L.P., Alpine Partners L.P.) and the Amended Restructuring Plan of the Creditors was approved.

Judge Mastando details the Amended Creditor Restructuring Plan on pages 39-45 of his Decision dated 10/25/2024. In brief, the result of the Creditors' Restructuring Plan (provided that it is recognized and implemented in Liberia and Greece in accordance with applicable law) is that the control, management and ownership of ELETSON HOLDINGS shares will be transferred to Pach Shemen LLC (the new purported "majority shareholder", that is the first defendant) and DuPont Capital Management (the new purported as "minority shareholder", that is, the fourth defendant). In particular, the Amended Creditor Restructuring Plan provides for cancellation ("disappearance") of the existing shares belonging to the five Greek families who, for approximately 50 years, established and controlled ELETSON HOLDINGS and in replacement provides for the issuance of new shares in the name of Pach Shemen LLC and Dupont Capital Management. A number of drastic corporate changes are also planned to take place, such as changes of articles of association, boards of directors, etc.

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It is notable that in the **disclosure statement** filed with the Bankruptcy Court in support of the Creditors' Restructuring Plan, it is stated that **"the Debtors (i.e. ELETSON HOLDINGS) have been incorporated in Liberia and some of their interests are governed by the laws of foreign jurisdictions outside the United States."** ***Also in the same document it is stated that "The Plan Supporters [i.e. the alleged Creditors-currently first to third of the defendants herein) make every effort to ensure that any Confirmation Decision issued by the Bankruptcy Court and the steps to be taken in accordance with the Confirmation Decision for the implementation of the Plan will be recognized and applied to all applicable legal classes."***

In addition, **Section V.5.2(b) of the Creditor Restructuring Plan** (that is, the first three defendants) **acknowledges the need to comply with applicable state, provincial, federal or foreign laws to implement the Creditor Restructuring Plan and a change of control, namely:**

> *"The Debtors [i.e. ELETSON HOLDINGS], with the prior written consent of the Plan Supporters or the Restructured [ELETSON HOLDINGS], if applicable, and Restructuring Plan Supporters, can, in their judgment, take any action permitted by applicable law, including those that the Restructured [ELETSON HOLDINGS] considers reasonable, necessary or appropriate to implement the Plan, such as: (j) the signing and delivery of any appropriate agreements or other creation documents; merger, merger by absorption, Restructuring, conversion, divestiture, transfer, arrangement, continuation, dissolution, selling, purchase or liquidation which contain terms consistent with the terms of this Plan and which* ***meet the requirements of applicable and enforceable law*** *and any other terms to which the parties may agree;[...] (III) the filing of appropriate certificates or constitutional documents, reconstitution documents, merger, consolidation, conversion, merger by absorption, arrangement, continuation or dissolution in accordance with applicable State or local law-[...](iii) all such actions as the interested parties deem necessary to obtain the required regulatory approvals to implement this Plan[...](ix) the issuance of the Restructured Equity Fund- and (x) all other actions the interested parties deem necessary, including making deposits or entries that may be required by applicable law in connection with this Plan, and such actions and documents are deemed not to require any further action or approvals (beyond the necessary deposits* ***required by the applicable law****, local and federal or foreign laws or the rights of consent or consultation as set out in the Plan)" (emphasis added)*

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In addition, **section V.5.4 of the same Creditors Restructuring Plan** expressly states that:

*"all . . . shares (**where permitted by applicable law**) . . . will be canceled*." (added emphasis).

A.7.2. The Order of the Bankruptcy Court of the U.S. - Southern District of New York, comprised of Judge John P. MASTANDO, which was issued in New York on 11/04/2024 confirming the Voluntary Bankruptcy Decision (Chapter 11) dated 10/25/2024 for ELETSON HOLDINGS and the other companies and the amended Creditors' Restructuring Plan.

On **11/04/2024**, the **Order** of the New York Bankruptcy Court, consisting of Judge John P. MASTANDO, was issued, confirming the above voluntary bankruptcy decision (Restructuring) (Chapter 11) of ELETSON HOLDINGS and the other companies (Agathonisos Finance LLC and Eletson Finance (US) LLC) and the amended Creditors' Restructuring Plan (FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING PETITIONING CREDITORS' AMENDED JOINT CHAPTER 11 PLAN OF ELETSON HOLDINGS INC. AND ITS AFFILIATED DEBTORS).

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Paragraph 25 of the above Order explicitly states:

"Final Order. *This Confirmation Order is a final order and the period in which an appeal must be filed shall commence upon entry of the Confirmation Decision.»* and in faithful translation: *"Confirmation order. This Confirmation Order is a final order and the* ***deadline by which an appeal must be filed shall commence upon entry of the Confirmation Decision.****»*

That is, in accordance with the provisions of the U.S. Bankruptcy Code, the deadline for ELETSON HOLDINGS and the other debtor companies to file appeal is **14 days from the issuance of the decision and begins from the issuance of the decision (article 8002 Federal Rules of Bankruptcy Procedure**), and therefore it had to be filed by **11/08/2024**, since the above decision of the Bankruptcy Court was issued on 10/25/2024, and was made, after the relevant introductory appeal application was filed before the competent Court for the Western District of New York, with Judge LIMAN as presiding judge on 11/07/2024.

However, in a fully abusive and dilatory manner, a few days after the appeal was filed by the only truly legalized lawyers of ELETSON HOLDINGS (Reed Smith), a new law firm (name Goulston & Storrs) appeared, alleging (with pride) that they represented the *Restructured* ELETSON HOLDINGS, filed a purported agreement with the purported Creditors to Dismiss Appeal under Rule 8023 of the Federal Rules of Bankruptcy Procedure ("stipulation and agreement to Dismiss Appeal Under Rule 8023 of the Federal Rules of Bankruptcy Procedure"). In other words, the allegedly Restructured ELETSON HOLDINGS (along with other lawyers) requested that Judge LIMAN dismissed the appeal that had been brought by the truly legalized lawyers of EMETSON HOLDINGS.

On 12/23/2024, a conference call (status conference) took place before Judge LIMAN on the issue of the above alleged Agreement to Dismiss the Appeal pending. A critical issue in this discussion was whether the Restructuring of ELETSON HOLDINGS had actually occurred on 11/19/2024 and whether the representation of the allegedly restructured ELETSON HOLDINGS by the new lawyers GouIston&Storrs was valid. Judge Liman (without giving the right to the truly legalized lawyers of ELETSON HOLDINGS (Reed Smith) to respond in writing, in a short meeting and in summary he accepted that the reorganization of ELETSON HOLDINGS had indeed taken place on 11/19/2024 and that the representation of the reorganized ELETSON HOLDINGS by the new lawyers Goulson & Storrs

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was valid and therefore accepted the Agreement to Dismiss the Appeal, disregarding the valid arguments of ELETSON HOLDINGS' truly legitimized lawyer, Reed Smith to the contrary.

A.7.3. Conclusions. - Levona/Murchinson/Pach Shemen's bad faith conduct in the manipulation of the bankruptcy of ELETSON HOLDINGS. – Its reasons.

From a number of documents, and as already adjudicated by Judge-Arbitrator Ariel E. BELEN in his final arbitration decision award dated 09/29/2023, the conduct of Levona, as well as its affiliates Murchinson and Pach Shemen, for which, indeed, the aforementioned Arbitrator mentions characteristically that "**each is an alter ego of the other", against ELETSON HOLDINGS, is entirely illegal, unconventional, unethical and totally in bad faith** [see in detail above **under A.6.1.**].

Their bad faith conduct led to the bankruptcy of ELETSON HOLDINGS, fully manipulated by them, which, although it was vindicated in the Arbitration Award dated 29.09.2023, was brought to a state of purportedly voluntary bankruptcy (restructuring) by actions of Levona/Murchinson/Pach Shemen, litigants herein, and the other companies of its interests.

The manipulation, in bad faith, of the bankruptcy of the Company, first plaintiff herein, by Levona/Murchinson/Pach Shemen is proven by the following:

a. Lack of active legalization to file an involuntary bankruptcy petition.

Creditors, of the litigants Pach Shemen LLC, VR Global Partners L.P., Alpine Partners L.P. (first to third defendants herein) failed to investigate whether they themselves were eligible for active legalization to file a petition for involuntary bankruptcy of the Company under the American bankruptcy code.

In particular, Murchinson/Pach Shemen and Alpine Partners, the two of the three companies that jointly filed a petition for involuntary bankruptcy, were aware, at the time they filed their petitions for the involuntary bankruptcy of ELETSON HOLDINGS, of the existence of the **Second Restructuring Support Agreement (the "Second RSA")**[6] and its contents. This agreement was intended to maintain

[6] **Note:** The Second RSA is an agreement signed on October 29, 2019, between the Debtors, certain shareholders of Eletson Holdings and certain holders of more than 80% of New Bonds ("Consenting Bondholders"). The Second RSA included restrictions on the transfer of bonds, indicating that none of the Consenting Bondholders will be able to sell, transfer, assign, mortgage, pledge, confer participation rights or otherwise dispose of their interests in the New Bonds; without the transferee having signed a Second RSA inclusion at least three days prior to the transfer, otherwise the transfer would be deemed void and without any force or effect. In addition, the Second RSA contained an enforcement clause, which granted a right to a non-infringing party to demand "specific execution and interference or other equitable relief as remedy for any such breach,

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Eletson Holdings' stability and orderly operation and for this reason it included important binding clauses, such as clauses prohibiting the manipulation of insolvency proceedings and clauses restricting the transfer of bonds.

including, but not limited to, an order by the Bankruptcy Court or other competent court requiring each party to immediately comply" with any of their obligations under the Second RSA.
Also, prior to the Second RSA, the First Restructuring Support Agreement (the "First RSA") was signed on June 24, 2019, between the Debtors, certain of the Debtors' shareholders and guarantors, and an *ad hoc* group of bondholders, which defined the terms for the restructuring of the Debtors' obligations under the New Bonds and which was terminated on August 9, 2019, by the *ad hoc* group of bondholders.

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Furthermore, the third of the companies jointly seeking the involuntary bankruptcy of ELETSON HOLDINGS, VR Global (second defendant herein), as a signatory to the OCM Agreement (**OCM Stipulation, the "OCM Agreement"[7]),** was also aware of additional restrictions which prohibited the transfer of bonds to parties that had not signed accession to the OCM Agreement itself.

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Therefore, the filing of a petition for the involuntary bankruptcy of ELETSON HOLDINGS by the purported Creditors (currently first to seventh defendants) without investigation and without ascertaining the legality of their claims, constitutes a fundamental contradiction to morality.

b. Bankruptcy manipulation scheme to gain advantage in the above pending Arbitration.

Furthermore, another reason that makes the bankruptcy of the Company, and first plaintiff, manipulated and contrary to morality are the true causes and purpose for which involuntary bankruptcy petitions were filed.

In particular, the above involuntary bankruptcy petitions were not filed for the purpose of financially Restructuring Eletson Holdings, **but were intended to gain a strategic advantage in the arbitration proceedings that had already been commenced between Eletson Holdings and Eletson Corporation on the one hand as plaintiffs/appellants, and Levona (a fully linked, if not identify with Murchinston affiliate of Murchinson), on the other hand as respondent/defendant.**

During all stages of the bankruptcy proceedings, from negotiating with the previous holders of the bonds issued by Eletson Holdings and the filing of petitions for involuntary bankruptcy, through the issuance of the final judgment of the Bankruptcy Court in the context of the voluntary bankruptcy proceedings (under chapter 11 of the American Bankruptcy Code), Pach Shemen (i.e. still an affiliate of Murchinson and first defendant herein) played a pivotal role. Pach Shemen, by offering financial incentives and providing legal and financial support to the rest of the participants in the bankruptcy process, created a matrix of control and influence that allowed them to control the progress of the

[7] **Note:** The OCM Agreement is an agreement by which the Debtors obtained the consent of the majority of Bondholders, which consent was required by the Second RSA for the refinancing of the ships' charterparties. With this consent they then proceeded to refinance certain ship charterparties in cooperation with OCM Maritime Thames LLC, OCM Maritime Autumn LLC, OCM Maritime Rhine LLC and OCM Maritime Yukon LLC.
OCM companies are affiliated companies with the investment fund Oaktree Capital Management.
In addition, the OCM Agreement: (i) includes a preamble stating that "Ellison Parties and Holders are parties to the particular Restructuring Support Agreement dated October 29, 2019," (ii) prohibits bondholders from selling, assigning, transferring, mortgaging or otherwise disposing of their New Bonds unless, "as a condition of any such transaction, the recipient" signs their inclusion in the OCM Agreement; and (iii) provides that any disposition of New Bonds, as mentioned above, is void from the outset if no enrollment is signed.

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process, with the sole purpose of serving their own interests (i.e., the interests of Murchinson). For example, Murchinson/Pach Shemen, during the negotiation stage with bondholders, informed the latter that Murchinson (through its affiliate, Levona) *was "already in a dispute with Eletson" and "searched for any potential pressure point to improve the situation in the Gas arm*". In fact, the final agreement that arose between Murchinson/Pach Shemen and the bond sellers provided that "*an additional $500,000 would be paid to bond sellers if the arbitration were terminated in our interest in respect of Eletson Gas and we would be able to exercise our rights as Preferred Shareholders to sell the Eletson Gas and/or the company (Eletson Gas) ships without legal intervention*."

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Therefore, the acquisition of the Bonds never involved possible financial returns of that investment. Rather, the common goal of Murchinson/Levona/Pach Shemen was to manipulate the bankruptcy proceedings for their benefit in arbitration and gain control of Eletson Holdings and through them, the control of Eletson Gas. In fact, Murchinson/Pach Shemen/Levona attempted to use information obtained through the bankruptcy proceedings before the U.S. Bankruptcy Court for their benefit in Arbitration.

c. Initiation of bankruptcy proceedings based on disputed claims.

Finally, another reason that makes the bankruptcy of ELETSON HOLDINGS one in bad faith and manipulated, is that it was caused on the basis of disputed claims.

The filing of an involuntary bankruptcy petition of an obligor before a U.S. Bankruptcy Court must be based on **actual and undisputed claims.**

However, in this case, the defendants - purported as Creditors (and in particular the first to the third of defendants) **were aware, at the time of filing the involuntary bankruptcy petitions, of the validly contested nature of their claims.**

In fact, said defendant Creditors included in their proposals, in support of their petitions on involuntary bankruptcy of the Company, unfounded defamatory allegations about the purported Debtors, in order to humiliate the latter, disrupt their business relationships, and damage their reputation. Among other things, the defendant Creditors (first to third defendants) unfoundedly argued that the alleged Debtors engaged in intra-group transactions and in acts contrary to morality and good faith. These allegations remained unproven throughout the bankruptcy proceedings, as expected, since they lacked even an ounce of truth.

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In view of the above, the knowledge of the purported Creditors of the totally questionable nature of their claims, in combination with the unfounded defamatory allegations against the purported debtors, demonstrates their conduct in bad faith and the undeniably and unambiguously manipulated bankruptcy procedure of ELETSON HOLDINGS, instigated on behalf of Levona/Murchinson/Pach Shemen.

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A.8. The resignation of the Company's Directors. - The recourse to Greek Justice in order to safeguard the interests of the Company ELETSON HOLDINGS. - The legalization of ELETSON HOLDINGS.

As mentioned above (**see par. A.1. herein**), "**ELETSON HOLDINGS INC**." is a Societe Anonyme (corporation) and has been incorporated under the laws of Liberia, as of 12/04/1985.

Pursuant to **Article III, Section 11. Powers** ***(Section 11. Powers)*** of the Company's Bylaws, the Company is governed by a Board of Directors, consisting of **eight (8) members,** in accordance with **Article III, Section 2**. Section 2. Eligibility of the above **Bylaws** of the Company and at any rate **not less than three (3)** in accordance with **article 1. Members** of the same Bylaws ***(Section 1. Number of BY-LAWS)*** Pursuant to **article 5. Directors [VI. DIRECTORS] of the Amended and Codified Articles of Association of the Company** dated **06/29/2018**, which is registered with company's registration number C-40191 with the Ministry of Foreign Affairs of the Republic of Liberia, the Company is governed by a Board of Directors, consisting of **three (3) members**.

Until recently (i.e. until 11/08/2024) the Company was governed by an **eight-member Board of Directors**, as it appears from the **resolution, dated 12/11/2023**, of the Joint Assembly of the Members of the Board of Directors as well as the Shareholders of ELETSON HOLDINGS, and consisted of the following members:

a) Laskarina Karastamati, Chair and BoD Member,

b) Vasileios Hatzieleftheriadis, Vice President, Treasurer and BoD Member,

c) Vasileios Kertsikoff, Vice President and BoD Member,

d) Konstantinos Hatzieleftheriadis, BoD Member,

e) Ioannis Zilakos, BoD Member,

f) Eleni Karastamati, BoD Member,

g) Panagiotis Konstantaras, BoD Member.

h) Emmanuel Androulakis, as Secretary and BoD member,

While Eleni Vandorou was appointed as Assistant Secretary.

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In the above Minutes, there is no provision for the Company's commitment, however, its Bylaws in **Article III, Section 5. Quorum (Section 5. Quorum of BY LAWS) provide that in order for there to be a legal formation and quorum at the meetings of the Company's Board of Directors, a majority is required, namely:** [stamp:] [illegible]

"Article III

BOARD OF DIRECTORS

Section 5. Quorum.

At any Meeting of the Board of Directors a ***majority*** *of the Directors shall constitute a* ***quorum*** *for the transaction of business, but if at any Meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the Meeting from time to time until a quorum shall have been obtained."*

And in faithful translation into Greek:

"Article III,

Board of Directors

Section 5 - Quorum

At any Meeting of the Board of Directors a ***majority*** *of the Directors shall constitute a* ***quorum*** *for the transaction of business, but if at any Meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the Meeting from time to time until a quorum shall have been obtained."*

In addition, pursuant to the Statement of Directors dated 09/26/2024, Officers and Shareholders of the Company (entered in the registration of the Company with number C-40191 with the Ministry of Foreign Affairs of the Republic of Liberia), the above Directors were published, while three (3) of them were appointed first, that is, **(a)** Laskarina Karastamati, as President, **(b)** Vasileios Hatzieleftheriadis, as Vice President and Treasurer, and **(c)** Vasileios Kertsikoff as Vice President, as **designated employees/managing officers of the Company,** to whom the power of attorney has been granted to sign on behalf of and to bind the Company.

The Designated Officers of the Company **shall be elected by the Board of Directors**, shall have an annual term of office, unless removed by the Board of Directors, as expressly provided in the Bylaws of ELETSON HOLNDINGS in Article IV, Section 1. Designated Officers and Agents **(Section 1. Officers and Agents)** and Section 2.

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2. Term of Office In addition, in the same Article IV, Section 3 above. Powers and Duties **(Section 3. Powers and Duties), it is explicitly provided that the Designated Officers of the Company are subject to the control of the Board of Directors, that is:**

" Article IV
OFFICERS
Section 1. Officers and Agents.
[...] The Board of Directors may also appoint from time to time one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other agents, officers, representatives and employees as may be deemed necessary. [...]"

And in faithful translation into Greek:
"Article IV,
Designated Officers
Section 1 - Officers and Agents
*The **Board of Directors may also appoint** from time to time one or more Vice Presidents, Assistant Secretaries , Assistant Treasurers and other agents, officers, representatives and employees as may be deemed necessary."*

Section 2. Term of Office.
The term of office of all officers shall be one year or until their respective successors are chosen and qualify; Provided however that any officer elected or appointed by the Board of Directors may be removed, with or without cause, at any time by the affirmative vote of a majority of the members of the Board then in office.
And in faithful translation into Greek:
"Section 2. Term of Office.
The term of office of all officers shall be one year or until their respective successors are chosen and qualify; Provided however that **any officer elected or appointed by the Board of Directors may be removed, with or without cause**, at any time by the affirmative vote of a majority of the members of the Board then in office.

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Section 3. Powers and Duties.

The officers, agents, representatives and employees of the Corporation shall each have such powers and duties in the management of the property and affairs of the Corporation, subject to the control of the Board of Directors and approval of the Shareholders entitled to vote thereon, as generally pertain to their respective offices, as well as such powers and duties as from time to time may be prescribed by the Board of Directors and the Shareholders entitled to vote thereon. The Board of Directors may require any such officer, agent, representative or employee to give security for the faithful performance of his duties.

And in faithful translation:

Section 3. Powers and Duties.

*The **officers**, agents, representatives and employees of the Corporation shall each have such powers and duties in the management of the property and affairs of the Corporation, **subject to the control of the Board of Directors** and approval of the Shareholders entitled to vote thereon, as generally pertain to their respective offices, as well as such powers and duties as from time to time may be prescribed by the Board of Directors and the Shareholders entitled to vote thereon. The Board of Directors may require any such officer, agent, representative or employee to give security for the faithful performance of his duties."*

On 11/08/2024, by written letter to the Board of Directors of the Company the following persons, namely:

- **a.** Laskarina Karastamati, President and Board Member (and Designated Officer through the Declaration dated 09/26/2024)
- **b.** Vasileios Kertsikoff, Vice President and Board Member (and Designated Officer through the Declaration dated 09/26/2024)
- **c.** Eleni Karastamati, Board Member and
- **d.** Panagiotis Konstantaras, Board Member.

resigned from the then eight-member ELETSON HOLDINGS' Board of Directors and the above capacities they held therein, while it was not possible to replace them, given that the Articles of Association of the Company did not provide for this and therefore no substitute members had been elected.

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Following the above resignations, the <u>eight-member</u> Board of Directors of the Company has now been converted into a <u>four-member</u> Board, consisting of:

a) Vasileios Hatzieleftheriadis, Vice President, Treasurer and Board Member (and Designated Officer through the Declaration dated 09/26/2024)

b) Konstantinos Hatzieleftheriadis, Board Member,

c) Ioannis Zilakos, Board Member,

d) Emmanuel Androulakis, Secretary and Board member.

In addition to the total of three (3) designated employees/management officers of the Company, only one (1) Mr Vasileios Hatzieleftheriadis, remained.

Given, however, as immediately mentioned above, that a quorum at the meetings of the Company's directors is required, in accordance with the statutory provision pursuant to article III, Section 5 – A quorum (Section 5. Quorum of the Bylaws) <u>a majority</u>, in combination with the fact that until recently the Company was governed by an **eight-member Board of Directors**, as shown by the resolution dated 12/11/2023 of the Joint Meeting of the Members of the Board of Directors and the Shareholders of ELETSON HOLDINGS, the latter, as of today, 11/08/2024, is deprived of management, unable to convene a General Assembly of Shareholders and to make decisions, and to represent and bind the Company.

In addition, due to the absence of the Board of Directors, no designated employees/management officers of the Company could be appointed, while the one who remained, Mr. Vasileios Hatzieleftheriadis, similarly cannot make decisions, represent and bind the Company, since there is no Board of Directors to review and approve his decisions, in accordance with article IV above. Section 3. Power and Duties **(Section 3. Powers and Duties of the Bylaws).**

So, given that, based on the immediately above, the Company was deprived of its management and legal representation since 11/08/2024, unable to take any action in order to defend its interests and/or defend against its actions, as detailed above herein, two (2) of its shareholders, namely the foreign shipping companies and in particular the second plaintiff, ELAFONISSOS SHIPPING CORPORATION, as well as the company KEROS SHIPPING CORPORATION, which, as mentioned above (**<u>under A.2.</u>**) are holders of 392 shares (shareholders) each, which represent a percentage of 3,92% each of the shares of the Company; appealed to Greek Justice, by submitting application with General/Special Filing Number 16655/7823/11.11.2024, per article 69 of the Civil Code before the

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Single-Member Court of First Instance of Piraeus[8] [Voluntary Jurisdiction], in order to **appoint** a provisionary management of the Company, per the injunction process, to protect the rights of the Company, namely in order **to manage the Company and to convene an extraordinary General Assembly for the election of a new Board of Directors, per the particular mentioned therein, while the hearing of the above application was scheduled for 02/04/2025**.

Due to the occurrence of an urgent case, the above application included a request for temporary order, until the discussion of the above application, and under the condition of its discussion before the above Court during the appointed hearing, by which the following were **appointed** as members of the temporary management of the foreign shipping company **"ELETSON HOLDINGS INC."**:

i. Vasileios Hatzieleftheriadis, son of Apostolos,
ii. Konstantinos Hatzieleftheriadis, son of Apostolos,
iii. Ioannis Zilakos, daughter of Nikolaos,
iv. Emmanuel Andreoulakis, son of Stylianos,
v. Andrianos Psomadakis - Karastamatis, son of Michael,
vi. Panos Paxinos, son of Ioannis,
vii. Eleni Giannakopoulou, daughter of Konstantinos, and
viii. Niki, spouse of Nikolaos Zilakos.

with the power to manage the Company: (a) To address current and urgent matters, such as acts for the management of the property of ELETSON HOLDINGS and any kind of transactions with financial institutions, charterers, suppliers, other trading partners and public bodies in Greece and abroad, (b) to manage the four Special Maritime Enterprises which control the tankers. MT Kastos, Kinaros MT, MT Kimolos and MT Fourni and its other subsidiaries, which, due to their maritime nature, have lasting and urgent needs for making decisions and proceed to actions, (c) for the representation of their maritime subsidiaries and maintaining smooth and continuous communication with the financiers of the above ships, which are funded through loan agreements with sale and lease back agreements, and (d) to make a decision to exercise on behalf of the Company "ELETSON HOLDINGS INC." all legal remedies and aids provided by law (Greek or

[8] As already mentioned, the Company has established itself under the laws of Liberia, however, the center of its main interests and its actual registered office is in Piraeus, at 118 Kolokotroni street, therefore the appointment of its provisionary management, pursuant to article 786 par. 1 of the Code of Civil Procedure, under the procedure of voluntary jurisdiction, by the Single-Member Court of First Instance of the region where it has its registered seat.

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foreign) in the name and on behalf of the above company in order to safeguard its property and its interests, and in particular the Company:

- ***To appear and be represented at the hearing (Status Conference) of 11/12/.2024 before the U.S. District Court - Southern District of New York, consisting of Judge Lewis J. LIMAN, in order to oppose the objections, allegations and impediments brought by the Respondent Levona in the procedure to confirm the Arbitration Award issued in New York on 09/29/2023 by the Arbitral Tribunal consisting of Judge-Arbitrator Ariel E. BELEN and hereinafter, to request the declaration of its enforceability in order to turn against Levona.***
- ***To represent itself and its subsidiary, ELETSON CORPORATION, and to request the acknowledgment of the Arbitration Award issued in New York on 09/29/2023 by the Arbitral Tribunal consisting of Judge-Arbitrator Ariel E. BELEN and the compliance of the respondent, "Levona", with all the provisions of its operative part, as well as the declaration of its enforceability under the provisions of the New York Convention, in the territory of another State than the one issued, inter alia, in Greece, where Levona holds property.***
- ***Obtain judicial protection and on the one hand, to support the appeal against the above Bankruptcy Decision, which is already issued, of the U.S. Bankruptcy Court - Southern District of New York comprising of Judge John P. MASTANDO which confirms the Voluntary Bankruptcy Decision dated 10/25/2024 (Chapter 11) of ELETSON HOLDINGS and its other companies of interest, as well as the amended plan for the reorganization of the Creditors before the New York Bankruptcy Court, as the relevant deadline for its exercise (of the appeal) would expire, as per the immediately above stated, on 11/08/2024, on the other hand to appeal, with the respective statutory legal remedies and means, before the Greek Courts, in order to challenge the Decision of Voluntary Bankruptcy dated 10/25/2024 (Chapter 11) in which it was filed by the U.S. Bankruptcy Court for reasons of lack of international jurisdiction of the latter in accordance with the provisions of Regulation 2015/848 of the European Parliament and of the Council.***

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- ***In addition, in the event that the Creditors apply for the acknowledgment and execution of the above voluntary bankruptcy decision in Greece, where ELETSON HOLDINGS is based in fact, the latter to appear and be represented before the competent Greek Courts in order to oppose, otherwise and as an impediment to the recognition of the above Bankruptcy Decision in Greece, due to the inadequacy of the issuing party's international jurisdiction in the Bankruptcy***

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Decision, that is, the foreign Bankruptcy Court of the U.S., and for their other claims in their favor.

- ***To appoint proxy lawyers in Greece or abroad to be represented before domestic or foreign Courts, Arbitrators, Investigators and any other Authority required, in order to protect their interests, by filing legal remedies, using legal means, oppositions, etc.***
- ***To convene an extraordinary General Assembly for the election of a new Board of Directors.***

The discussion of the above request for temporary order took place before Mrs. President of the Service of the Piraeus Court of First Instance on 11/12/2024, when it was accepted, and a temporary order was granted with the following content:

" -Accepts request for temporary order.

- Appoints temporary management of the maritime company "ELETSON HOLDINGS INC" consisting of the following persons: 1) Vasileios Hatzieleftheriadis, son of Apostolos, 2) Konstantinos Hatzieleftheriadis, son of Apostolos, 3) Ioannis Zilakos, son of Nikolaos, 4) Emmanuel Andreoulakis, son of Stylianos, 5) Andrianos Psomadakis - Karastamatis, son of Michael, , 6) Panos Paxinos, son of Ioannis, 7) Eleni Giannakopoulou, daughter of Konstantinos, 8) Niki, spouse of Nikolaos Zilakos*, in order to address all the* ***urgent cases of said company*** *and in particular to ensure its legal representation (appointment of lawyers) before the Courts of New York USA for the pending cases, temporarily until the hearing of the application at the scheduled hearing and on the condition that it is discussed at said hearing."*

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Following a relevant entry of the aforementioned provisionary management in the Company's record with number C-40191 with the Ministry of Foreign Affairs of the Republic of Liberia, the corresponding Certificate of the latter, dated 11/19/2024 was issued, by virtue of which the Directors of the Company were published and as set out above by virtue of the temporary order of Mrs. President of the Service of the Court of First Instance of Piraeus dated 11/12/2024, and **(a)** Vasileios Hatzieleftheriadis was appointed as President and Treasurer and **(b)** Emmanuel Andreoulakis, as Secretary, as **designated employees/managers of the Company (Officers),** to whom power of attorney has been granted as they sign on behalf of and bind the Company.

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Lack of jurisdiction of the U.S. Bankruptcy Court - Southern District of New York, comprising of Judge John R. MASTANDO, both in respect of the judgment of the voluntary bankruptcy of Eletson Holdings and the other companies issued in New York on 10/25/2024, (Chapter 11), as well as the Order dated 11/04/2024 of the same as above bankruptcy court confirming the decision of voluntary bankruptcy dated 10/25/2024 (Chapter 11) of Eletson Holdings and the other companies and the amended Creditors' Restructuring Plan.

Bankruptcy and the insolvency process in general exist as a potential risk in any financial activity. Considering the fact of globalization of the economy and through the action of commercial companies internationally, the question arises: the main purposes of bankruptcy law, that is, those of equal treatment of the lenders, the protection of lenders, of liquidation, or business salvage and job retention, it is possible to achieve excerpts in individual legal classes or only by a specific legal order, and it will be extended to the entire property of the debtor, wherever she is located around the world? The answer to this question, has been given internationally through the dominant principle of the module, which engages with the principle of universality in a single system, that only the courts of the debtor's residence have jurisdiction to proceed, either in the declaration of bankruptcy or in the insolvency proceedings, which will have immediate effect as court orders in the other countries where the debtor operates and will seize all his property wherever it is located. Through the aforementioned option, shopping forum is also hindered, i.e. the extrusion of the interested parties in the transfer of assets or legal disputes from State to State in order to improve their legal position.

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The "international jurisdiction" therefore belongs to the courts of the State **where the debtor's main interests are located (and in the internationally recognized terminology "center of main interests")**. Thus, the declaration of the insolvency proceedings being initiated by courts having jurisdiction is recognized in the other States as soon as it starts to produce effects in the State of insolvency.

If the debtor is a natural person, the center of his or her main interests is easy to find after it is generally coinciding with his or her place of residence or with the place of his or her habitual residence. For companies, the center of their main interests is, in principle, identified with the place of their statutory seat, but ultimately it depends on the place where the debtor company's interests are actually managed in an organized, permanent and enduring manner. This makes this place objectively identifiable by third parties. It is the place where the Board of Directors of a company meets and its decisions are made, and in general the decisions of the legal entity's professional and financial activities are made, using the human factor - its human resources and assets, decisions on contracting for the financial utilization of its assets in another state, etc.

Besides, it is no coincidence that the above have been fully adopted, even if it is not applicable in this regard, and by the **EU Regulation 2015/848 of the European Parliament "on insolvency proceedings".** Moreover, the above have been fully adopted with **articles 15-17 of Law 3858/2010, by virtue of which Greek law was adapted to the United Nations Commission on International Trade (UNCITRAL) Standard Law of 1997 on "Cross Border Bankruptcy".**

The concept of the center of main interests, after all, has been adopting, **since 2007, Greek law (article 4 of Bankruptcy Code, already article 78 of Law 4738/2020), as the international jurisdiction of the Greek courts is provided for the declaration of bankruptcy of legal persons having the center of their main interests in Greece.**

In this case, as mentioned already, **ELETSON HOLDINGS INC**. is the "parent" company of the maritime multi-family business, known in maritime events on a global scale by the name "ELETSON". The latter was founded in Piraeus in 1966, by Vasilis Hatzieleftheriadis, a common ancestor of the members of the Board of Directors of ELETSON HOLDINGS and their grandparents, who, with his sons, daughters and sons-in-law as partners, founded ELETSON and afterwards managed, both himself and his descendants, to draw a highly successful maritime course that spans over 50 years.

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The first plaintiff company herein, “Eletson Holdings Inc” is a Societe Anonyme (corporation), which happens to be, as aforementioned, the parent company of the Eletson Family Business, was established in 12/04/1985 under the laws of Liberia, **having its real seat of business in Greece where it maintains offices, at 118 Kolokotroni in Piraeus**, as it is governed by an eight-member board of directors, which has been meeting at its aforementioned facility **for forty (40) years** without interruption since its establishment and to this day all the BoD members are Greeks and residents of Greece, all decisions for its business activities and the fulfillment of its statutory objective are received at its offices, which it maintains at the above address, since the company is a holding company (of maritime companies) its entire activity in Piraeus through its 100% subsidiary Eletson Corporation, which maintains in Piraeus a lawfully established office in accordance with the provisions of article 25 of Law 27/1975, where it employs approximately 50 people on land, paid and insured in Greece, in accordance with the provisions of Greek law. It is also noted for completeness that multiple times more of this personnel are employed **at sea** and consists of **Greek seamen** as well, as Eletson is among the traditional companies that historically prefer even today the Greek flag for its ships.

As mentioned above, the Company is a holding company and fully owns the shares of four Greek Special Maritime Enterprises (**SMEs**), which control the ships MT Kastos, MT Kinaros, MT Kimolos and MT Fourni, which are tankers and in particular the 5th through 8th of the plaintiff Greek companies “KASTOS SPECIAL MARITIME ENTERPRISE”, “KINAROS SPECIAL MARITIME ENTERPRISE”, “KIMOLOS II SPECIAL MARITIME ENTERPRISE” and “FOURNI SPECIAL MARITIME ENTERPRISE”, respectively.

The ships are financed through loan agreements with reverse leasing (sale and lease back agreements). This means that the ships, which belonged to the above “Special Maritime Enterprises” (**SMEs**), were sold to companies which are subsidiaries or affiliated with the funder, and then re-leased under bareboat charterparty to the previous owners. The amount of funding is the purchase price as the case may be. The former owners which are currently charterers of each ship by bareboat charterparty, pay the rent and through the rent they have been repaying financing and interest. When the loan is repaid, each ship is returned to the respective SME.

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The owners of the above ships (who are currently registered as owners in the Registry) are **four** subsidiaries and/or affiliates of Oaktree Capital Management ("Oaktree") which is the funding company. The SMEs are the charterers by bareboat charterparty which own the ships, the crews of which, as well as the captain, are appointed by said companies. The ships are then chartered by time-charterparties to third-party charterers, usually with long-term contracts.

The above ships are managed by **the third plaintiff herein** Liberian company **Eletson Corporation** (hereinafter: "ELETSON CORPORATION"), which is also a 100% subsidiary of ELETSON HOLDINGS, as mentioned above, and maintains a lawful establishment, in accordance with the provisions of Article 25 of Law 27/1975 and Law 89/67, in Greece at 118 Kolokotroni Street, Piraeus, with Tax Registration Number, 098035979/ Public Tax Service of Ships of Piraeus.

Following the above and taking into account the fact that for more than forty years, the place where indeed the management of the interests of the Company is exercised, s Greece and Piraeus, in particular, **where the Company has offices, at 118 Kolokotroni St,, it follows that the exclusive jurisdiction for the initiation of the insolvency proceedings lies exclusively with the courts of Greece and in particular according to Greek law (Code of Civil Procedure, in conjunction with article 78 of Law 4738/2020 and article 51 of Law 2172/1993) the courts of Piraeus.**

Consequently, the Involuntary Bankruptcy Decision dated 10/25/2024 (Chapter 11) of ELETSON HOLDINGS (currently first plaintiff) and the other companies of the U.S. Bankruptcy Court - Southern District of New York issued in New York dated 10/25/2024, consisting of Judge John R. MASTANDO, as well as the Order dated 11/04/2024 of the same above Bankruptcy Court confirming the 10/25/2024 Decision of Voluntary Bankruptcy (Chapter 11) of ELETSON HOLDINGS (currently the first plaintiff) and the other companies and the Amended Creditors' Restructuring Plan does **not have any consequence as to the first intervening company in the Greek legal order, nor is it binding, and that the first intervening company herein has not been declared under the above decisions under a bankruptcy regime and/or is placed in any form of Restructuring, since the above U.S. Bankruptcy Court lacks jurisdiction, taking into account, that the Company's registered sat is in Greece.**

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In any event, these judgments of the U.S. Bankruptcy Court have not been recognized in Greece—nor would they have been able to be recognized per the aforesaid - therefore, no legal effect has been produced in Greece.

C. The fully abusive conduct in bad faith of the litigants to this day. - Not adhering to the local limits of authority of the Decision on Voluntary Bankruptcy / Restructuring (Chapter 11) dated 10/25/2024 of ELETSON HOLDINGS, as confirmed by Order dated 11/04/2024 of the U.S. Bankruptcy Court - South District of New York, consisting of Judge John P. MASTANDO. - The effort, in bad faith, of the litigants to take control and management of ELETSON HOLDINGS, ELETSON CORPORATION, ELETSON GAS, CASE SPECIAL marine ENTERPRISE, KINAROS SPECIAL marine ENTERPRISE, KIBOLO II SPECIAL marine ENTERPRISE and OVEN SPECIAL marine ENTERPRISE.

As provided above **under par. B. the Involuntary Bankruptcy Decision dated 10/25/2024 (Chapter 11) of ELETSON HOLDINGS (currently first plaintiff) and the other companies of the U.S. Bankruptcy Court - Southern District of New York issued in New York dated 10/25/2024, consisting of Judge John R. MASTANDO, as well as the Order dated 11/04/2024 of the same above Bankruptcy Court confirming the 10/25/2024 Decision of Voluntary Bankruptcy (Chapter 11) of ELETSON HOLDINGS (currently the first plaintiff) and the other companies and the Amended Creditors' Restructuring Plan does not have any consequence as to the first intervening company in the Greek legal order, nor is it binding, and that the first intervening company herein has not been declared under the above decisions under a bankruptcy regime and/or is placed in any form of Restructuring, since the above U.S. Bankruptcy Court lacks jurisdiction, taking into account, that the Company's registered sat is in Greece**.

Further, the **Decision dated 10/25/2024** and **Order** dated **11/04/2024** of the above Bankruptcy court, **have not been recognized** in accordance with the rules of law of Liberia (where the registered office of ELETSON HOLDINGS is not the case) nor with the rules of law in Greece (where the registered office of ELETSON HOLDINGS is located) and therefore cannot be implemented. Nevertheless, the present litigants, using them in an apparently abusive, in bad faith and fraudulent way, attempt to obtain, arbitrarily and despite the law, the management and representation of ELETSON HOLDINGS on ***the one hand*** as allegedly restructured, ELETSON CORPORATION and ELETSON

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GAS ***on the other hand***, and the other plaintiff companies, causing very serious problems and damages to the operation of all the above companies.

In any case, the **Decision dated 10/25/2024** and its **Order dated 11/04/2024** concern ELETSON HOLDINGS and this is only within the American territory, within which it is only effective, as well companies of its interests, Agathonisos Finance LLC and Eletson Finance (US) LLC and not ELETSON CORPORATION and/or ELETSON GAS and/or the subsidiaries KASTOS SPECIAL MARITIME ENTERPRISE, KINAROS SPECIAL MARITIME ENTERPRISE, KIMOLOS ii SPECIAL MARITIME ENTERPRISE and FOURNI SPECIAL MARITIME ENTERPRISE.

However, although the litigants are aware of the above, haven't stopped to date, despite our calls to refrain from doing so, deprived of any legal actions, to try to take control of the first, third, fourth, fifth, sixth, seventh and eighth plaintiffs herein, that is ELETSON HOLDINGS, ELETSON CORPORATION, ELETSON GAS, KASTOS SPECIAL MARITIME ENTERPRISE, KINAROS SPECIAL MARITIME ENTERPRISE, KIMOLOS II SPECIAL MARITIME ENTERPRISE, AND FOURNI II SPECIAL MARITIME ENTERPRISE, respectively.

More specifically, the litigants initially engaged in a communication and defamatory "campaign" with a press release and by sending multiple e-mails; appearing to be shareholders themselves, administrators and representatives of the allegedly restructured ELETSON HOLDINGS, to employees and managers (who are employed by ELETSON CORPORATION), while they do not hesitate to turn to the banks with which the first of us and its companies of interest do business, in order to take control of the properties of all companies. In its desperate effort, to take control of even ELETSON CORPORATION, ELETSON GAS, KASTOS SPECIAL MARITIME ENTERPRISE, KINAROS SPECIAL MARITIME ENTERPRISE, KIMOLOS II SPECIAL MARITIME ENTERPRISE and FOURNI SPECIAL MARITIME ENTERPRISE (which are not included, as already mentioned, in the purported debtors of the **Decision** dated 10/25/2025 and the **Order** of the U.S. Bankruptcy Court dated **11/04/2024**), proceed to the drafting of unsubstantiated Minutes, with which their current and lawful directors are allegedly abolished and new ones are appointed, with new officials. The litigants have also come to the point of harassing the captains of ships at sea, trying to mislead them with false orders (as detailed below).

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In particular:

C.1. The Press Release and Letters to ELETSON HOLDINGS directors, officers and employees.

On **11/19/2024,** the eighth of the defendants - **Adam Spears,** leaked to the news agencies (via Business Wire) a press release in English, which was reproduced by certain foreign and Greek media[9] and in translation into Greek, was as follows:

> *"NEW YOPKH--(BUSINESS WIRE)-19 November 2024-- Eletson Holdings Inc. ("Eletson" or the "Company"), an international ocean transportation company, announced today that it has successfully completed its financial restructuring and emerged from the protection of Chapter 11, marking a new beginning with new leadership, new financial resources, and no debt. Eletson's effective Reorganization Plan, proposed and supported by Pach Shemen, is supported by a majority of its creditors and has been approved by the U.S. Bankruptcy Court for the Southern District of New York on October 25, 2024. Adam Spears, the Company's new CEO, said: "Today marks an important milestone for Eletson and its subsidiaries. Upon successful completion of the Chapter 11 procedure, the Company is now in an enhanced financial position and free of debt. We look forward to being able to focus on the next phase of Eletson's growth by enhancing operations and driving growth." Mark Lichtenstein, Director of Pach Shemen, added: "On behalf of Eletson's creditors, we are pleased to have been involved in achieving this result and we look forward to continuing to support and guide the Company throughout this next chapter." Eletson also has a* ***new Board of Directors,*** *consisting of the Company's CEO, Adam Spears, and two new independent directors, Leonard Hoskinson and Timothy B. Matthews.*
>
> ***About Eletson***
> *Eletson is the parent company of various subsidiaries that own and operate a fleet of medium-class, double-hull tankers, which can transport a wide range of processed oil products.*
>
> *Contacts*
> *Kyle J. Ortiz, Esq.*
> *Bryan M. Kotliar, Esq.*

[9] E.g. Translated from the Athens news agency

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Togut, Segal & Segal LLP
(212) 594-5000"

Source: https://www.businesswire.com/news/home/20241119888068/en/Eletson-Emerges-from-Chapter-11-Process

The actual management of Eletson Holdings, as had already been appointed by the Court of First Instance of Piraeus according to the aforementioned (par. A.8.) sent a response to some media disputing the above announcement, but a large communication damage had already occurred.

At the same time, on **11/19/2024, Adam Spears,** via his email address "adam.spears@eletsonholdings.com" (made by the litigants to create the misleading impression that Adam Spears is an executive of Eletson), in his capacity as an alleged member of the Board of Directors of the allegedly restructured Eletson Holdings and allegedly as Chief Executive Officer of the latter (who, by the way is a member of the Board of Directors of both Levona and Pach Shemen), sent an email to Ms. Laskarina Karastamati, who is one of the three heads of families, as was mentioned above (see above **under A.2.**) controlling the vast majority of the shares in Eletson Holdings Inc, referring to the future of Eletson Holdings and its subsidiaries (although the latter are not included in the debtors) in view of the fact that the restructuring plan of the latter had been in place since that day.

In particular, Adam Spears mentions the following in his email dated 11/19/2024 to Ms Laskarina Karastamati (faithful *translation of this in Greek language is provided - emphasis added*):

"I know the last time we contacted via email you felt there were too many issues going on to be able to discuss. The ***restructuring plan is now in force****. If you are open to small steps to working together towards* ***the future success of Eletson Holdings Inc., its shareholders and its employees (including those in its subsidiaries)*** *please let me know so that we can arrange a meeting. If not (and in any case),* ***I expect you to act responsibly and within the limits of your obligations."***

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On **11/20/2024, Adam Spears** (the 8th defendant), via his email address "adam.spears@eletsonholdings.com", sent to various employees handling matters of ELETSON CORPORATION (that is, a company that was not even a party in the American Chapter 11 proceedings) an email, which concerns the alleged future role of these employees in the allegedly restructured Eletson Holdings.

In particular, Adam Spears addressed the following groups of employees handling ELETSON CORPORATION issues, namely the groups of the business department (operations team), the management department (management team), the legal department (legal team), and the information and technology team) and specifically Mr. Manolis Androulakis, who is the in-house counsel, stating that they may have been a valuable asset of the allegedly restructured Eletson Holdings.

In particular, Adam Spears mentioned the following in his email (faithful *translation of this in Greek is provided - emphasis added*):

> *"I look forward to a new authority for Eletson Holdings Inc. upon exiting bankruptcy. I am not sure which role, if any, you'd like to take on it, but* ***I obviously think you could be a valuable asset****. I would like to discuss this further when it suits you. Please let me know when you are available."*

It is worth noting that Adam Spears specifically asked the IT department to grant him direct access to the electronic files found on the ELETSON CORPORATION's (and not ELETSON HOLDINGS) own servers.

In addition to the above emails sent to the various groups of employees handling ELETSON CORPORATION matters, Adam Spears also sent emails to specific employees handling ELETSON CORPORATION matters which he considered critical to the success of the Company, referring to the future role of these employees in the allegedly restructured ELETSON HOLDINGS and its subsidiaries.

In particular, Adam Spears mentioned the following (faithful *translation of this in Greek language is provided - emphasis added*):

> *"I look forward to a new beginning for Eletson Holdings Inc. upon exiting bankruptcy proceedings. I have reason to believe that* ***you have the potential to be a key factor in the future success of the Company and its subsidiaries****. I would like to discuss more about this when it suits you. Please let me know when you are available."*

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The above email was sent to the following employees who are not even employees of ELETSON HOLDINGS, but are employed by other companies (not among the debtors and were not parties in the Chapter 11 proceedings), namely:

a. The Chief Operating Officer Mr. Lazaros Skoularikos.

b. The member of the finance department, Mr. Pashalis Radopoulos.

c. The member of the legal department, Mrs. Elena Vandorou.

d. The member of the finance department, Mrs. Marina Orfanoudaki.

e. The member of the legal department, Mrs. Thekla Matheou.

It is noted that in the context of the eighth defendants' general effort here to amend the Eletson Holdings corporate documents to the Liberian International Ship & Corporate Registry, LISCR (LISCR), Adam Spears asked Mrs. Thekla Mathew which employee, if not herself, has access to the LISCR.

Furthermore, on **11/20/2024** the tenth defendant, **Mark Lichtenstein,** in his capacity as employee of the allegedly restructured ELETSON HOLDINGS, who by the way is a member of the Board of Directors of both Levona (currently fifth of the defendants) and Pach Shemen (currently first of the defendants) sent an email from his misleadingly "fabricated" email address "mark.lichtenstein@eletsonholdings.com" to Mr. Vasilis Hatzieleftheriadis, Mr. Vasilis Kertsikoff and Mrs Laskarina Karastamati, who are the heads of the three families controlling the vast majority of the shares in ELETSON HOLDINGS (see above **under A.2.**).

In this email Mark Lichtenstein mentions the following (faithful *translation of this in Greek language is provided - emphasis added*):

> ***"As a new Eletson management**, we would like to discuss your roles, if any, within the organization. I hope we can take the time this week to schedule an open discussion.*
> ***As we move towards the management transition**, I want to report some necessary changes that need to be implemented immediately.* **You are not authorized to take any action**

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> ***on behalf of Eletson Holdings or its subsidiaries, including those listed below, without prior written approval from me, Len Hoskinson or Adam Spears.*** In addition, **all money transfers from any entities in the organization must be accounted for and approved by me.** [...]".

In addition, on the same day, the tenth defendant Mark Lichtenstein sent an email to the entire Eletson team (that is, all of the above), by which he informed them of some new procedures and precautions that will be implemented in the context of the operation of the allegedly restructured ELETSON HOLDINGS.

In particular, Mark Lichtenstein mentioned the following in his email *(faithful translation of this in Greek language is provided - emphasis added*):

> "*[...] As we move forward, I would* ***like to report some necessary precautions that we should follow.*** *Due to previous management decisions,* ***we will require written approval from me, Len Hoskinson or Adam Spears for certain actions as listed below for the Company (including its subsidiaries).*** *In addition,* ***all money transfers must be accounted for and approved by me.*** *I appreciate your understanding as we move through this process together.* ***My goal is to remove these restrictions as soon as possible, but for now they are essential, to ensure the safety and integrity of the Company and its employees.****[...]***"

On **11/24/2024, Adam Spears,** via his email address "adam.spears@eletsonholdings.com", sent an email to the ELETSON CORPORATION employee of the Finance Department who handles issues with ELETSON CORPORATION, Mr. Pashalis Radopoulos, referring to certain actions to which the latter allegedly proceeded without authorization from Adam Spears.

In particular, Adam Spears mentioned the following (faithful *translation of this in Greek language is provided - emphasis added*):

> *"I understand that* ***you have taken specific actions regarding access to funds without prior authorization.*** *I just tried to call you, but unfortunately you did not answer.* ***I want to assure you that you are a valued member of the team, however, unauthorized actions are unacceptable.*** *If you would like us to discuss how we can establish a framework so that you can do your job more effectively, please let me know."*

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Finally, on **11/22/2024, Adam Spears,** via his email address "adam.spears@eletsonholdings.com", emailed all groups of employees handling ELETSON CORPORATION issues, that is, to the Management team, the Finance team, the IT team, the Legal team, the Operations team, and the accounting department, but also to specific employees he considered, in accordance with the above, important to the future success of ELETSON HOLDINGS and its subsidiaries, that is, Mrs. Elena Vandorou, Mr. Lazaros Skoularikos, Mrs. Marina Orfanoudaki, Mr. Pashalis Radopoulos, Mrs. Thekla Mathew, and Mr. Manolis Androulakis, in which email he refers again to the future of ELETSON HOLDINGS and its subsidiaries, as well as to **"incentive programs"** to anyone who helps the defendants gain control of ELETSON HOLDINGS and its subsidiaries (short-term bonus and long-term shareholding in ELETSON HOLDINGS).

More specifically, Adam Spears mentioned the following *(faithful translation of this in Greek is provided - emphasis added*):

> *"[...] I know this week was full of uncertainties, but it's obvious that better days are ahead of us.* ***For the first time in a long time, the Company is well capitalized, which is a positive indicator for all involved.*** *I want to thank those who have already contacted me.* ***I look forward to discussing further the plans, including the short-term bonus program as well as the multimillion long-term incentive program which also includes shares in the Company.*** *As I have said,* ***my management style is based on rewarding key team members.*** *Maybe that's something you're not used to,* ***but we won't win if everyone isn't involved in success.*** *For those who have not yet contacted me, I remain available – please let me know when it is convenient for you."*

C.2. Further letters to the directors, officers and employees of ELETSON GAS and ELETSON CORPORATION.

1. (a) On **12/04/2024**, Adam Spears (8th Defendant), via his email address "adam.spears@eletsonholdings.com" (which, as mentioned above, the parties set up to create the impression that Adam Spears is an executive of Eletson) sent an email to Mrs. Laskarina Karastamati and Mr. Vasilis Kertsikoff, who are the two members of the Board of Directors of ELETSON GAS (which is not included in the debtors) appointed by Eletson Holdings, informing them that ELETSON HOLDINGS has "released" them from members of the Board of Directors of Eletson Gas LLC, effective December 2, 2024.

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(b) More specifically, Adam Spears mentioned *(faithful translation of this in Greek language is provided - emphasis added*):

> *"As you know, Eletson Holdings Inc. owns 100% of the common shares of Eletson Gas LLC. I am writing to inform you that,* ***effective December 2, 2024, Eletson Holdings Inc. has removed you both from the positions of directors of Eletson Gas LLC.*** *All rights are reserved in relation to your service as managers and any damages resulting from your actions or omissions."*

2. (a) On **12/4/2024,** Adam Spears, via his email address "adam.spears@eletsonholdings.com", sent another email to Mrs. Laskarina Karastamati and Mr. Vasilis Kertsikoff, by which he informed them that with effect from December 2, 2024, the shareholders and members of the Board of Directors of ELETSON GAS (which, as mentioned above, are not included in the debtors) have dismissed them from officials of the latter.

In particular, Adam Spears mentioned the following in his email (faithful *translation of this in Greek is provided - emphasis added*):

> "***We are informing you that shareholders in Eletson Gas LLC (the "Company"), as well as members of the Board of Directors of the Company, have removed you from your position as officers of the Company effective December 2, 2024.*** *We reserve all rights in respect of any acts or omissions in the performance of your duties which may have caused damage to the Company or its members-shareholders.*
> *Please return all Company materials and documents to:*
> *Eletson Gas LLC*
> *through Eletson Holdings Inc.*
> *One Penn Plaza, Suite 3335, New York, NY 10119".*

3. (a) On **12/5/2024,** Adam Spears, via his email address "adam.spears@eletsonholdings.com", sent an email to Mr. Pashalis Radopoulos, who handles the financial matters of ELETSON CORPORATION **(i.e. a company not included in the debtors),** by which he requests explanations as to the reasons why the charterparties have not been paid for ships operated by the Special Maritime Enterprises (SMEs), which are bareboat charterers and subsidiaries of ELETSON HOLDINGS (and as a result are not included in the debtors), and asked for information about whether this employee receives orders from someone other than Adam Spears.

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(b) In particular, Adam Spears mentioned the following *(faithful translation of this in Greek language is provided - emphasis added)*:

> "*I am writing to ask for clarification on why these payments are not being made. If there is a valid reason, I would kindly ask you to inform me so that I can address it and correct it, if possible.* ***My goal is to safeguard the interests of the Company and its subsidiaries, and I hope that this is your goal as well.***
> ***In addition, if you are acting on instructions of someone other than me, please let me know."***

4. (a) On **12/6/2024,** the 11th defendant **Marc Bistricer,** who is the CEO of the Seventh defendant Murchinson Ltd, who, both independently and through Levona and Pach Shemen, has commenced endless proceedings against ELETSON HOLDINGS, its subsidiaries and its heads worldwide, sent an email to Mrs. Laskarina Karastamati, to Mr. Vasilis Kertsikoff and Mr. Vasilis Hatzieleftheriadis, allegedly exploring ways to address the disputes. Marc Bistricer recommends the ultimate/controlling shareholder of the 1st, 5th, 6th and 7th of the defendant companies. As it was also concluded from overwhelming documents that were revealed in the context of the arbitration (before the Judge-Arbitrator Ariel E. BELEN), it is the **mastermind (orchestrator)** behind all the critical illegal, anti-trade, unethical and abusive acts that have taken place against the plaintiff companies for at least three years. It is noted that the 6th Defendant (Mulberry Street Ltd.), based in Scotland, is the special purpose vehicle which Marc Bistricer used to fund the Amended Creditor Restructuring Plan and which refers to various US legal briefs as an affiliate with Pach Shemen.

(b) More specifically for the purposes of this complaint, we note that Marc Bistricer states the following in his message above *(faithful translation of this in Greek language is provided)*:

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> *"This saga [Odyssey], worth turning into a novel, appears to proceed to a road with a lot of cost and destruction. I am afraid that serious mistakes are either made already or are going to be made.*
> *We assume that the professional advice you have received is probably corrupt, I certainly notice it myself.*
> *Our previous offers for out-of-court settlement are no longer available. However, there may be a path forward if both of us can overcome the wounds of the past and try to resolve something elusive."*

5. On 12/29/2024, Adam Spears, via his email address "adam.spears@eletsonholdings.com", sent a highly harassing and derogatory email to Ms. Laskarina Karastamati, in which he mentions the following *(the faithful translation of this in Greek is provided*):

> *"I can only assume that, based on the fact that our previous lines of communication were interrupted, you have been forced to succumb to the power of the 'boys'. What a shame. I heard there was a similar situation with your parents' generation. I guess they think you'll be somehow damaging to their efforts to circumvent the legal system? However, I am still here if you want to discuss and I hope we'll find a solution, but obviously I don't have much hope."*

6. (a) On **11/21/2024,** the 10th of the defendants Mark Lichtenstein, via his email address "mark.lichtenstein@eletsonholdings.com", sent an email to Mr. Vasilis Hatzieleftheriadis, informing him of the change in the management of Eletson and setting the new guidelines and restrictions under the alleged new management of ELETSON HOLDINGS and its subsidiaries.

(b) More specifically, Mark Lichtenstein mentioned in his email the following *(the faithful translation of this in Greek is provided*):

> *"**As new Eletson management,** we would like to discuss your roles, if any, within the organization. I hope we can take the time to schedule an open discussion this week.*
> *As **we move through the management transition,** I want to report some necessary changes that need to be implemented immediately. **You are not authorized to take any action on behalf of Eletson Holdings or its subsidiaries, including those listed below, without prior written approval by me, Len Hoskinson or Adam Spears. Also, all bank transfers by any entity within the organization must be accounted for and approved by me.***

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I appreciate your understanding as we move through this process together, as we need to have a common goal to maximize Eletson's value and ensure long-term success. My goal is to remove these restrictions as soon as possible, but they are currently necessary, in order to ensure the safety and integrity of the Company and its employees."

7. (a) On **12/27/2024,** Adam Spears (the 8th Defendant), via his email address "adam.spears@eletsonholdings.com", sent an email to Mr. Vasilis Hatzieleftheriadis, with whom he refers to the business activities of ELETSON HOLDINGS subsidiaries and reminds him that he is obliged to cooperate with him under the American Bankruptcy Decision and the restructuring plan.

(b) More specifically, Adam Spears mentions the following *(the faithful translation of this in the Greek language is provided - emphasis added*):

"I would like to ask when you will be available to ***discuss the business of Eletson Holdings and its various subsidiaries. I remind you that the bankruptcy plan and confirming decision include a full cooperation clause.*** *If there is anything that I do not understand correctly, please let me know."*

8. (a) On **11/28/2024,** Adam Spears (the 8th Defendant), via its email address "adam.spears@eletsonholdings.com", sent an email to teams of employees handling issues of ELETSON CORPORATION and specifically to the operations team, management team, legal department, and Information and Technology team (IT) and specific employees, with which, among other things, he calls the current owners of ELETSON HOLDINGS liable for dishonesty and incompetence with unsubstantiated accusations, and that all negative developments are the responsibility of the current owners, not the alleged new management.

(b) More specifically, Adam Spears mentioned the following *(the faithful translation of this in Greek is provided - emphasis added*):

"I'm sure you have a lot of questions about the current situation. The one thing I think needs to be clarified is who is the "enemy" here. I am not the enemy, and I do not work with anyone who is an enemy. While ***Eletson's heirs were living a life of luxury, inherited from their parents and grandparents*** *(who, according to all information, were excellent maritime people and ethical), the Company and its subsidiaries have been struggling for years. This has led to seizure of ships, rotation of personnel, unpaid suppliers, insolvent bondholders, seized properties, fleet shrinkage and degraded Company position. I know some or all of these problems are attributed to me and others around me, but ask yourself: "Is this really fair?"* ***Almost all these negative developments existed before I even heard about Eletson*** *(in fact, the first Google search for the Corporation brought news about bankrupt bonds). And when I took a role at Eletson Gas LLC, I*

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was instrumental in providing capital for us to SAVE the Company. We have done so again in the last few days, funding the business to cover bankruptcy expenses and PAY long-term unpaid creditors.
Anyone who tells you the opposite does so in a dishonest and selfish way. *Ask yourself,* ***why are these wealthy former owners living a good life with their real estate portfolio and trust funds, while the Corporation suffered for so many years? Maybe I misinterpreted how work is done in your country, but an honest and proper person who borrows money or signs a contract usually intends to pay it a price.*** *In this case, it must be clear that I am not the enemy.*
In fact, we have excellent plans to include employees in our [equity] ownership program and to launch the shipbuilding program for Eletson, starting with possible orders of new [oil] MR tankers. ***But before we start with that, we need to fully understand who on the team is with us and who is not."***

C.3. Letters to banks.

On **November 19, 2024,** Pach Shemen LLC's representative, who is among the Creditors who proposed the Amended Credit Restructuring Plan, the 8th Defendant, **Adam Spears,** sent a letter to the German bank **"Joh. Berenberg, Gossler & Co. KG",** in which bank accounts are kept of **ELETSON CORPORATION** and **EMC INVESTMENT CORPORATION,** which are subsidiaries of ELETSON HOLDINGS **(and are not included in the purported debtors of Chapter 11),** as well as bank accounts of **EMC GAS CORPORATION,** a subsidiary of ELETSON GAS **(and not a subsidiary of ELETSON HOLDINGS, only an affiliate of the latter company, which is also not included in the purported debtors of Chapter 11).**

With this letter, Adam Spears, who even signed as alleged CEO of ELETSON HOLDINGS, requested, in view of the alleged restructuring of ELETSON HOLDINGS under a scheme pursuant to Chapter 11 confirmed by the United States Bankruptcy Court for the Southern District of New York, which purportedly entered into force on 11/19/2024, as well as the relevant subsequent corporate actions of the allegedly restructured ELETSON HOLDINGS and the subsidiaries, the recall of existing Authorized Signatories, blocking the latter from accessing the accounts at issue, and reassigning Authorized Signatories.

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In this letter, Adam Spears attached the Agenda dated 11/04/2024 of the same as above Bankruptcy Court confirming the decision of the Voluntary Bankruptcy dated 10/25/2024 (Chapter 11) of ELETSON HOLDINGS.

It is clear that this is a completely misleading letter, as no relevant subsequent corporate action of the allegedly restructured ELETSON HOLDINGS and its subsidiaries took place, and couldn't have happened, given that, as mentioned above, these actions require recognition of the U.S. decision in Liberia and Greece and/or other countries where the plaintiffs and their subsidiaries possess assets, which has not happened to date.

The Bank is not aware of the misleading nature of the letter and without informing the existing authorized signatories, proceeded to the withdrawal of the existing authorized signatories and the exclusion of the latter from access to the accounts at issue, as well as the reassignment of the authorized signatories.

When the Eltson authorized signatories were randomly informed of the above developments, they rushed to inform the Bank that the necessary corporate actions, which Adam Spears claimed to have taken place, **had not actually taken place and therefore could not have received instructions from anyone other than the existing authorized Eletson signatories.**

C.4. Additional actions against banks.

(a) On **12/16/2024** Adam Spears forwarded an email from Citi Bank to Mrs Laskarina Karastamati. As the litigants managed to appear as alleged new owners of Eletson Holdings to cause involvement in Eletson's Berenberg accounts, they managed the same with **Citi Bank** as well. Therefore, this correspondence does not constitute a pride and threat to the directors/employees of the Company, but, as even worse, to the opposing parties to third parties (in this case banks), and to prevent the current directors from managing the Company.

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(b) The text of the email from the Bank is as follows *(the faithful translation in Greek is provided*):

"We received a request to withdraw from the EMC GAS CORPORATION account held at Citi's Greek branch, signed by Mrs. Laskarina Karastamati. Almost simultaneously, we received a letter dated 11/19/2024, signed by Mr. Adam Spears, who, according to the documents provided, has been elected as Managing Director of the parent company "Eletson Holdings Inc.", stating that all existing authorized signatories of both "EMC GAS Corporation" and "ELETSON Corporation" were revoked and replaced by Mr. Mark Lichtenstein. Among the revoked signatories is Mrs. Laskarina Karastamati.

As the information provided to the Bank is contradictory, we are unable to proceed with the withdrawal request, until we receive clear and mutual confirmation from both sides."

C.5. Actions against charterers.

(a) The deprived actions of the litigants are also directed against the time-charterers of the ships, which are operated by ELETSON HOLDINGS' subsidiary Special Maritime Enterprises (charterers of bareboat vessels, that is, the 5th through the 8th of the plaintiffs), who are not included, as already mentioned, in the purported debtors of the Decision dated 10/25/2024 and the Order dated 11/04/2024 of the U.S. Bankruptcy Court), and as a result, the business of these companies is blatantly impeded.

(b) Indicatively, on 01/03/2025, the company Novum Energy, which is a time-charterer for the KASTOS and FOURNI ships, which are operated by the respective subsidiaries of ELETSON HOLDINGS Special Maritime Enterprises (SMEs) (bareboat charterers), that is, the 5th plaintiff KASTOS SPECIAL MARITIME ENTERPRISE and the 8th SPECIAL MARITIME ENTERPRISE, obviously following false statements made by the defendants and in particular the 8th defendant, Adam Spears (as evidenced by the following under (e) and (e)), sent an email to an Eletson employee, and invoking the judgments of the U.S. Bankruptcy Court and the alleged establishment of new management in ELETSON HOLDINGS' ship-owning subsidiaries, stated that he placed the payments for the fares of the two vessels above under treasury hold status until further evidence was provided.

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(c) In particular, Novum Energy, states in its email dated 01/03/2025 the following:

"Please be informed that, given the recent decisions of the U.S. Bankruptcy and District Courts regarding Eletson Holdings Inc., which affect the SMEs, and based on our understanding that new management has been established for the shipowners, as well as that the management of the ships

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has changed (as well as that new maritime legal advisers have been involved), we have placed the payments on hold until further evidence is provided."

(d) Of course, charterer Novum Energy did not find the judgments of the bankruptcy court alone, nor the alleged management changes of ELETSON HOLDINGS subsidiaries, but clearly they were sent to her by the defendants and especially the 8th defendant, Adam Spears. This is clearly apparent from the provisions below under (e) and (f).

(e) It is notable that, on January 14, 2025, Adam Spears, through his email address "adam.spears@eletsonholdings.com", sent an email to Mr. Vasilis Hatzieleftheriadis, legal representative of "GLAFKOS TRUST COMPANY", one of the main shareholders of "ELETSON HOLDINGS", in which he states that some modifications to the time-charterparty according to Novum Energy (for the bank account to which the fares are paid) that occurred in December 2024 were not approved by the purported owners or management of the SMEs and are therefore invalid, while claiming that the payments by the time-chartering company Novum Energy for ship fares, which are exploited by ELETSON HOLDINGS Special Marine Operations subsidiaries, must be committed. The above leaves no doubt that he, by sending false and unsubstantiated BoD change Minutes (for example, also in the alleged changes of the BoD of KINAROS SME below under A.8.7. (c)), misled the time-charterer Novum Energy in order to bind the fares (not even for the parties to collect them but to bind them in order to cause harm to the plaintiffs, and in particular to the 5th plaintiff KASTOS SPECIAL MARITIME ENTERPRISE and to the 8th PLAINTIFF FOURNI SPECIAL MARITIME ENTERPRISE.

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(f) In particular, Adam Spears mentioned the following in his email (*the faithful translation of this in the Greek language-emphasis added is provided*):

> ***"The amendments agreed by KASTOS SME and FOUNROI SME in December 2024 violate the Plan and the Confirmation Decision and were not approved by the owners or management of these entities.*** *Therefore, they are null and void.*
> ***We deny your purported continuing ownership and control of Eletson Holdings and its subsidiaries.*** *Your actions to prevent implementation of the plan have prevented us from accessing bank accounts and other assets necessary to maximize the company's value, and retain business in accordance with normal operation. Your latest correspondence with Novum shows that you are attempting to use your existing control over the bank accounts to prevent Eletson Holdings from accessing its assets and receiving assets in violation of law.*
> *Pursuant to paragraph 5(iii) of the Confirmation of the Bankruptcy Court, you are instructed to stop all such actions. In particular,* ***you are instructed to place in escrow and not transfer any amounts relating to Eletson Holdings or any of its subsidiaries, including but not limited to, Novum's payments relating to the charter invoices for KASTOS and FOURNI for December 2024 and January 2025.***
> *Please confirm by the end of the business day (East Time) on Tuesday, January 14, 2025 that you will work with us in good faith to comply with these guidelines."*

(g) Further, on **January 7, 2025,** the 8th of the defendants Adam Spears emailed Martin Hugger, who is the officer of Meerbaum Capital, an affiliate of Oaktree Tactical Opportunities, and is a principal financier for many vessels operated by Special Maritime Enterprises (charterers of bareboat ships) owned by ELETSON HOLDINGS and ELETSON GAS, attempting, the above 8th defendant, to obtain control of companies not included in the debtors or otherwise parties to the proceedings of Chapter 11.

(h) In particular, Adam Spears mentions the following in his email dated January 7, 2025 *(the exact translation of this in the Greek language-emphasis added is provided*):

> ***"There is no doubt that I am the CEO of Eletson Holdings Inc. and I have authority over all subsidiaries, including those with whom Oaktree has relationships*** *This is true as of November 19, 2024.* ***I would appreciate you contacting me only in matters relating to Eletson Holdings or any of its subsidiaries***".

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(i) Also, interference with ELETSON GAS' business operations (which, as mentioned above, is not included in the debtors or was a party to the Chapter 11 proceedings) continues to this day, since on **January 9, 2025,** the eighth of the defendants Adam Spears sent an email to Tufton Investment Management, which is the financier of the ships "ANAFI", "NISYROS" and "TILOS", which are operated as charterers of the bareboat Greek Maritime Enterprises belonging to ELETSON GAS, where the following are stated *(faithful translation of this in Greek is provided*):

> *"We are preparing a response on behalf of Eletson Gas LLC to your letter," even though it is not authorized to do so."*

C.6. Letters to Lawyers.

On **11/23/2024,** the attorneys for the Creditors, Togut, Segal & Segal LLP, sent a letter to John Markian Daniolos, a lawyer representing in Greece the members of the Board of Directors of Eletson Holdings Inc., where they accuse him of his actions violating the judgment of the American Bankruptcy Court that confirmed the Amended Creditor Restructuring Plan and threaten him with penalties. In fact, among other things, the Creditors allege that with the issuance of the decision of the American Court that confirmed the Creditors' Amended Restructuring Plan, a series of corporate actions, such as the cancellation of existing shares, the issuance of new shares, the change of the board of directors, were done automatically, without following the necessary legal actions under the applicable law.

In particular, in the letter dated 11/23/2024, the lawyers for the Creditors mention the following *(the faithful translation of this in the Greek language is provided-emphasis added*):

> ***"On November 19, 2024, the Amended Restructuring Plan*** *pursuant to Chapter 11 (the "Plan") of Eletson Holdings Inc.* ("EHI") and its related Debtors **became effective** (the "Effective Date"). Prior to this date, Judge John R. Mastando III of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") issued an Order for the Confirmation of the Plan (the "Confirmation Order").

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Through your communications with Louis Solomon or other persons (such as former EHI shareholders) which have been provided to us, ***you are aware that the Plan has been in place and is being implemented****. Pursuant to the terms of the Plan, among other things: (a)* ***the historical EHI equity interests were canceled****; (b)* ***new EHI equity interests now owned by three entities were issued;*** *(c)* ***the EHI Articles of Association were amended****; (d)* ***all EHI executives and board members existing prior to the Effective Date were terminated or removed****; (e)* ***a new three-member board was formed*** *(the "New Board"); and (f) a* ***new CEO was appointed****.*

By law and in accordance with the express terms of the Confirmation Order and the Plan, the above changes in the ownership, governance and management of EHI were effective on the Effective Date. In addition, **in accordance with its express terms and under threat of penalties for violation, the Confirmation Order prevents and prohibits any attempt to use foreign law or procedure to interfere with the legal validity of the Plan.** This is an injunction order of the Bankruptcy Court, not just an ancillary part of the Plan.

Mr. Solomon informed us that, despite the Confirmation Order, the Plan and the Bankruptcy Code – on which your clients are undoubtedly bound – ***your office purportedly filed and obtained an ex parte order from the Piraeus Court of First Instance for the appointment of temporary members of a Board of Directors which has become inactive, acting, among other things, on behalf of two former minority shareholders of EHI, Elafonissos Shipping Corporation and Keros Shipping Corporation*** *(the "Former Minority Shareholders") and/or the "Board of Directors of Eletson Holdings, Inc.."*

To be clear, this action was taken without the authorization of the legal officers, directors and shareholders of EHI and constitutes a violation of the Confirmation Order, the Plan, as well as the applicable bankruptcy and non-insolvency laws. Therefore, what your office appears to have done is undoubtedly illegal and needs to be corrected immediately.

In the event that you believe that insufficient arguments about the legality of your wrongful actions under Greek and Liberian law provide you with some form of immunity, we suggest that you consider the ***global scope of the Confirmation Order.*** *This is particularly important given that* ***your clients and those acting jointly with them voluntarily submit themselves to the jurisdiction of the Bankruptcy Court****. In addition, if, as we suspect, these actions were taken jointly with other former EHI shareholders and/or their legal counsel or with the former legal representation of EHI by Reed Smith (or others), there is the possibility of severe penalties to be imposed.*

Your Customers' Obligations Under the Plan and the Confirmation Order.
EHI is already obliged, under bankruptcy law, the Plan and the Confirmation Order, to implement the Plan that was confirmed by the Court, as directed by the objecting Creditors prior to the Effective Date, and now as directed by the restructured EHI.

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The actions of the Former Minority Shareholders for the Re-establishment of the Board of Directors are invalid

In addition to the numerous provisions of the Plan and of the Confirmation Order which were breached when (a) the directors resigned and (b) the Former Minority Shareholders sought protection from a Greek court, paragraph 12 of the Confirmation Order stipulates the following:

"All holder of Claims or Interests, as well as other interested parties, together with current or former employees, agents, officers, directors, heads and affiliated entities, are prohibited from taking any actions that would interfere with the application or implementation of the Plan..." (emphasis added).

Therefore, the alleged actions of the former Minority Shareholders in Greece to temporarily re-establish the board of directors of EHI were and are prohibited and invalid and are bases for the imposition of penalties.

In consideration of the above and in order to avoid additional costly litigation, we have been given authorization to propose a reasonable waiver of claims against you, the former Minority Shareholders and the "opposing" board members. This proposal applies if, before 5:00 pm. (East Time) on Monday, November 25, 2024:

(1) We are provided with the information of the contact person (Address of Record) of EHI and the person of record of EHI to the Liberian International Ship & Corporate Registry (LISCR), as well as a completed copy of the attached letter to the LISCR for the change of the contact person (Address of Record) of EHI in accordance with the Plan. Alternatively, we accept your agreement for the existing EHI person of record to submit the amended and updated articles of association and regulations to the LISCR, as well as to make any other necessary submission on EHI's behalf.

(2) Please confirm in writing that you will seek to annul the decision or decisions referred to in your communications with Mr. Solomon, as well as any other judgments or requests before any court or body relating to EHI or its subsidiaries (directly or indirectly), or any property, claim or right of EHI and its subsidiaries, until the end of business day on Tuesday, November 26, 2024.

(3) Please confirm in writing that you and your customers will refrain from any action that interferes with the rights of new EHI shareholders, including confirmation that you will stop any attempt to interfere with the implementation or completion of the Plan. As part of this confirmation, you must obtain a letter from each person mentioned in your email to Mr. Solomon on November 13, 2024, confirming that he has no power to act on behalf of EHI, and will comply with the obligations laid down in the Plan and the Confirmation Order.

(4) Produce the following documents:

(a) All communications with any person affiliated with EHI prior to the Effective Date, including their shareholders and representatives, such as, but not limited to, Reed Smith.

(b) Copies of all documents submitted to the Court of First Instance of Piraeus.

(c) Any decision, undertaking and communication made or issued by the purported Board of Directors referred to in your communications to Mr. Solomon.

Neither you, Reed Smith nor the purported Board of Directors have authority to act on behalf of EHI.

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In the event of non-compliance, EHI reserves the right to take all available actions and claims against you and your clients, including application to Mr Justice Mastando for civil contempt and penalties, commencement of proceedings in a New York court for interference with the Plan, and actions before the competent Greek courts and bodies."

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C.7. The additional actions of the defendants against ELETSON CORPORATION, ELETSON GAS, KASTOS SPECIAL MARITIME ENTERPRISE, KINAROS SPECIAL MARITIME ENTERPRISE, KIMOLOS SPECIAL MARITIME ENTERPRISE, and FOURNI SPECIAL MARITIME ENTERPRISE – The unsubstantiated Minutes of the opposing parties, as alleged, "shareholders" of ELETSON CORPORATION, ELETSON GAS and KINAROS SPECIAL **MARITIME ENTERPRISE**, which allegedly abolish the members of the legally elected directors and define new ones, and Minutes of the alleged new BoDs that appoint officers.

Finally, the actions of the defendants after the entry into force of their restructuring plan did not stop at Eletson Holdings and its subsidiaries, but they expanded, as already mentioned in a summary above, also to companies that have no legal connection with Eletson Holdings, and therefore the restructuring plan of Eletson Holdings, even if it had indeed been in force and brought legal results, it would not have any basis to apply to them.

a. Letters to ELETSON GAS attorneys.

In particular, on 11/21/2024, the representative of Pach Shemen LLC, which is among the Creditors who proposed the Creditors' Amended Restructuring Plan, Adam Spears, sent a letter to the London lawyers of the present fourth plaintiff company Eletson Gas LLC, which is not a subsidiary of Eletson Holdings Inc, and attempted to unlawfully terminate the business relationship between ELETSON GAS and their lawyers.

In particular, Adam Spears mentions in his letter dated 11/21/2024 to the lawyers of Eletson Gas LLC in London (Reed Smith LLP) the following (*the faithful translation of this in Greek is provided - added emphasis*):

"Please be advised that Eletson Holdings Inc, and its subsidiaries (collectively the "Company") have terminated all assignments to Reed Smith for all matters since 20 November 2024 *("Termination Date"). It is reminded* **that the cooperation of E*letson Holdings Inc, with Reed Smith was terminated on November 19, 2024 pursuant to the Court-approved bankruptcy plan pursuant to Chapter 11.***

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On November 20, 2024, Reed Smith's attorney, Louis Solomon, filed a letter with the United States District Court for the Southern District of New York, allegedly acting on behalf of certain Company entities, promoting positions contrary to the interests of the Company. ***This submission was not approved by any Company personnel, including those identified in the instructions previously sent to Reed Smith in letters dated November 19, 2024.***

We also inform you that the Company has not agreed nor is it obliged to pay any Reed Smith fees and/or expenses incurred after the Termination Date. ***The Company conducts a detailed review of all outstanding fees and/or expenses allegedly due to Reed Smith by the Company****. You are asked to provide copies of invoices for all fees and expenses purportedly due to Reed Smith by the Company, by the Termination Date, no later than December 5, 2024.*

In addition to all requests in the Company's letters to Reed Smith dated November 19, 2024, as well as all obligations of Reed Smith to the Company under, among other things, the applicable Professional Liability Rules and the rules governing the conduct of lawyers, you are instructed to preserve and return to the Company all customer materials.

You must coordinate with the Company's legal counsel at Legal Scale LLP (Attention: Neil O'Donnell, Esq. (neil@legalscale.com) and Bryan Judd, Esq. (bryan@legalscale.com)) regarding invoice submission and return of customer materials. In addition, if you have any questions, you can contact me by email at adam.spears@eletsonholdings.com."

Further, on 12/30/2024, the 8th of the defendants Adam Spears sent a letter signed by him as (supposedly) the CEO of Eletson Holdings, the 9th of the defendants herein **Leonard J. Hoskinson** as (supposedly) the CEO of Eletson Corporation and Eletson Gas LLC to the lawyers representing Eletson Corporation and Eletson Gas LLC in the British Virgin Islands, namely Harney Westwood & Riegels LP.

In particular, Adam Spears mentioned in his letter dated December 30, 2024, to the lawyers of Eletson Corporation and Eletson Gas LLC in the British Virgin Islands the following (the faithful translation of this in Greek language is provided - added emphasis):

"[...] You are hereby notified that Eletson Holdings Inc. ("Restructured Holdings") and its subsidiaries (collectively the "Company"), including without limitation Eletson Corporation and Eletson Gas LLC, have terminated all of the Company's assignment agreements to Harney in respect of all matters as of the date hereof (the "Termination Date");

In addition, in respect of the pending appeal against the judgment confirming the Chapter 11 draft confirmed by the Court ("Ratification Decision"), on December 23, 2024, the court of appeal, with Judge Lewis J. Liman of the United States District Court for the Southern District of New York ("District Court"), has decided that the District Court will "approve the agreement to dismiss" the appeal on the basis that the Confirmation Decision "has become final" and that the Confirmation Decision "acknowledges the new board of directors [of the Restructured Holdings]" and "provides to the new board of directors [of Restructured Holdings].... the possibility to act on behalf of [Restructured Holdings]," including "in relation to this appeal.". See Discussion Minutes at page 31:9-23 (23 December 2024), attached hereto as Annex A. The District Court also stated that the requirement to recognize the Confirmation Decision by a

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Liberian court for the validity of the Confirmation Decision "appears to be an extreme position under international bankruptcy law." Id. on pages 20:24-21:5.

We also notify you that the Company has not agreed nor is obligated to pay any fees and/or expenses of Harney incurred after the Termination Date. The Company will perform a detailed review of all outstanding fees and/or expenses allegedly due to Harney by the Company. We invite you to produce copies of invoices for all fees and expenses purportedly due to Harney by the Company by the Termination Date no later than January 15, 2025.

In addition to the requests in the Company's letter to Harney on November 19, 2024 and in accordance with Harney's obligations to the Company, under, inter alia, applicable professional rules of liability and rules governing the conduct of lawyers, you are instructed to retain and return to the Company all customer-owned materials.

You must coordinate with the Company's legal counsel at Legal Scale LLP (Note: Neil O'Donnell, Esq. (neil@legalscale.com) and Bryan Judd, Esq. (bryan@legalscale.com)) regarding invoice submission and return of customer's material. In addition, if you have any questions, you can contact me by email at adam.spears@eletsonholdings.com."

b. The unsubstantiated Minutes - appointments of new directors and officials of ELETSON CORPORATION and ELETSON GAS.

On **11/25/2024**, the allegedly restructured Eletson Holdings Inc (represented by the BoD appointed by the Bankruptcy Court) filed an urgent application before the U.S. Bankruptcy Court to impose penalties primarily against the lawyers of the first of us in the U.S., Reed Smith, but also against anyone else who did not comply with the confirmed Amended Creditor Restructuring Plan.

With the declaration (acknowledgment) submitted to the above Court by the Lawyer of the Creditors, J.C. Borriello (of the law firm Togut), as supporting documents (for sanctions), submitted a series of unfounded minutes for the companies Eletson Corporation and Eletson Gas (attached as exhibits 3 to 8 of the above acknowledgment), whose third and fourth of us became aware of for the first time, since there was no meeting to keep minutes, while it concerns supposed "Unanimous Written Consents of the Board of Directors" which are signed by all the participants without an invitation or even a meeting. In addition, none of these unsubstantiated Minutes have been entered either in the ELETSON CORPORATION records of the Republic of Liberia's Corporate Register or in the ELETSON GAS records in the Marshall Islands Corporate Register. Therefore, these unsubstantiated Minutes (so-called meetings of the BoD or supposed shareholders) are in the form of "Unanimous Written Consent" (corresponding to minutes signed "in rotation") and are referred to below as Minutes.

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In particular, the following unsubstantiated Minutes were submitted:

i. <u>The unsubstantiated Minutes of Eletson Corporation dated 11/19/2024 (Exhibit 3 of the Borriello affirmation)</u>

a. Such minutes are supposed to be the decision of the sole director of Eletson Corporation.

b. As the sole director, the present ninth of the defendants Leonard J. Hoskinson appears to be signing.

c. He decides to relieve all pre-existing officers of the Company and appoints himself as the Chairman, Secretary and Chief Executive Officer (CEO) of the above company.

d. The following are also decided:

i) all management powers are assigned to the officials (i.e., himself);

ii) all the powers of an officer are assigned to the tenth of the defendants Mark Lichtenstein (based on Article IV, Section 1 of the amended (!) Bylaws),

iii) all the powers in relation to banks are provided to the Chairman/Secretary/CEO (transactions of accounts, replacement of signatories and so on),

i) other general authorizations are provided.

ii. <u>The unsubstantiated Minutes of Eletson Corporation dated 11/19/2024 (Exhibit 4 of the Borriello affirmation)</u>

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a. Said minutes are purportedly the minutes of the shareholder of Eletson Corporation (that is, Eletson Holdings, which Adam Spears purportedly represents).

b. With these minutes he supposedly:

i) dismisses all directors (BoD members);

ii) modifies and replaced the Bylaws;

iii) appointed as Director (sole BoD member) the 9th of the defendants Leonard J. Hoskinson,

iv) made some other general decisions.

iii. <u>The unsubstantiated Minutes of Eletson Gas dated 11/29/2024 (Exhibit 5 of the Borriello affidavit)</u>

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a. Those minutes are supposed to be a decision of the holder of the common shares in Eletson Gas, namely Eletson Holdings (purportedly represented by Adam Spears).

b. With these minutes, they dismiss directors from the BoD, Laskarina Karastamati and Vasilis Kertsikoff and appoint, in their place, Leonard Hoskinson.

c. Following this change, the Board of Directors of Eletson Gas allegedly consists of the 9th of the Defendants Leonard Hoskinson and the pre-existing Mark Lichtenstein (ie the 10th of the Defendants), Adam Spears (ie the 8th of the Defendants), Eliyahu Hassett and Joshua Fenttiman.

d. At this point it should be noted that after the JAMS Arbitration award and its confirmation as to the preferred shares, the four old members of the Levona side, namely (10th of the defendants herein) Mark Lichtenstein, (8th of the defendants) Adam Spears, Eliyahu Hassett and Joshua Fenttiman, had already been dismissed.

iv. <u>The unsubstantiated Minutes of Eletson Gas dated 12/01/2024 (Exhibit 6 of the Borriello affidavit)</u>

Said minutes are supposed to be a unanimous decision of the aforementioned purported directors for the appointment of officers and in particular appointed (10th of the defendants) Mark Lichtenstein as secretary.

v. <u>The unsubstantiated Minutes of Eletson Gas dated 12/02/2024 (Exhibit 7 of the Borriello affidavit)</u>

Said minutes are supposed to be a resolution of the Eletson Gas BoD on the basis of which:

a. the existing officers are dismissed, and (9th of the defendants) Leonard Hoskinson is appointed Eletson Gas' CEO,

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b. all management powers (management powers) are conferred on Leonard Hoskinson;

c. all the powers of an officer are given to (10th of the defendants) Mark Lichtenstein (authorized designees), [stamp:] [illegible]

d. (9th of the defendants) Leonard Hoskinson is assigned the representation of the company before banks (bank authorization powers),

e. prohibits a number of actions to all ELETSON GAS subsidiaries described in Schedule 1;

f. decides to dismiss all directors/ administrators/ officials etc. of ELETSON GAs.

vi. The unsubstantiated Minutes of Eletson Gas dated 11/29/2024 (Exhibit 8 of the Borriello affidavit)

a. Those minutes are purportedly minutes of the company-members of Eletson Gas LLC, namely a decision of Eletson Holdings (as holder of common shares), which (8th of the defendants) Adam Spears is purportedly representing as President and CEO, and Levona (as holder of preferred shares), which is represented by Eliyahu Hassett.

b. With this decision "the Shareholders":

i) confirm the Board of Directors consisting of Mark Lichtenstein (10th of the Defendants), Eliyahu Hassett, Joshua Fenttiman, Adam Spears (8th of the Defendants), Leonard J. Hoskinson (9th of the Defendants);

ii) prohibit ELETSON GAS subsidiaries from taking a number of actions outlined in schedule 1;

iii) confirms the dismissal of any other director/officer of the managers, etc.

c. The unsubstantiated Minutes of the amendment of the articles of association) and the appointment of a new BoD of KINAROS SPECIAL MARITIME ENTERPRISE.

On January 7, 2025, the litigants filed, before a court in the State of Texas, USA, Minutes of Kinaros, Special Maritime Enterprise, dated **12/6/2024.** which purportedly are minutes of the sole shareholder of Kinaros Special Maritime Enterprise (i.e., Eletson Holdings, represented by the 9th Defendant Leonard Hoskinson). With these minutes it is assumed that the shareholder:

i) amends the articles of association of the company to change its registered seat;

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ii) elects a new Board of Directors of the company consisting of the 12th, 13th and 14th defendants (i.e. Greek companies IKE BRASCHEL A GREECE SINGLE-MEMBER PRIVATE EQUITY, BRASCHEL B GREECE SINGLE-MEMBER PRIVATE EQUITY, and BRASCHEL C GREECE SINGLE-MEMBER PRIVATE EQUITY);

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iii) amends the articles of association of the company to change its attorney.

Reasonably, we assume that respective Minutes have been signed by Eletson Holdings for all three other subsidiaries of the SME, namely KASTOS SPECIAL MARITIME ENTERPRISE, KIMOLOS II SPECIAL MARITIME ENTERPRISE and FOURNI SPECIAL MARITIME ENTERPRISE, which are simply not yet known to us.

It is stressed in this point that based on the published data in the General Commercial Registry, the manager of the aforementioned Greek BRASCHEL A GREECE SINGLE-MEMBER PRIVATE EQUITY COMPANY, BRASCHEL B GREECE SINGLE-MEMBER PRIVATE EQUITY COMPANY and BRASCHEL C GREECE SINGLE-MEMBER PRIVATE EQUITY COMPANY is the **15th Defendant Ion Varouxakis** (resident of Athens, 1 Vakou Street, holder of State ID Card No. N033180, Tax Reg. No. 074097190, professional entrepreneur, citizen of Greece with e-mail address braschelltd@gmail.com). It is noted that in documents revealed in the context of the arbitration (before Judge-Arbitrator Ariel E. BELEN) **the decisive role of Ion Varouxakis is proven as "right hand man" in Greece, that is, a direct associate of both Marc Bistricer (11th defendant) and Adam Spears (8th defendant)** in critical transactional and abusive acts that have taken place against ELETSON GAS (4th plaintiff) since the beginning of the dispute.

d. The very recent attempted preventive seizure of KINAROS, combined with the attempted deception of the captain and the crew of KINAROS.

As if the above were not enough, the parties were not limited to amending the Minutes of Kinaros Special Maritime Enterprise, but they unilaterally succeeded in issuing *(ex parte)* a **preventive seizure order** of the Ship from the U.S. Federal Court for the Southern District of Texas, and even contacted the captain of KINAROS, threatening him and giving him orders, as purported representatives of KINAROS SME (operating the ship as a bareboat charterer) to berth the ship in Brownsville, Texas.

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In particular, Leonard Hoskinson mentions in his email dated 01/10/2025 that he sent to the Captain of the ship KINAROS the following:

> *"We hereby formally notify you that the United States Federal Court for the Southern District of Texas issued a seizure warrant for the M/V Kinaros.* ***You will have been advised that, following the bankruptcy of Eletson Holdings, Inc., the bareboat charterers (Kinaros Special Maritime Enterprise) and its managers (Eletson Corporation), the new owners and managers have assumed the management of the company.***
> *We note that the ship had provided an estimated time of arrival (ETA) the 8th of January to the port authority of Brownsville and was actually going to arrive at the port on January 7th, but then stopped and began to be swept at a distance of the Texas coast.*
> ***As representatives of Kinaros Special Maritime Enterprise and Eletson Corporation under the new ownership,*** *we hereby instruct you to:*
>
> 1. *Move immediately at full sensible speed to the port for liquid cargo at the port of Brownsville, Texas.*
> 2. *Avoid any deviation from this course or visiting another port until new instructions.*
> 3. *Take all necessary preparations for arriving at the Brownsville port and staying there for an extended period of time.*
> 4. *Ensure all ship documents are in order and readily available.*
> 5. *Inform all crew members of this development.*
>
> *The ship must arrive at the port of Brownsville no later than the end of day January 10, 2025, Texas time.* ***If you refuse or avoid complying with these instructions, this may have implications for both you and the ship (including the working relationships of yourself and the crew with Eletson).***
> *Upon arrival at the port for liquid cargo at the port of Brownsville:*
> *Maintain your position as indicated by local authorities.*
> *Wait for further instructions from the American Bailiff.*
> *Ensure all crew members engage with local authorities.*
> *Please confirm receipt of this notification immediately and let us know your estimated arrival time at the port for liquid cargo at the port of Brownsville.*

The KINAROS ship, contrary to the above, moved away from Brownsville, Texas, however the above email to the captain and the ship are a manifest example of the confusion and damage caused by the litigants to a Greek flag vessel.

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e. The unsubstantiated Minutes of the Board of Directors of Eletson Gas dated January 13, 2025, on alleged termination of the assignment of Eletson Gas to the law firm Reed Smith LLP.

On January 14, 2025, Levona Holdings Ltd filed in an arbitral tribunal of the London Court of International Arbitration (LCIA) Minutes purportedly of ELETSON GAS, dated January 13, 2025, which are supposed to be the unanimous written consent of the Board of Directors, signed by all participants without an invitation or even a meeting. With these minutes it is assumed that the Board of Directors of ELETSON GAS:

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i) acknowledges and confirms the purported termination of the assignment of Eletson Gas dated December 4, 2024, to the law firm Reed Smith for the provision of legal services, as well as all actions taken for this purpose;

ii) provides certain general authorizations to Eletson Gas officials

These minutes, as well as the above minutes, have not been entered in the Eletson Gas portion of the Marshall Islands Company Register.

f. In conclusion:

It is obvious that all the above decisions are unsubstantiated under the laws of Liberia, the Marshall Islands and Greece. Obviously these things and possibly other things that we still do not know are worded by the litigants and sent to the banks, creating major problems to the third and fourth of us, ELETSON CORPORATION and ELETSON GAS, but also to companies that operate the 4 ships, that is, to the fifth, sixth, seventh and eighth of us, "KASTOS SPECIAL MARITIME ENTERPRISE, KINAROS SPECIAL MARITIME ENTERPRISE, KIMOLOS II SPECIAL MARITIME ENTERPRISE, and FOURNI SPECIAL MARITIME ENTERPRISE, respectively.

The legitimate interest of all of us plaintiff partners is manifest, in order to request from Your Court to recognize that the above are also all unsubstantiated.

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D. The nature of this complaint.

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Pursuant to **article 70 of the Code of Civil Procedure**, *"Anyone who has a legitimate interest in recognizing the existence or absence of a legal relationship, may bring a relevant complaint".* The objective of the recognition complaint is to issue a decision which determines the existing (positive identifying complaint) or the non-existent (negative identifying complaint) of a legal relationship.

Two procedural conditions must be met for the admissibility of the recognition action, the legal relationship of which the diagnosis is sought and the legitimate interest which is concurrent, when there is uncertainty, doubt or challenge of the claimant's legal relationship or where there is bragging for a legal relationship which does not exist, which creates a risk to their interests, the prevention of which is sought by the requested judicial protection, in the form of an recognition complaint, while the removal of uncertainty is a means of preventing the risk (Athens Appellate Court 3187/2003, Hellenic Justice 44.1372). Besides, **with a negative recognition complaint, it is possible to request a recognition that the plaintiff did not obtain the capacity of the debtor, specifying the debt, the non-existence of which is alleged, and which is the subject of the dispute (Larisa Appellate Court 572/2002, Armenopoulos 2003/1278).** Besides, the distinction between positive and negative recognition complaint matters only as to the weight of the evidence (see Athens Appellate Court 3186-7/2003, Hellenic Justice 2003. 1372). Thus, to establish a negative recognition complaint, only the general dismissal opposed by the plaintiff against the defendant's asserted right is sufficient, without the plaintiff being obliged o invoke and prove the falsity of the true events that support the asserted right by the defendant. The last, instead, carries the burden of revoking and proving the true events underpinning his asserted right, while the plaintiff, in defense against that defendant's right, is entitled to invoke and prove those critical facts on the grounds of which the right of the defendant has been exhausted or its exercise is prohibited in this particular case **(Supreme Court 452/2021, Legal Databank NOMOS, Supreme Court 851/2019** published on the Supreme Court website, **PPA 3962/2023, Legal Databank NOMOS,** Patras Appellate Court 1199/2007, Legal Archives 2008, 197, Patras Appellate Court 140/2004 Legal Archives 2005, 226, 87/2019 Nafpaktos Magistrate Court 87/2019, Legal Databank NOMOS).

From the provisions of articles 68, 70, 216 par. 1 and 324 et seq. of the Code of Civil Procedure, it is concluded that the **negative recognition complaint is legitimized to raise** by the one who has a direct legitimate interest in order to recognize the absence of a legal relationship and that for the

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completeness of its case record, it is sufficient alone or with the (complaint) opposed by the plaintiff, against the right asserted by the defendant, a general denial of the facts supporting it. And a legal relationship is the biotic relationship of a person which refers to another person or material good and is [stamp:] [illegible] regulated by the objective law, **while a legitimate interest exists when the requested diagnosis is the appropriate means to lift the existing one, and from the pride even for the existence of a right that does not exist, uncertainty in the relations of the litigants and prevention of the risk caused in the interests of the plaintiff by it.** Immediate end is the legitimate interest, when the need to provide legal protection is addressed, that is, it exists at the commencement of the trial and is considered to be born directly as the right or legal relationship is challenged or questioned, etc., because since then the need for protection arises and is immediate (Supreme Court 823/2021, Supreme Court 1551/2010, Legal Databank NOMOS, MPA **535/2024 (SPECIFIC)-Legal Databank NOMOS).**

D.1. The legitimate interest of "ELETSON HOLDINGS".

In this case, the first plaintiff company faced, in the context of the open, first involuntary, bankruptcy proceedings, claims of its opposing litigants, which, although disputed, guided it in a very difficult position. The only reason that these proceedings were initiated against them was, as mentioned above, the desire of Levona and the other related companies to stay the arbitration proceedings opened by the first plaintiff, so that the respondents would not be awarded claims against them in the relevant (arbitral) appeal **(under par. A.6. as above).**

In particular, as mentioned above (**under A.7.3.**) by a number of documents and as it has already been ruled by Judge-Arbitrator Ariel E. BELEN in his final arbitration decision award dated 09/29/2023, the conduct of Levona, as well as its affiliates Murchinson and Pach Shemen, for which, indeed, the aforementioned Arbitrator mentions characteristically that "***each is an alter ego of the other", against ELETSON HOLDINGS, is entirely illegal, unconventional, unethical and totally in bad faith*** [see in detail above **under A.6.1**.].

Their conduct in bad faith led to the bankruptcy of ELETSON HOLDINGS, fully manipulated by them, which, although it was v**indicated in the Arbitration Award dated 09/29/2023**, was brought to a state of purportedly voluntary bankruptcy by actions of Levona/Murchinson/Pach Shemen and the other companies of its interests.

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The manipulation, in bad faith, of the bankruptcy of the Company on behalf of Levona/Murchinson/Pach Shemen is proven, without any doubt, from the following, as they were explained in detail above (see paragraph **under A.7.1.)** and are summarized herein:

a. Lack of active legalization to file an involuntary bankruptcy petition.

The purported as Creditors Pach Shemen LLC, VR global Partners L.P., Alpine Partners L.P., present first and third of the defendants, failed to inquire whether they themselves met the requirements for active legalization to file a petition for involuntary bankruptcy of the Company under the American Bankruptcy Code, an action fundamentally contrary to morality;

b. Bankruptcy manipulation scheme of the Company to gain advantage in a pending Arbitration.

As detailed above **(under par. A.7.3.B.).** the true causes and purpose for which the involuntary bankruptcy petitions were filed against the current first plaintiff was not the financial Restructuring of the first claimant company, **but the petitioners of said petition in question against the current first plaintiff aimed to gain a strategic advantage in the arbitration proceedings that had already been opened between Eletson Holdings and Eletson Corporation, on the one hand as plaintiffs, and Levona (an affiliate of Murchinson), on the other hand as a defendant**. In terms of Greek law, we would talk about an **abusive petition for bankruptcy**, since it seeks purposes foreign to bankruptcy (Bankruptcy Code No. 80 of Law 4738/2020).

Therefore, the objective of Murchinson/Levona/Pach Shemen through the acquisition of the Bonds has never been possible financial returns of that investment; but, instead, their common goal was to manipulate the bankruptcy proceedings for their benefit in the arbitration and gain control over and through Eletson Gas; using information obtained through the bankruptcy proceedings before the American Bankruptcy Court for this purpose, for their own benefit in the Arbitration.

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c. Initiation of bankruptcy proceedings based on disputed claims.

Finally, another reason that renders the bankruptcy of ELETSON HOLDINGS in bad faith and manipulated is that, while the filing of an involuntary bankruptcy petition of an obligor before the

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American Bankruptcy Court must be based on **actual and uncontroversial claims,** in this case, the aforementioned purported **Creditors of the first plaintiff knew, upon filing the involuntary bankruptcy petitions, the validly questionable nature of their claims.**

Thus, considering that the first plaintiff Company, despite the lack of debt to its purported Creditors, pursuant to a procedure directed against it, was put into a state of insolvency by the Court, which lacked this jurisdiction and therefore risked permanently loss of the possibility for the management of its property and its general corporate affairs, has an obvious direct legitimate interest to be recognized with the power of res judicata that, both the Voluntary Bankruptcy Decision issued in New York on 10/25/2024 (Chapter 11) for ELETSON HOLDINGS (currently first plaintiff) and the other companies of the U.S. Bankruptcy Court - Southern District of New York issued in New York dated 25.10.2024, consisting of Judge John R. MASTANDO, as well as the Order dated 11/04/2024 of the same above Bankruptcy Court confirming the Decision of Voluntary Bankruptcy (Chapter 11) of ELETSON HOLDINGS dated 10/25/2024 (currently the first plaintiff) and the other companies, and the Amended Creditors Restructuring Plan, **does not have any consequence as to the first plaintiff company in the Greek legal order, nor is it binding, and that the first plaintiff company has not been declared by the above decisions under bankruptcy and/or is placed in any form of reorganization/restructuring.**

D.2. The legitimate interest of the other plaintiffs.

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Further, similarly direct and legitimate interest in the exercise herein has the second plaintiff company "**ELAFONISSOS SHIPPING CORPORATION",** as shareholder of the first plaintiff Company, given that its financial interests are **directly** and **inextricably** linked to the autonomous operation of the latter, ELETSON HOLDINGS, and these interests are directly affected, as the Amended Restructuring Plan provides for the annulment ("de-materialization") of shares that ELAFONISSOS SHIPPING CORPORATION has held for 40 consecutive years in ELETSON HOLDINGS.

Similarly, the third and fourth of the plaintiff companies have a direct and current legitimate interest in the exercise hereof, **"ELETSON CORPORATION"** (3rd plaintiff) and **"ELETSON GAS"** (4th plaintiff) given that the financial interests of both are **directly** and **inextricably** linked to the autonomous operation of the first of the plaintiffs, ELETSON HOLDINGS, since the litigants, with

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vehicle the alleged bankruptcy decision of the latter, prepared a stack of unsubstantiated Minutes on their behalf, in order to take de facto control of **"ELETSON CORPORATION"** and **"ELETSON GAS",** and they are bragging to third parties that they control these companies, creating huge problems in their operation.

Similarly, a direct and current legitimate interest in the exercise of this contract is held by the fifth, sixth, seventh and eighth of the plaintiffs **"KASTOS SPECIAL MARITIME ENTERPRISE", "KINAROS SPECIAL MARITIME ENTERPRISE", "KIMOLOS II SPECIAL MARITIME ENTERPRISE", and "FOURNI SPECIAL MARITIME ENTERPRISE",** respectively, as subsidiaries of ELETSON HOLDINGS, given that the financial interests of all are **directly** and **inextricably** linked to the autonomous operation of the first of the plaintiffs, ELETSON HOLDINGS, since the litigants, similarly, with vehicle the decision of the latter's voluntary bankruptcy, write Minutes on their behalf, in order to take control of them.

In addition, the third, fourth and sixth of the plaintiff companies, **"ELETSON CORPORATION", "ELETSON GAS" and "KINAROS SPECIAL MARITIME ENTERPRISE", have a direct and current legitimate interest** to request from Your Court to recognize that the above Minutes, drafted arbitrarily by the litigants and deprived of any legal grounds, are without merit and in particular to recognize that the following are **unsubstantiated**:

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i. The purported Minutes of Eletson Gas dated 11/19/2024.

ii. The purported Minutes of Eletson Corporation dated 11/19/2024.

iii. The purported Minutes of Eletson Gas dated 11/29/2024.

iv. The purported Minutes of Eletson Gas dated 12/01/2024.

v. The purported Minutes of Eletson Gas dated 12/02/2024.

vi. The purported Minutes of Eletson Holdings dated 11/29/2024.

vii. The purported shareholder Minutes of the Kinaros Special Maritime Enterprise dated 12/06/2024.

viii. The purported Minutes of Eletson Gas dated 01/13/2024.

E. Clarification regarding the Judgment of the U.S. Bankruptcy Court.

The Plaintiffs hereby do not intend to show disrespect for the United States Bankruptcy Court of the Southern District of New York or for its judgment of October 25, 2024, in respect of the restructuring of Eletson Holdings, Inc. (participating as a plaintiff, to achieve full judicial protection), nor to any other judgment of said Court. However, the United States Bankruptcy Court did not adjudicate, and did not intend to adjudicate the validity or enforceability of its decisions under Greek law or other non-U.S. laws. In particular, the above decisions have local petition limits and in order to apply to the Greek legal order and other legal classes outside the USA, they must be recognized under the law of these legal classes.

To the contrary, the defendants in this case are those who have shown disrespect and profoundly violate the U.S. Court's judgments by falsely and willfully stating that such judgments apply to jurisdictions outside of the United States without proper recognition by such jurisdictions. Defendants falsely and knowingly assert that they have power to act on behalf of Eletson Holdings, Inc., and other entities (such as the 2nd to 8th Plaintiffs) that were not, and have never been, parties (litigants) in the New York bankruptcy proceedings and that are not covered by the judgments of the U.S. Court. In addition, they seek to exercise this non-existing authority in dealings with third parties who are unaware of the issues, by attempting to mislead those parties and, at the very least, create confusion and doubts. These actions threaten the Plaintiffs with serious harm, including, but not limited to, causing bank account blockages and impeding financial and business relationships, intimidating and misleading employees on land and seamen, deterring payments by charterers.

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This action of the defendants, as well as other illegal, irregular and abusive conduct on their part that were not presented or approved by the U.S. Bankruptcy Court or authorized by it, makes it absolutely necessary to file this complaint in order to protect the legal rights of the plaintiffs against the defendants in the Greek legal order.

F.

Whereas the judgments of the above Bankruptcy Court of the Southern District of New York, that is, the judgment of Voluntary Bankruptcy of 10/25/2024 (Chapter 11) issued in New York in respect of the current first plaintiff, ELETSON HOLDINGS (and in respect of the other two companies which are not parties to this trial) of the U.S.-South District of New York consisting of John R. MASTANDO, as well as the Order dated 11/04/2024 of the same as above Bankruptcy Court confirming the Decision of Voluntary Bankruptcy (Chapter 11) dated 10/25/2024 of the current first plaintiff ELETSON HOLDINGS (and two other companies that are not litigants in this trial) and the Amended Creditors Restructuring Plan, and any other decision that may have been issued by the same Court, have not been recognized in Greece (nor are the conditions for their recognition met), the defendants and in particular the defendant natural persons (that is, the 8th Defendant Adam Spears, the 9th Defendant Leonard Hoskinson, the 10th Defendant Mark Lichtenstein, the 11th Defendant Marc Bistricer, and the 15th Defendant Ion Varouxakis) or anyone else who derives or claims to derive rights from the above judgments of the Bankruptcy Court in the Southern District of New York, is not entitled to represent or claim (brag) to represent any of the Plaintiffs or any of their subsidiaries; nor take any administrative or managerial actions thereof, or claim to have changed their boards of directors, nor attempt to register such changes with any authority, and in particular with the registration service of maritime companies of the Ministry of Maritime Affairs and Insular Policy or in the service of companies established under article 25 of Law 27/1975 of the same register or for Liberian companies in the Liberian International Ship and Corporate Registry (LISCR) (which has an office in Greece under the name LISCR HELLAS Single-Member Services on Maritime Affairs and Companies, Societe Anonyme), and for the companies of the Marshall Islands in the International Registries, Inc (IRI) (which have an office in Greece under the name INTERNATIONAL REGISTRIES LLC HELLAS SINGLE-MEMBER LTD).

[stamp:] [illegible]

Whereas Your Court has local and substantial jurisdiction as, in accordance with the provision of **article 14 par. 1 of the Code of Civil Procedure** ***"All disputes that can be valued in money and that***

[logo]

***the value of their subject matter does not exceed the amount of two hundred fifty thousand (250,000) euros are subject to the jurisdiction of single-member courts of first instance*", while in accordance with article 18 par.** 1 of the Code of Civil Procedure *"All disputes for which the single-member courts are not competent are subject to the jurisdiction of the multi-member courts of first instance",* and a dispute with subject matter not subject to valuation in money is hereby brought before your Court.

Whereas this complaint is legal, valid and true, it must be accepted by Your Court.

Whereas the legal fee of our proxy attorneys for the filing of the present complain has been paid, as shown in the advance payment receipts of the Athens Bar Association Nos… ..... P5518758/2025, P5518700/2025 and P5518949/2025.

FOR THESE REASONS

With the reservation of all our legal rights

WE HEREBY REQUEST

1) That this complaint be **accepted.**

2) To **recognize** by judgment issued by Your Court on this complaint, for the reasons stated in the background herein, that both the Voluntary Bankruptcy Decision (Chapter 11) issued in New York on 10/25/2024, concerning ELETSON HOLDINGS INC. (U.S. Bankruptcy Court - Southern District of New York, Judge John R. MASTANDO), as well as the Order dated 11/04/2024 of the same as above Bankruptcy Court confirming the voluntary bankruptcy decision dated 10/25/2024 (Chapter 11) and the Amended Creditors Restructuring Plan, as well as any other judgment of the above court that has been issued or will be issued (without being recognized in Greece), do not have any consequence as to the first plaintiff company, to the Greek legal order, nor do they bind the company, and that the first plaintiff company, ELETSON HOLDINGS INC. has not been declared, under the above decisions, in bankruptcy and/or is not placed in any form of reorganization/restructuring.

[stamp:] [illegible]

3) To **acknowledge** by decision of Your Court on this complaint that the Minutes below, allegedly drawn up by the first, third, fourth and sixth of the plaintiffs, namely **"ELETSON**

[logo]

HOLDINGS INC.", "ELETSON CORPORATION", "ELETSON GAS" and "KINAROS SPECIAL MARITIME ENTERPRISE", respectively, for the reasons mentioned in the history herein, are unsubstantiated:

- **i.** The purported Minutes of Eletson Gas dated 11/29/2024;
- **ii.** The purported Minutes of Eletson Corporation dated 11/19/2024;
- **iii.** The purported Minutes of Eletson Gas dated 11/29/2024;
- **iv.** The purported Minutes of Eletson Gas dated 12/01/2024;
- **v.** The purported Minutes of Eletson Gas dated 12/02/2024;
- **vi.** The purported Minutes of Eletson Holdings dated 11/29/2024;
- **vii.** The purported shareholder Minutes of Kinaros, a Special Maritime Enterprise, dated 12/06/2024;
- **viii.** The purported Minutes of Eletson Gas dated 01/13/2024.
- **ix.** Any other such minutes purportedly issued or that may be issued for any of the plaintiffs or any subsidiary of the plaintiffs, by natural or legal persons who derive or claim to derive their authority from the above decisions of the Bankruptcy Court of the Southern District of New York.

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[stamp:] [illegible]

4) To **recognize** that the defendants, and in particular the natural persons (i.e. the eighth defendant Adam Spears, the ninth defendant, Leonard Hoskinson, the tenth defendant Mark Lichtenstein, the eleventh defendant, Marc Bistricer and the fifteenth defendant, Ion Varouxakis) or anyone else deriving or alleging to be deriving rights from the above judgments of the Bankruptcy Court of the Southern District of New York, is not entitled to represent or claim (brag) to represent any of the plaintiffs or any of their subsidiary companies, nor take any administrative or management actions thereof, nor use the highly misleading address @eletsonholdings.com fabricated by the above defendants, or claim to have changed their boards of directors, nor attempt to register such changes with any authority and in particular with the service of register of maritime companies of the Ministry of Maritime Affairs and Insular Policy or with the service of companies established under article 25 of Law 27/1975 of the above Ministry or for Liberian companies with the Liberian International Ship and Corporate Registry (LISCR) (which has an office in Greece under the name LISCR HELLAS Single-Member Company for Services in Maritime Affairs and Companies) and for the companies of the Marshall Islands with the International Registries, Inc (IRI) (who have an office in Greece under the name INTERNATIONAL REGISTRIES LLC HELLAS SINGLE-MEMBER LTD).

5) To convict the defendants in whole to the court costs and to the fees of the attorneys of the plaintiff companies.

Athens, January 17, 2025

The Proxy Attorneys

[signature]
[seal:] K. F. CALAVROS LAW FIRM
Ch. P. FILIOS - Th. Th. KLOUKINAS
19 VRANA - ATHENS 115 25
Tel. 2103698700 Fax 2103698750
[illegible[KIOUSI, ATTORNEY AT LAW
E: kloukinas@calavros.gr

[signature]
[seal:] K. F. CALAVROS LAW FIRM
Ch. P. FILIOS - Th. Th. KLOUKINAS
19 VRANA - ATHENS 115 25
Tel. 2103698700 Fax 2103698750
THEMOSTOKLIS TH. KLOUKINAS, ATTORNEY AT LAW
E: kloukinas@calavros.gr

[signature]

[stamp:] LEGAL DOCUMENT FILING REPORT
This case was filed by the signing lawyer.
Piraeus [hw:] 01/17/2024
Filed by The Secretary
[hw:] *Maria Hahami (30482),* [signature]

[stamp:] [illegible]

[stamp:] [illegible]
[signature]

[stamp:] [illegible]

[logo]

No: P5518949
Date: 01/17/2025

ATHENS BAR ASSOCIATION

FEES AND STAMPS ADVANCE PAYMENT RECEIPT, 32.80 EURO

Annex I & III, Law 4194/2013 (Government Gazette A 208 / 09-27-2013)

K. F. CALAVROS LAW COMPANY Ch. P. FILIOS - Th. Th. KLOUKINAS with Reg. No. **080011** and Tax Reg. No. **099634359** paid the amount of **THIRTY TWO EURO AND EIGHTY CENTS** of the lawyer **HAHAMI MARIA daughter of PANAGIOTIS** with Reg. No. **030482** and Tax Reg. No. **131220580** concerning a COMPLAINT -APPLICATION before the PIRAEUS MULTI-MEMBER FIRST INSTANCE COURT - JURISDICTION-ORDINARY (NON-MONETARY) for the case of her principal **ELETSON HOLDINGS INC.**

ITEMIZED (*)

REFERENCE AMOUNT (Par. I of Law 4194/2013) €117.00

Athens Bar Association	5,00 €	TAXDIK FILING STAMP	€4.00
E.F.K.A.	€23.40	TAXDIK STAMP FOR COPIES	€0.00
Withholding per Article 29 of Law 4596/2019	€0.40		
TAX	€17,55		
TOTAL WITHHOLDINGS	€28,80	**TOTAL FOR STAMPS**	€4.00
REPAYMENT	€50,35		

*VAT 24% = €28.08 is calculated on the amount of €117.00. (Total amount of reference and VAT:€145.08)

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By order of the Athens Bar Association

[logo]

No: P5518949
Date: 01/17/2025

ATHENS BAR ASSOCIATION

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By order of the Athens Bar Association

[stamp:] [illegible]

[stamp:] [illegible]
[signature]

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[stamp:] [illegible]

No: P5518700
Date: 01/17/2025

ATHENS BAR ASSOCIATION

FEES AND STAMPS ADVANCE PAYMENT RECEIPT, 32.80 EURO

Annex I & III, Law 4194/2013 (Government Gazette A 208 / 09-27-2013)

K. F. CALAVROS LAW COMPANY Ch. P. FILIOS - Th. Th. KLOUKINAS with Reg. No. **080011** and Tax Reg. No. **099634359** paid the amount of **THIRTY TWO EURO AND EIGHTY CENTS** of the lawyer **HAHAMI MARIA daughter of PANAGIOTIS** with Reg. No. **030165** and Tax Reg. No. **118051540** concerning a COMPLAINT -APPLICATION before the PIRAEUS MULTI-MEMBER FIRST INSTANCE COURT - JURISDICTION-ORDINARYR (NON-MONETARY) for the case of her principal **ELETSON HOLDINGS INC. ETC.**

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*VAT 24% = €28.08 is calculated on the amount of €117.00. (Total amount of reference and VAT:€145.08)

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By order of the Athens Bar Association

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No: P5518700
Date: 01/17/2025

ATHENS BAR ASSOCIATION

FEES AND STAMPS ADVANCE PAYMENT RECEIPT, 32.80 EURO

Annex I & III, Law 4194/2013 (Government Gazette A 208 / 09-27-2013)

K. F. CALAVROS LAW COMPANY Ch. P. FILIOS - Th. Th. KLOUKINAS with Reg. No. **080011** and Tax Reg. No. **099634359** paid the amount of **THIRTY TWO EURO AND EIGHTY CENTS** of the lawyer **HAHAMI MARIA daughter of PANAGIOTIS** with Reg. No. **030165** and Tax Reg. No. **118051540** concerning a COMPLAINT -APPLICATION before the PIRAEUS MULTI-MEMBER FIRST INSTANCE COURT - JURISDICTION-ORDINARYR (NON-MONETARY) for the case of her principal **ELETSON HOLDINGS INC. ETC.**

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By order of the Athens Bar Association

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[signature]

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[stamp:] [illegible]

No: P5518758
Date: 01/17/2025

ATHENS BAR ASSOCIATION

FEES AND STAMPS ADVANCE PAYMENT RECEIPT, 32.80 EURO

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ITEMIZED (*)

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By order of the Athens Bar Association

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No: P5518758
Date: 01/17/2025

ATHENS BAR ASSOCIATION

FEES AND STAMPS ADVANCE PAYMENT RECEIPT, 32.80 EURO

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By order of the Athens Bar Association

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[stamp:] [illegible]
[signature]

[logo:] General Secretariat for Information Systems & Digital Governance

e-FeeReceipt Payment Certificate with card

[logo:] HELLENIC REPUBLIC
Ministry of Digital Governance

[stamp:] [illegible]

For use by the Public Service

Fee receipt code	**758279548955 0716 0073**
Service	Justice
Fee receipt category	TA.X.DI.K. Stamp Duty (“Megarosimo”)
Fee Receipt Type	[1375] Multi-value milestone, used once in a pick-up service
Amount (€)	38.00 Euro
Status	PAID
RF code	RF859051030095007585795 48
Transaction Code	11835841/000484024127
Date of Transaction	01/17/2025

Additional details

For Official Use

Administrative Fee Code	**758279548955 0716 0073**
Public Authority	Ministry of Justice
Administrative Fee Category	Fee stamp to fund court buildings (court building fee stamp)
Administrative Fee Type	[1375] Stamp duty (megarosimo) of various values for the Judicial Buildings' Financing Fund (JBFF), to be used once at each receiving administration
Amount (€)	38.00 Euro
Status	PAID
RF Code	RF859051030095007585795 48
Transaction Code	11835841/000484024127
Transaction Date	01/17/2025

Additional Info

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[signature]

[stamp:] [illegible]

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HELLENIC REPUBLIC
PIRAEUS FIRST INSTANCE COURT

LEGAL DOCUMENT FILING REPORT

Type of Legal Document: COMPLAINT
General Filing Number: 1260/2025
Special Filing Number: 344/2025
Proceedings: NEW ORDINARY MULTI-MEMBER

Before the PIRAEUS FIRST INSTANCE COURT today, 01/17/2025, Friday at 13:15, the attorney at law HAHAMI MARIA, with Athens Bar Association Reg. No. 030482 and Tax Reg. No. 131220580 appeared before the Secretariat and filed the aforementioned legal document.

For this act, this report was drafted and lawfully signed.

Filed by — The Secretary

[signature]

MARIA HAHAMI — ELENI KALLIVRETAKI

In the case of a complaint or summons from postponement, the deadline for the submission of motions for the litigants is ninety (90) days from the expiration of the deadline for the service of the complaint or the summons. The above deadline is extended to one hundred and twenty (120) days for all litigants if a defendant or one of his opposing parties resides abroad or is of unknown residence. Note that overdue proposals are not considered. Within the same deadline, the proof of service of the legal document is also submitted.

TRUE COPY
PIRAEUS, 01/17/2025
The Secretary
[signature]

ELENI KALLIVRETAKI

[stamp:] HELLENIC REPUBLIC PIRAEUS FIRST INSTANCE COURT

[stamp:] True copy which was considered to be the legal label of Piraeus [hw:] *02–18-2025*
[illegible]

[signature]

Konstantina Karaferi

EXHIBIT “27”

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

TOGUT SEGAL & SEGAL LLP

On Feb 27, 2025, at 8:57 PM, Curtin, William E. <wcurtin@sidley.com> wrote:

I have not.

WILLIAM E. CURTIN

SIDLEY AUSTIN LLP
+212 839 6745
wcurtin@sidley.com

From: Bryan Kotliar <bkotliar@teamtogut.com>
Date: Thursday, Feb 27, 2025 at 8:46 PM
To: Curtin, William E. <wcurtin@sidley.com>
Cc: Kyle Ortiz <kortiz@teamtogut.com>
Subject: Re: Eletson Holdings Inc.

Bill,

Following up if you have a response from your clients. Particularly in light of the Court's sanctions order entered against your clients tonight, we are asking, again, for you to withdraw the Liberian pleadings (among our other requests).

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

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On Feb 25, 2025, at 5:36 PM, Curtin, William E. <wcurtin@sidley.com> wrote:

I have forwarded your request to my clients.

WILLIAM E. CURTIN

SIDLEY AUSTIN LLP
+212 839 6745
wcurtin@sidley.com

From: Bryan Kotliar <bkotliar@teamtogut.com>
Sent: Monday, February 24, 2025 9:45 PM
To: Curtin, William E. <wcurtin@sidley.com>
Cc: Kyle Ortiz <kortiz@teamtogut.com>
Subject: Re: Eletson Holdings Inc.

Bill - following up yet again.

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

On Jan 24, 2025, at 6:58 AM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:

Bill following up again on the below.

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119

EXHIBIT “28”

From: **Bryan Kotliar** bkotliar@teamtogut.com [redacted]
Subject: Re: Eletson Holdings Inc.
Date: January 24, 2025 at 6:58 AM
To: Curtin, William E. wcurtin@sidley.com
Cc: Kyle Ortiz kortiz@teamtogut.com

BK

Bill following up again on the below.

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

TOGUT SEGAL & SEGAL LLP

> On Jan 22, 2025, at 10:40 AM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:
>
> Bill - following up. We understand that the Liberian pleadings filed by the shareholders have not been withdrawn. Please confirm that the shareholders will withdraw them or if not, provide an explanation of why not, so we can try to address whatever issues there may be to them doing so.
>
> Best regards,
>
> Bryan

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

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> On Jan 10, 2025, at 4:58 PM, Curtin, William E. <wcurtin@sidley.com> wrote:
>
> Will talk to my clients and revert. Thank you.
>
> **WILLIAM E. CURTIN**
>
> **SIDLEY AUSTIN LLP**
> +212 839 6745
> wcurtin@sidley.com
>
> ---
>
> **From:** Bryan Kotliar <bkotliar@teamtogut.com>
> **Date:** Friday, Jan 10, 2025 at 4:56 PM
> **To:** Curtin, William E. <wcurtin@sidley.com>
> **Cc:** Kyle Ortiz <kortiz@teamtogut.com>
> **Subject:** Re: Eletson Holdings Inc.
>
> Bill,
>
> The Majority Shareholders that you represent are co-movants along with the Minority Shareholders and persons purporting to represent Eletson Holdings on the three attached pleadings filed in Liberia opposing recognition of the Court's Confirmation Order.
>
> All three pleadings violate the Plan and Confirmation Order for reasons that we have previously briefed extensively in the Sanctions Motion and related filings. In particular, paragraph 12 of the Court's Confirmation Order enjoins "all Holders of Claims ***or Interests*** and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates . . . ***from taking any actions to interference with implementation or consummation of the Plan*** or interfering with any distributions or payments contemplated by the Plan." (Emphasis added).

Incredibly, in Section 3 of the Motion to Strike, the Majority Shareholders argue that Mr. Spears has not been authorized to act as "the foreign representative in Liberia" from "any . . . competent authority." You and your clients consented to the entry of the Bankruptcy Court's order appointing Adam Spears as Eletson Holdings' foreign representative for seeking the very recognition that your clients now dispute.

You have claimed that the Majority Shareholders are cooperating in good faith in implementing and consummating the Plan. In these pleadings, they are doing the direct opposite.

The Majority Shareholders are directed to withdraw these pleadings immediately and cease all other efforts to interfere with implementation or consummation of the Plan.

Best regards,

Bryan

—

Bryan M. Kotliar | **Partner**
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

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> On Jan 3, 2025, at 8:07 AM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:
>
> Bill - following up on the below.
>
> —
>
> **Bryan M. Kotliar** | **Partner**
> Togut, Segal & Segal LLP
> One Penn Plaza, Suite 3335 | New York, NY 10119
> Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
> bkotliar@teamtogut.com | togutlawfirm.com
>
> <597CF39D-802E-4454-B1AD-DA0D1DE7FE3A.png>
>
> > On Dec 30, 2024, at 12:52 PM, Curtin, William E. <wcurtin@sidley.com> wrote:
> >
> > Bryan,
> >
> > I hope you are having a nice holiday. I've forwarded your request to my clients and I understand that they are conferring with Greek and Liberian counsel.
> >
> > Thanks,
> > Bill
> >
> > **WILLIAM E. CURTIN**
> >
> > **SIDLEY AUSTIN LLP**
> > +212 839 6745
> > wcurtin@sidley.com
> >
> >

EXHIBIT “29”

One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

<597CF39D-802E-4454-B1AD-DA0D1DE7FE3A.png>

On Jan 22, 2025, at 10:40 AM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:

Bill - following up. We understand that the Liberian pleadings filed by the shareholders have not been withdrawn. Please confirm that the shareholders will withdraw them or if not, provide an explanation of why not, so we can try to address whatever issues there may be to them doing so.

Best regards,

Bryan

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

<597CF39D-802E-4454-B1AD-DA0D1DE7FE3A.png>

On Jan 10, 2025, at 4:58 PM, Curtin, William E. <wcurtin@sidley.com> wrote:

Will talk to my clients and revert. Thank you.

WILLIAM E. CURTIN

SIDLEY AUSTIN LLP
+212 839 6745
wcurtin@sidley.com

From: Bryan Kotliar <bkotliar@teamtogut.com>
Date: Friday, Jan 10, 2025 at 4:56 PM
To: Curtin, William E. <wcurtin@sidley.com>
Cc: Kyle Ortiz <kortiz@teamtogut.com>
Subject: Re: Eletson Holdings Inc.

Bill,

The Majority Shareholders that you represent are co-movants along with the Minority Shareholders and persons purporting to represent Eletson Holdings on the three attached pleadings filed in Liberia opposing recognition of the Court's Confirmation Order.

All three pleadings violate the Plan and Confirmation Order for reasons that we have previously briefed extensively in the Sanctions Motion and related filings. In particular, paragraph 12 of the Court's Confirmation Order enjoins "all Holders of Claims ***or Interests*** and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates . . . ***from taking any actions to interference with implementation or consummation of the Plan*** or interfering with any distributions or payments contemplated by the Plan." (Emphasis added).

Incredibly, in Section 3 of the Motion to Strike, the Majority Shareholders argue that Mr. Spears has not been authorized to act as "the foreign representative in Liberia" from "any . . . competent authority." You and your clients consented to the entry of the Bankruptcy Court's order appointing Adam Spears as Eletson Holdings' foreign representative for seeking the very recognition that your clients now dispute.

You have claimed that the Majority Shareholders are cooperating in good faith in implementing and consummating the Plan. In these pleadings, they are doing the direct opposite.

The Majority Shareholders are directed to withdraw these pleadings immediately and cease all other efforts to interfere with implementation or consummation of the Plan.

Best regards

Best regards,

Bryan

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

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On Jan 3, 2025, at 8:07 AM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:

Bill - following up on the below.

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

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On Dec 30, 2024, at 12:52 PM, Curtin, William E. <wcurtin@sidley.com> wrote:

Bryan,

I hope you are having a nice holiday. I've forwarded your request to my clients and I understand that they are conferring with Greek and Liberian counsel.

Thanks,
Bill

WILLIAM E. CURTIN

SIDLEY AUSTIN LLP
+212 839 6745
wcurtin@sidley.com

From: Bryan Kotliar <bkotliar@teamtogut.com>
Sent: Thursday, December 26, 2024 7:30 AM
To: Curtin, William E. <wcurtin@sidley.com>
Cc: Kyle Ortiz <kortiz@teamtogut.com>
Subject: Re: Eletson Holdings Inc.

Good morning Bill - following up on the below.

Bryan M. Kotliar | Partner
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

<image001.png>

EXHIBIT “3 ”

From: **Bryan Kotliar** bkotliar@teamtogut.com [redacted]
Subject: Re: Eletson Holdings Inc.
Date: January 3, 2025 at 8:07 AM
To: Curtin, William E. wcurtin@sidley.com
Cc: Kyle Ortiz kortiz@teamtogut.com

BK

Bill - following up on the below.

Bryan M. Kotliar | **Partner**
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

TOGUT SEGAL & SEGAL LLP

> On Dec 30, 2024, at 12:52 PM, Curtin, William E. <wcurtin@sidley.com> wrote:
>
> Bryan,
>
> I hope you are having a nice holiday. I've forwarded your request to my clients and I understand that they are conferring with Greek and Liberian counsel.
>
> Thanks,
> Bill
>
> **WILLIAM E. CURTIN**
>
> **SIDLEY AUSTIN LLP**
> +212 839 6745
> wcurtin@sidley.com
>
>
>
> **From:** Bryan Kotliar <bkotliar@teamtogut.com>
> **Sent:** Thursday, December 26, 2024 7:30 AM
> **To:** Curtin, William E. <wcurtin@sidley.com>
> **Cc:** Kyle Ortiz <kortiz@teamtogut.com>
> **Subject:** Re: Eletson Holdings Inc.
>
> Good morning Bill - following up on the below.
>
> **Bryan M. Kotliar** | **Partner**
> Togut, Segal & Segal LLP
> One Penn Plaza, Suite 3335 | New York, NY 10119
> Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
> bkotliar@teamtogut.com | togutlawfirm.com
>
> <image001.png>

On Dec 22, 2024, at 11:45 AM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:

Hi Bill - happy Sunday. Following up again on the below.

Bryan M. Kotliar | **Partner**
Togut, Segal & Segal LLP
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Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

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> On Dec 21, 2024, at 10:11 AM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:
>
> Good morning Bill,
>
> If you got any snow over night, hope you're enjoying the day and staying safe and warm.
>
> Following up again on my emails below. When can we expect your responses?
>
> Best regards,
>
> Bryan

Bryan M. Kotliar | **Partner**
Togut, Segal & Segal LLP
One Penn Plaza, Suite 3335 | New York, NY 10119
Direct: +1 212 201 5582 | Mobile: +1 516 410 1361
bkotliar@teamtogut.com | togutlawfirm.com

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> > On Dec 20, 2024, at 4:02 PM, Bryan Kotliar <bkotliar@teamtogut.com> wrote:
> >
> > Bill - following up again on the below. What is your response?

EXHIBIT “3 ”

K.F. KALAVROS LAW FIRM CH.P. FILIOS - TH.TH. KLOUKINAS BEFORE THE SINGLE-MEMBER FIRST INSTANCE COURT OF PIRAEUS

[Interim Measures Proceedings]

APPLICATION FOR INTERIM MEASURES

1) Of the foreign shipping company "ELAFONISSOS SHIPPING CORPORATION", which is based at its registered office in Liberia, but de facto in Greece, at 118 Kolokotroni Street, Piraeus, legally represented, lack a Tax Identification Number

2) Of the foreign shipping company "ELETSON CORPORATION", which is based at its registered office in Liberia, but de facto in Greece, at 118 Kolokotronis Street, Piraeus, with the Tax Identification Number 098035979/ Piraeus Shipping Authority, legally represented.

3) Of the foreign shipping company "ELETSON GAS LLC", which is based at its registered office in the Marshall Islands, and de facto in Greece, at 118 Kolokotroni Street, Piraeus, legally represented, lack a Tax Identification Number.

4) Of the shipping company "KASTOS SPECIAL MARITIME ENTERPRISE", which is based at its registered office in Piraeus (62, Iroon Polytechniou Avenue), with Tax Identification Number 997904595, legally represented.

5) Of the shipping company "KINAROS SPECIAL MARITIME ENTERPRISE", which is based at its registered office in Piraeus (62, Iroon Polytechniou Avenue), with Tax Identification Number 998049676, legally represented.

6) Of the shipping company "KIMOLOS II SPECIAL MARITIME ENTERPRISE", which is based at its registered office in Piraeus (62 Iroon Polytechniou Avenue), with Tax Identification Number 997904024, legally represented

7) Of the shipping company "FOURNOI SPECIAL MARITIME ENTERPRISE", which is based in Piraeus (62, Iroon Polytechniou Avenue), with Tax Identification Number 997904583, legally represented.

8) Of the foreign shipping company "ELETSON HOLDINGS INC.", which is based at its registered office in Liberia, but de facto in Greece, at 118 Kolokotroni Street, Piraeus, legally represented by its temporary management by virtue of a letter of 12.11.2024 granted by the President of the Office of the Single Judge of the Piraeus Court of First Instance, Antonia MEGOULI, together with the Act of Election of the Members of the Board of Directors and representation of the Company (already registered on 19.11.2024 in the Company's register at the Register of Companies of the Republic of Liberia in Greece), lacking the Tax Identification (VAT) Number.

VERSUS

1) The foreign special purpose vehicle "Pach Shemen LLC", which is based at its registered office in Delaware (1209 N. Orange Street, Wilmington, DE 19801), legaly represented, email: ml@murchinsonltd.com,
2) The foreign special purpose vehicle "Levona Holdings Ltd.", which is based at its registered office in the British Virgin Islands (Sea Meadow House, P.O. Box 116, Road Town, Tortola, British Virgin Islands), legally represented, email: adam@ace148.com,
3) The foreign special purpose vehicle "Murchinson Ltd", a foreign company based at its registered office in Canada (4th Floor, 145 Adelaide Street West Toronto, Suite 400, ON M5H 4E5 Canada), legally represented, email: mjb@murchinsonltd.com,
4) Adam Spears, resident of Canada (17 Cortleigh Crescent, ON, M4R 2C6, Toronto, Canada), email: adam@ace148.com,
5) Leonard Hoskinson, resident of New York City, namely at the offices of the foreign law firm Togut, Segal & Segal LLP (One Penn Plaza, Suite 3335, New York, NY 10119), email: kortiz@teamtogut.com, jboriello@teamtogut.com, bkotliar@teamtogut.com, bshaughnessy@teamtogut.com,
6) Mark Lichtenstein, resident by virtue of his employment with the foreign special purpose vehicle "Murchinson Ltd" of Canada (4th Floor, 145 Adelaide Street West Toronto, Suite 400, ON M5H 4E5 Canada), email: ml@murchinsonltd.com
7) Marc Bistricer, resident by virtue of his employment with the foreign special purpose vehicle company "Murchinson Ltd" ofCanada (4th Floor, 145 Adelaide Street West Toronto, Suite 400, ON M5H 4E5 Canada), email: mjb@murchinsonltd.com

8) Ion Varouxakis, resident of Athens, at 1 Bakou Street, no. 1, holder of the ID with Number N033180, with Tax Identification Number 074097190.

9) The company "BRASCHEL A GREECE MONOPOROSOPI I.K.E.", which is based at its registered office in Athens (26 Amalias Avenue), legally represented,

10) The company "BRASCHEL B GREECE MONOPOROSOPI I.K.E.", which is based at its registered office in Athens (26 Amalias Avenue), legally represented, and

11) The company "BRASCHEL C GREECE MONOPOROSOPI I.K.E.", which is based at its registered office in Athens (26 Amalias Avenue), legally represented.

I. Introductory remarks - Relations between the parties

A. 1. The multi-family shipping house ”ELETSON” - Its parent company ”ELETSON HOLDINGS INC.” and its subsidiary ’ELETSON CORPORATION’

1. ELETSON HOLDINGS INC. (hereinafter referred *to as “the Company” or "ELETSON HOLDINGS")* is the “parent” company of the maritime multi-family business, known in the maritime events on a global scale by the name “ELETSON”. The Company is a Societe Anonyme (corporation), incorporated as early as 04.12.1985 under the laws of Liberia, having its real place of business in Greece where it maintains offices at Kolokotroni Street No. 118, in Piraeus, since it was and is managed by a board of directors consisting of eight members, which meets at its above mentioned place of business, all the members of which are Greek and resident in Greece, all decisions concerning its business activity and the fulfilment of its statutory purpose are taken at its offices, which it maintains at the above address, since the Company is a holding company of shipping companies, all its activities are carried out in Piraeus through its wholly owned subsidiary, Eletson Corporation - here third of the applicants, which maintains an office legally established in Piraeus in accordance with the provisions of Article 25 of Law No.27/1975, where it employs approximately 50 staff on land (and many more seafarers at sea), paid and insured in Greece, in accordance with the provisions of Greek law.

2. As from 8.11.2024 the Company lacks management and legal representation, due to the resignation of four (4) of the then members of the Board of Directors. The Company is unable to take any action to defend its interests and/or to defend itself against the actions against it, as they will be detailed below in this document, two (2) of its shareholders, namely the foreign shipping companies, namely the second of the applicants, ELAFONISSOS SHIPPING CORPORATION, and KEROS SHIPPING CORPORATION, which hold 392 shares (shareholders) each of them, representing 3.92% each of the Company's share capital, have brought an action before the Greek courts, submitting a complaint dated 11.11.11.2024, with GAK/EAK 16655/7823/11.11.2024, before the Piraeus Court of First Instance (Single Member Court of First Instance) pursuant to Article 69 of the Greek Civil Code (AK), in order to appoint a temporary administration of the Company, in the procedure for interim measures, to protect the rights of the Company and in particular to manage the Company and to convene an Extraordinary General Meeting for the election of a new Board of Directors, as stated in particular in the application, and the hearing date of the above application was initially set for 4.2.2025.

Due to the existence of an urgent case, the aforementioned application included a request for the granting of a temporary injunction, the hearing of which took place before the President of the Court of First Instance of Piraeus on 12.11.2024, which was granted, and a temporary injunction was granted with the following content:

" - Application for temporary order granted.

- Appoints the provisional management of the shipping company "ELETSON HOLDINGS INC" consisting of the following persons: 1) Vasilios Hatziefthereriadis son of Apostolos, 2) Konstantinos Hatziefthereriadis son of Apostolos, 3) Ioannis Zilakos son of Nikolaos, 4) Emmanuel Andreoulakis son of Stylianos, 5) Adrianos Psomadakis - Karastamatis son of Michael, 6) Panos Paxinos son of Ioannis, 7) Eleni Giannakopoulou daughter of Konstantinos, 8) Niki wife of Nikolaos Zilakos, in order to handle all urgent matters of the said company and in particular to take care of its legal representation (appointment of lawyers) before the Courts of New York USA for

the pending cases, a temporar-y basis until the hearing of the application at the appointed hearing and subject to the hearing of the application at the said hearing."[1] The aforementioned temporary order granted was maintained by the aforementioned Court as the suspended order, following a request for intervention by the allegedly reorganized "ELETSON HOLDINGS INC." and purportedly represented by the fourth defendant herein, Adam Spears, and set for trial on April 2025

These persons are the only ones authorized to represent the Company.

3. As mentioned above, the Company is a holding company and, among other things, holds all the shares of four Greek Special Maritime Enterprises (SSEs), which control the Greek flagged vessels MT Kastos, MT Kinaros, MT Kimolos and MT Fourni, which are tankers, namely the current 4th to 7th applicant Greek companies 'Kastos SPECIAL Maritime Enterprise', 'Kinaros SPECIAL Maritime Enterprise', 'Kimolos II SPECIAL Maritime Enterprise' and 'Fournoi SPECIAL Maritime Enterprise', respectively. The above vessels are managed by the Liberian company and herein the second of the applicants, Eletson Corporation *(hereinafter: "ELETSON CORPORATION"),* which is also a 100% subsidiary of ELETSON HOLDINGS, as mentioned above, and is legally entitled, in accordance with the provisions of Article 25 of Law 27/1975 and Law No. 89/67, with an establishment in Greece, namely in Piraeus, at 118 Kolokotroni Street, with the registration number 098035979/Piraeus Shipping Authority.

[1] The aforementioned interim management of the Company was registered in the Company's register number C-40191 with the Ministry of Foreign Affairs of the Republic of Liberia and the corresponding Certificate of the latter was issued on 19.11.2024, by virtue of which the Members of the Board of Directors of the Company were published and as they were appointed as aforementioned by the 12.11.2024 by the interim order of Ms. President Service of the Piraeus District Court, while (a) Vassilios Hatzieλευθεriadis as Chairman and Treasurer and (b) Emmanuel Andreoulakis, as Secretary, were appointed as authorized officers / directors of the Company (Officers), who were given the power of attorney to sign on behalf of and bind the Company.

A. 2. Eletson Gas LLC

Eletson Gas LLC *("Eletson Gas"),* was formed as a limited liability company (LLC) under Marshall Islands law providing for the formation of a limited liability company (LLC) by a Limited Liability Company Formation Agreement (LLC Agreement dated April 12, 2013, amended and codified as of August 16, 2019 - Amended and Restated LLC Agreement - to which subsequent amendments have been made). The shareholders of Eletson Gas were, *on the one hand,* ELETSON HOLDINGS, holding the common shares/shares, namely 13,000.000 ordinary shares, which were and are all (100%) of the ordinary shares, and *the* Blackstone investment fund, which held the preference shares/shares, i.e. having priority in the distribution of dividends and, under certain conditions, having a decisive influence over the company, namely 8,811,080 preference shares, which were all (100%) of the preference shares. ELETSON CORPORATION, as the ship management company, also became a shareholder in Eletson Gas by issuing to it certain 'special membership units'.

In Eletson Gas, ELETSON HOLDINGS contributed in kind five (5) new preexisting LPG carriers, all under the Greek flag, namely Anafi, Nisyros, TELOS, TELENDOS and SYMI and held all the common shares and Blackstone contributed significant funds for the construction/acquisition of another nine (9) state-of-the-art LPG carriers, capable of carrying ethylene products, and held all of the preferred units (shares), which, however, pursuant to the LLC Agreement *(hereinafter: "LLCA"),* had increased powers and controlled Eletson Gas LLC, i.e., could make significant corporate decisions and appointed a majority of the Board members.Σ..

As a result, at the beginning of 2022, Eletson Gas owned, directly or indirectly, fourteen (14) LPG carriers, making its fleet the second largest in the market - the first being the fleet of Unigas, ELETSON's main and direct competitor. Eletson Gas' revenues are mainly derived from the operation of these vessels, while the co-management of the above-mentioned Eletson Gas fleet was undertaken by ELETSON CORPORATION (technical management), on *the one hand, and* EMC GAS Corporation (commercial representation - monitoring - financial management), on the *other hand,* which was established as a subsidiary of Eletson Gas, with its registered office in the Marshall Islands and established as a shipping company under the legal framework of Article 25

of Law No. 27/1975 and Law No. 27/1975. 89/67 (as a subsidiary of the aforementioned non-established Eletson Gas).

A. 3. The purchase of Blackstone's stake in Levona by Levona and the agreement to divest Levona [by transferring its (Levona's) shares to Eletson Gas or to companies it would nominate].

In November 2021, another hedge fund, - Murchinson Ltd *(hereafter Murchinson)* - here the third of the defendants, bought from Blackstone its share (for a price later revealed to be only USD 3 million), and thus became a partner (shareholder) in Eletson Gas, in place of Blackstone. The purchase was made through a company related to Murchinson, which was a special purpose vehicle, Levona Holdings Ltd *(hereinafter 'Levona'); now the second of the defendants,* incorporated under the laws of the British Virgin Islands.

Murchinson and Levona stated from the outset that they did not intend to be longterm investors, but wanted to exit soon with a significant profit on their investment. Negotiations therefore began, which took place mainly in January and February 2022 and resulted in the conclusion of a Binding Offer Letter *('BOL')* between Eletson Holdings, Eletson Corporation, Eletson Gas and Levona dated 22 February 2022, under which Eletson Gas would pay Levona USD 23 million.000,000) (or give it two ships of equivalent value, and more specifically the shares of the charterers of the bare two ships, namely SYMI II SME and TELENDOS II SME) and in return Levona would transfer the shares (preference shares) held by it to Eletson Gas, or to legal entities designated by the latter. At the same time, under the same agreement, Levona would provide a loan initially of USD 10 million, which was increased to USD 14 million (of which USD 12,8 million was eventually used), in order to pay Eletson Gas' short-term obligations to lenders. This loan was to be repaid in one lump sum over two (2) years.

Following the above, Levona under the terms of the BOL and as decided by virtue of the 29.09.2023 New York Arbitration Award (JAMS Arbitration Award), as we will set out below, was no longer a shareholder of the third applicant herein - Eletson Gas, while the latter indicated, as agreed in the BOL, and made 11.03.2022, the foreign Cypriot shipping companies, Fentalon Limited, Apargo Limited and Desimusco

Trading Limited *("The New Preferred Shareholders"),* nominated by Eletson Gas, as agreed in the BOL, became its preferred shareholders.

A. 4. Levona's allegations that it had not transferred the Eletson Gas shares; - Levona's unconventional, bad faith and contrary to good faith and fair dealing conduct; - Levona's breach of the terms of the LLC Agreement.

While, however, negotiations and procedures were continuing between Eletson and Levona for the change of flag of the above two (2) ships and their resale to third parties, Levona - now the second of the defendants (around mid-July 2022) suddenly started to claim that (while it had in fact been transferred the shares of SME SYMI and TELENDOS already in March 2022) it had allegedly not transferred to Eletson Gas its preferential shares in Eletson Gas, and this because according to the BOL [see the BOL of the European Union], it had not transferred to Eletson Gas its preferential shares in Eletson Gas. above under paragraph A.3..], Eletson Gas should also have followed certain formal procedures for exercising an option to acquire those preferred shares, which, according to Levona's allegations, had not happened. Consequently, Levona began to argue at that point that BOTH its two ships had been transferred AND the preferred shares it held in Eletson Gas had not been transferred and therefore the current fifth defendant company itself was still the preferred shareholder of the last and here fourth of the defendants, Eletson Gas. In fact, the whole of Levona's bad faith, unconventional and criminal conduct became most evident when it attempted to sell the other twelve (12) vessels in the Eletson Gas management fleet to Eletson's main competitor, Unigas. In particular, by a Letter of Intent (LOI) allegedly signed on 15 July 2022, between Unigas (which is Eletson Gas' main competitor, as already mentioned) and Eletson Gas, which allegedly signed it through a representative of Levona (who, however, was not entitled to sign in the name and on behalf of Eletson Gas) allegedly agreed to the sale and transfer of the other twelve (12) vessels to Unigas, thereby putting Levona in breach of the terms of the LLCA [see A.3..], in that since Levona had ceased to be a shareholder of Eletson Gas, it had no right under the LLCA to enter into the Unigas LOI or otherwise act on its behalf, while causing damages to both Eletson Gas and the New Preferred Shareholders by its bad faith, unconventional and contrary to the rules of good faith and fair dealing.

Levona's wholly unconventional, bad faith and contrary to good faith and morality conduct had one underlying cause: The fact that the values of the 12 LPG carriers that remained under the control of Eletson Gas had begun to rise significantly between the time the BOL was signed (i.e., February 22, 2022) and the time Levona dramatically changed its position (mid-July 2022). The reason for the increase was the (particularly critical for the gas market) geopolitical event of Russia's invasion of Ukrainian territories (which quite sympathetically started around the end of February 2022, and escalated in the following months). The Western world's attempt to find alternative routes for the extraction and especially transportation of LPG (i.e. not via Russian pipelines, but via ships), dramatically increased the demand for LPG carriers, resulting in a surge in the commercial value of ships of this type. Levona, therefore, as a hedge fund with the sole aim of making excess profits, instead of being satisfied with the already increasing value of the SYMI and TELENDOS vessels that it already controlled as of 11 March 2022, attempted to illegally reap benefits from the rest of the Eletson Gas fleet (i.e. the other 12 vessels mentioned above). In other words, it was not enough for Levona that while it had just invested USD 3 million and would have made at least USD 23 million based on the contract documents (!) from the two ships, but, as soon as it realised the new market prospects, it attempted to more than double its profits (by tens of millions more), claiming that it still owned the preferred shares and therefore had 'to receive' as a preferred shareholder also from the attempted sale of the 12 remaining ships (!!!).

II. The relevant facts

A. The arbitration opened in New York; - The Arbitral Award issued in New York on 29.09.2023 by the Arbitral Tribunal, composed of retired Judge-Arbitrator Ariel E. BELEN *(hereinafter referred to as "the 29.09.2023 Arbitral Award").*

1. As a result of Levona's aforementioned unconventional and wholly bad faith conduct, both Eletson Gas' shareholder and herein eighth applicant, Eletson Holdings, and its subsidiary and herein second applicant, Eletson Corporation, responsible for providing management services for the vessels owned by Eletson Gas through its subsidiaries (the management fees being an asset of Eletson Corporation and an obligation of Eletson Gas or the respective subsidiaries incurring the expense) have

brought an arbitration action in New York under a 29th Anniversary Arbitration Agreement.07.2022 written claim to Levona, on the basis of the arbitration clause contained in the concluded "LLC Agreement" [Article 12.14 (a) at p. 69 of the "Third Amendment and Restatement of the Limited Liability Company Agreement for Eletson Gas LLC" dated August 16, 2019 (LLC Agreement)], to resolve the dispute between them and "Levona" as to whether they had transferred to Eletson Gas or to companies that it would (and had already) represented the shares/units, namely its preferred shares (units/units) held by Levona in Eletson Gas and related partnership disputes arising from the "LLC Agreement" (LLCA).

More specifically, in the above application, the applicants (ELETSON HOLDINGS and ELETSON CORPORATION) sought a declaration that Levona had breached the terms of the LLCA, as well as the rules of good faith and fair dealing, since the defendant, Levona, had ceased to be a shareholder of Eletson Gas, following the exercise by Eletson of its Option to Purchase the Preferred Stock of the defendant (Levona) in Eletson Gas pursuant to the terms of the BOL, namely, the transfer to Levona of the shares held by Eletson Gas in the MT SYMI and MT TELENDOS shipowning companies for $23.000,000, pursuant to which (transfer) Levona's preferred shares were acquired and at the behest of Eletson Gas the foreign shipping companies, Fentalon Limited, Apargo Limited and Desimusco Trading Limited, became New Preferred Shareholders of Levona.

Accordingly, the above-mentioned applicant companies (ELETSON HOLDINGS and ELETSON CORPORATION) contended that Levona had no right under the LLCA to enter into the Unigas LOI or otherwise act on behalf of Eletson Gas, further that the actions it took resulted in property damage to Eletson Gas itself, as well as to its New Preferred Shareholders, Fentalon Limited, Apargo Limited, and Desimusco Trading Limited, for which (damage) they sought redress in the above application.

The said Arbitral Tribunal, consisting of the Honorable Judge Sole Arbitrator, Mr. Ariel E. Belen, having considered the case, in strict compliance with the principle of equality and the principle of hearing both sides, having invited the parties to appear at the hearing, and having taken into account the evidence adduced and having heard the counsel for both sides, as well as the testimony given at the hearing, which took place on

15, 16, 18, 19, 22, 23 and 24 May 2023, issued its decision of 29.09.09.2023 final and conclusive decision, which was published in New York, United States of America (USA),

i. e. the place agreed as the seat of the arbitration.

According to that decision, the Arbitral Tribunal decided on *the one hand* that Eletson exercised the option in accordance with the terms of the BOL, *on the other hand* it ruled on the claims of the above-mentioned claimants and that Levona had indeed breached the terms of the LLCA, and that it, together with its affiliated legal entities, ”Pach Shemen” and "Murchinson" - here the first and third defendants, respectively, had violated the rules of good faith and fair dealing, causing quantifiable harm to Eletson Gas and its New Preferred Shareholders.

According to the operative part of the said decision, the Arbitral Tribunal ruled in favour of the Complaint of ELETSON HOLDINGS and ELETSON CORPORATION[2] and, after rejecting the claims and demands and the claims of Levona in the Arbitral Counterclaim brought by it, ruled as follows *(e-^^phasis added):*

" VIII. CONCLUSION AND FINAL A WARD"

This Final Award resolves all issues submitted for decision in this arbitration. The undersigned has considered and resolved all the issues and arguments raised relating to the merits of the claim, counterclaims, requests for attorneys' fees, costs, expenses and pre-judgment interest, including those not explicitly addressed herein. Any argument not addressed in this Final Award was found to be unavailing, without merit, academic, or unnecessary to reach.

This Final Award finds and orders as follows

1. Claimants have proven breaches of the LLCA and the covenant of good faith and fair dealing and established that Eletson exercised its option to purchase option pursuant to the BOL, and are therefore entitled to declaratory relief, compensatory damages, punitive damages, prejudgment interest, and attorneys' fees, as set forth below.

2. Defendant has not proven any of its counterclaims and they are dismissed.

[2] It is noted that in the 29.09.2023 Arbitral Award, where **"ELETSON" or "Claimants"** is referred to **"ELETSON HOLDINGS"** and **"ELETSON CORPORATION"**, a subsidiary of the former, which are also the first and second claimants here, and where **"Company"** is referred to **"Eletson Gas" - here the third claimant**.

The Defendant is entitled to recover nothing from Claimants.

A. Declaratory relief

I hereby enter the following findings, determinations and declarations:

1. *Eletson effectively exercised the buyout option granted in the Binding Offer Letter dated February 22, 2022 on and as of March 11, 2022, and any alleged precondition to the exercise of that option was either satisfied or waived.*
2. *As of March 11, 2022, Respondent Levona had no ownership interest in the Company, Eletson Gas.*
3. *The Company exercised its rights under the BOL to nominate three entities*

   - Fentalon, Apargo and Desimusco (the Preferred Nominees) - affiliated with the principals of Claimants, as the parties to receive preferred interests in the Company, previously held by Levona.
4. *The preferred interests in the Company were transferred to the Preferred Nominees, effective as of March 11, 2022, and the Preferred Nominees are permitted transferees under the LLCA. They have stipulated to be bound by this Award and any Judgment entered hereon.*
5. *Eletson Holdings and Eletson Corporation never held any of the preferred interests in the Company.*
6. *The shares of the subsidiaries which control the Symi and Telendos were transferred to Levona as of March 11, 2022 as Purchase Option Consideration in connection with the BOL. As of March 11, 2022, Levona retains all rights associated with ownership of the subsidiaries of those vessels.*
7. *The Status Quo Injunction shall stay in effect until the later of a final court judgment being entered on any Award or any further order of this Arbitrator.*
8. *Levona, Murchinson and Pach Shemen, are each alter egos of the other concerning every fact proven in this matter and every item of relief awarded herein. Any references to Levona herein are therefore to all alter- egos, and for the avoidance of doubt, any judgments against Levona are also against each alter-ego.*

9. *Levona breached its LLCA and its related obligations, including without limitation common law and contractual duties to Claimants and the Company, in at least the following ways:*

i. Bribing an Eletson Corporation employee, and Company representative, Peter Kanelos, and causing him to disclose the Company's confidential information,

ii. Violating confidentiality obligations by disclosing the Company's confidential information to third parties, failing to take steps to recover such information, and then deceiving Claimants and the Company concerning said breaches after it became a member of the Company,

iii. Actively engaging in unlawful behavior by unlawfully influencing the Company's financiers to turn against the Company and Claimants, including without limitation by causing the arrest offive of the Company's vessels and not disclosing this misconduct to Eletson or the Company after it became a member of the Company,

iv. Failing to acknowledge that Eletson fully complied with the terms of the BOL Purchase Option, and failing to act in good faith by remaining silent about its purported belief that the Company could or might fail to meet its BOL terms,

v. Improperly purporting to act on behalf of the Company in its business dealings with third parties, including by attempting to sell the Company's assets to its primary competitor, Unigas, and concealing such misconduct from Claimants,

vi. Improperly threatening Eletson and affiliated officers and directors, including by pursuing litigation against them,

vii. Improperly purporting to seize control of the Company's board of directors postMarch 11, 2022,

viii. Improperly purporting to direct the day-to-day operations of the Company postMarch 11, 2022,

ix. Improperly purporting to assert control of the Company's assets post-March 11, 2022,

x. Improperly purporting to call and hold meetings of the Board of the Company without following proper procedures and for unlawful and improper purposes of approving unlawful and improper conduct post-March 11, 2022,

xi. Breaching its obligations under the LLCA, i^cludi^g without limitation pur-p^^ting to have terminated management agreements that Eletson Corporation has with the Company's subsidiaries, purporting to change management of the Company's subsidiaries, precluding Eletson Corporation from communicating with the Company's financiers, all of which Levona knew were unlawful and in breach of the LLCA, and

10. Violating the arbitration's Status Quo Injunction:

i. Wrongfully declaring the Company in default on the loan from Levona and wrongfully purporting to accelerate payment of the principal,

ii. Trying to sell vessels, including the Symi and Telendos, while the Status Quo Injunction was in effect; and

iii. Directing and/or causing Levona's affiliated to purchase a controlling position in securities of Eletson Holdings in January 2023 for the purpose of wrongfully commencing and then actually causing the commencement of litigation against Eletson Holdings and the filing of an involuntary bankruptcy petition against Eletson Holdings."

2. Subsequently, the same Arbitral Award of 29.09.2023 of the Honorable Judge-Arbitrator Ariel E. BELEN recognized the obligation of the herein respondent companies, namely the first to the third of them (i.e. Levona, Pach Shemen and Murchinson respectively) to pay, jointly and severally liable, to the above mentioned companies the amounts mentioned therein as: (a) compensatory damages for consequential damages; and (b) punitive damages, plus (c) attorneys' fees, costs, expenses and additional interest; and specifically acknowledged that Levona, Murchinson and Pach Shemen [first through third defendants], as alter- egos, jointly and severally, shall pay: α) As Compensatory Damages

In the amount of $43,455,122.21, as more particularly set forth therein.

b) As Punitive Damages

Total amount of $43,455,122.21, as more particularly set forth therein.

c) For Attorneys' Fees, Costs, Expenses and Additional Interest

Among other things: (i) Attorneys' fees, costs and expenses due in connection with the arbitration amounting to $9,590,222.99; (ii) An additional amount of $22,366.10,

representing additional costs incurred by JAMS in connection with the pending arbitration; (iii) Attorneys' fees, costs and expenses due in connection with the Bankruptcy and Bondholders' Action in the amount of $3.007,266.20, (iv) Additional Default Interest on the principal amount of damages as awarded under the Amended Interim Arbitration Award through August 31, 2023 in the amount of $2,496,081.88, subj ect to the specific allocation of the foregoing amount to Eletson Gas and the Preferred Shareholders.

3. It is further noted that on 28 July 2023, the same as the Arbitral Tribunal, consisting of Judge et al.Arbitrator Ariel E. Belen, issued an Interim Arbitral Award in the above-mentioned arbitration, which was corrected by the same Arbitrator on 15 August 2023 by virtue of a Corrected Interim Arbitral Award, whereby he clarified that in Section VII. B4 of the arbitral *award "In the entities referred to in paragraphs under B.1 and B.2 respectively shall also be awarded default interest on the principal amount of the compensation referred to in paragraph B.1.".*

The critical 29.09.2023 Final Arbitral Award adopts, incorporates and republishes the Corrected Interim Arbitral Award in its entirety, amending the Corrected Interim Arbitral Award only to the extent necessary to make certain semantic and stylistic changes, and to incorporate the subsequent decisions of the undersigned arbitrator with respect to the Claimants' request for an award of costs and attorneys' fees. Section VII of the Corrected Interim Arbitral *Award entitled "Conclusion and Interim Arbitral Decision"* is not reproduced within the critical 29.09.2023 Final Arbitral Decision for the sake of brevity and clarity, although the findings and legal conclusions of that section are adopted in their entirety in Section VIII of the 29.09.2023 Final Arbitral Decision entitled *"Conclusion and Final Arbitral Decision "*[3].

[3] For the sake of completeness of the history alone, we mention that on 19.10.2023 the aforementioned Applicants, and here the eighth and third of the Applicants, respectively, ELETSON HOLDINGS and ELETSON CORPORATION, brought an action in the United States District Court for the Southern District of New York, requesting that the aforementioned decision of 29.09.2023 Arbitration Award in order to enforce it in the United States, in accordance with their domestic law and specifically in accordance with the federal arbitration law governing the interpretation and enforcement of said arbitration proceedings in New York, as provided for in Section 207 of the Federal Arbitration Act codified as 9 U.S.C. §§ 1-16. It should be noted that this confirmation procedure is purely internal, relating to the United States only and does not affect the recognition of the arbitral award in other states under the New York Convention of 10.06.1958 on the Recognition and Enforcement of Foreign Arbitral Awards, which Greece has ratified by Law 4220/1961.

B.

Subsequently, on 09.02.2024, Judge LIMAN issued a decision, by virtue of which the above Arbitral Award of 29.09.2023 of the Arbitral Tribunal composed of the Honorable Judge (retired) - Arbitrator Ariel E. BELEN was confirmed almost in its entirety, as stated in the said decision. In particular, Judge LIMAN upheld, inter alia, the following:

(a) That Eletson effectively exercised the buyout right granted through the BOL dated February 22, 2022 on March 11, 2022, and each purported condition precedent to the exercise of such right was either satisfied or waived.

(b) That as of March 11, 2022, Respondent Levona had no interest in Eletson Gas.

(c) That the Preferred Shares in Eletson Gas have been transferred to the Preferred Shareholders, effective March 11, 2022.

(d) The amount of $43,455,122.21 awarded by the Arbitrator to Eletson Gas and the Preferred Shareholders as compensation for consequential damages

(e) The amount of $43,455,122.21 awarded by the Arbitrator to Eletson Gas and the Preferred Shareholders as punitive damages.

(f) The amounts awarded by the Arbitrator for attorneys' fees, costs and expenses, with the sole exception of the awarded attorneys' fees, costs and expenses related to the involuntary bankruptcy petition and the bondholders' trial, in the amount of $3,007,266.20.

Also, although Judge Liman did not uphold the provisions of the arbitration award relating to Murchinson and Pach Shemen, holding that the Arbitrator *""exceeded his powers b^y extending his award against Murchinson and Pach Shemen because th^^ were neither signatories to the LLCA Agreement nor parties to the arbitration"*, Judge Liman accepted that this " *does not in itself relieve Levona of liability for its role in the actions of these entities*".

Finally, the Judge did not uphold the relevant provisions of the operative provisions of the arbitration award and the damages awarded, which were based on violations of the status quo order, which prohibited the parties from changing the status quo, a prohibition that included the arbitration award and the filing of Eletson Holdings' involuntary

bankruptcy petition. However, as discussed immediately below, this non-confirmation in no way affected the amounts ultimately awarded by the above Arbitrator as consequential damages (i.e. the sum of $43,455,122.21) and punitive damages (i.e. the sum of $43,455,122.21), and the beneficiaries thereof (i.e. Eletson Gas and the Preferred Shareholders).

At the same time, Judge LIMAN requested the parties to file a Proposed Judgment form. In view of the fact that Judge LIMAN in his February 9, 2024 Judgment did not uphold all of the *"damages, including* punitive damages, *based on Status Quo Injunction violations"*, Levona filed a Proposed Judgment form and proposed to delete the entire amount awarded as punitive damages (i.e., the amount of USD. US$ 43,455,122.21), while on the contrary, the Eletson side (HOLDINGS and CORPORATION) argued that the entire amount of the punitive damages should be retained because the Judge et al.Arbitrator Ariel E. BELEN had plenty of other reasons to award that amount of punitive damages and in any event the question of the percentage of punitive damages that should be upheld was a matter that only the Arbitrator himself was competent to decide.

4. Thereupon, Judge LIMAN issued an order on 19 April 2024, in which he referred the relevant issue to Judge Emeritus-Arbitrator Ariel E. BELEN, requesting clarification as to whether part of the amount awarded as punitive damages relates to the violations of the Status Quo Injunction, and in case of an affirmative answer, what amount is attributable to those violations.

5. On 9 August 2024, a clarifying decision was issued by the Judge et al.Arbitrator Ariel E. BELEN regarding the issue of remand, in which he accepted that the full amount of punitive damages ($43,455.122.21 USD) should be upheld, as he held that no part of the amount awarded as punitive damages corresponded to violations of the Status Quo Injunction, and this was because there were many other factors that had led him to hold that he should award such high punitive damages against Levona (now the second respondent).

In the meantime, Levona, based on allegations of alleged fraud on the part of Eletson, filed on 3 July 2024 before Judge LIMAN a motion to amend its opposition to Eletson's (i.e. ELETSON HOLDINGS and ELETSON CORPORATION) request for

confirmation of the arbitration award and its counterclaim for annulment of the arbitration award. Levona based its allegations of alleged fraud on the basis that certain documents allegedly should have been provided to the arbitration in the context of discovery and were not provided.

Thereafter, Judge LIMAN issued a decision on 6 September 2024, by which he allowed Levona to amend its defence to the application for confirmation of the arbitral award and allowed the production of documents (discovery) regarding the issue of alleged fraud in the Arbitration.

A *case management plan* was then drawn up, setting out what actions would follow and within what timeframe.

6. On October 25, 2024, two final judgments were entered by the United States Bankruptcy Court for the Southern District of New York in the proceedings before it against the Company and the Eighth Petitioner (see immediately below under III.A.), which dismissed the Debtors' objections to the claims of certain purported creditors and approved the amended plan of reorganization proposed by the Creditors *(the "Creditors' Amended Plan of Reorganization")* with respect to the Bankruptcy of ELETSON HOLDINGS, the Eighth Petitioner herein

In view of these two decisions of the Bankruptcy Court, and given that the management of ELETSON HOLDINGS, as well as its subsidiary, ELETSON CORPORATION, the two companies that were parties to the Arbitration and the proceedings to confirm the arbitration award, was expected to pass to the alleged Creditors (i.e. basically Pach Shemen, Levona, Murchinson - now the first to third of the Respondents respectively), if they (the Judgments) were recognized - applied in Liberia and Greece, Levona filed a letter before Judge Liman requesting a stay of the 29.09.2023 Arbitral Award.

Although Eletson's side responded to the above letter, with convincing arguments, on 30 October 2024, Judge LIMAN issued a decision on 31 October 2024, by which he suspended until 12 November 2024 the proceedings for the confirmation of the arbitral award.

On November 25, 2024, Judge Liman ordered a complete stay of the proceedings, including the filing of motions to intervene, discovery and all pending motions and applications for discovery.

On 20.12.2024, Levona applied by letter sent to Judge Liman for a status conference for the purpose of lifting the stay granted on 25.11.2024.

On 23.12.2024 a status conference took place before Judge Liman and by his decision of 30.12.2024 Judge Liman ordered the lifting of the suspension of the proceedings for the ratification of the arbitral award on all issues, except for the issue of discovery in relation to Levona's application for annulment of the arbitral award on the grounds of fraud. The issue of discovery remains suspended until further order of the Court.

This internal, as already mentioned, exclusively US-related, procedure for the ratification of the 29.09.2023 Arbitral Award under the Federal Arbitration Act governing the interpretation and enforcement of the said arbitration proceedings in New York is still pending before the LIMAN Judge.

It is noted that both the third applicant here, "ELETSON GAS" and its New Preferred Shareholders, foreign Cypriot shipping companies, Fentalon Limited, Apargo Limited and Desimusco Trading Limited, have brought an action before the Piraeus Court of First Instance of 27.11.2024 with G.A.C. 18551/2024 and E.A.C. 8368/2024 against the respondents to the arbitration award, "Pach Shemen LLC", "Levona Holdings Ltd." and 'Murchinson Ltd', i.e. against the first to third parties, requesting the recognition of the said arbitral award of 29.09.2023 and its declaration of enforceability in Greece. The date of the above application of 27.11.2024 was set for 03.06.2025.

Γ. The bad faith filing of a bankruptcy petition against ELETSON HOLDINGS by its opponent in the Arbitration, Levona and its other affiliated companies.

Murchinson and Levona, now the third and second defendants respectively (constituting one and the same), when they perceived that they were increasingly likely to be defeated in the above-mentioned arbitration, which was the case with the Arbitral Award of 29.09.2023, put in place a plan to firstly prevent the issuance of the above Arbitral Award by filing a petition for the declaration of involuntary bankruptcy of

ELETSON HOLDINGS. Specifically, Levona, acting through another affiliated (in fact, entirely self-interested) special purpose vehicle related to , namely the first of the defendants here, Pach Shemen LLC (which in certain correspondence that emerged during discovery they called Levona II), purchased old bonds issued by ELETSON HOLDINGS which had been largely repaid by the sale of all the ships securing those bonds, and subsequently the first defendant here, Pach Shemen LLC, filed on 7 July 2007 a report with the Court of First Instance of the European Communities.3.2023 filed for involuntary bankruptcy of ELETSON HOLDINGS (pursuant to Chapter 7 of the U.S. Bankruptcy Code). Since a prerequisite for filing an involuntary bankruptcy petition before the US Bankruptcy Court is that it must be filed by three creditors, the first of the Pach Shemen defendants here were two other companies, VR Global and Alpine Partners, which had also purchased bonds issued by ELETSON HOLDINGS. It is noteworthy that Pach Shemen appeared as a bondholder creditor of ELETSON HOLDINGS by illegally agreeing to purchase from the old bondholders, bonds with a face value of approximately USD 1,000,000. US $183 million for the humiliating price of approximately USD 183 million. USD 2 million (plus some additional returns if it won the Arbitration). That is, Levona through its alter ego Pach Shemen LLC spent just USD. USD 2 million but sought a repayment of USD 2 million. US$ 183 million and filed for bankruptcy against its counterparty in the already at that time pending ELETSON HOLDINGS Arbitration (!).

The filing of the said petition has the effect, under US (federal) bankruptcy law, of an automatic stay of all lawsuits and arbitrations (individual prosecutions), and therefore the arbitration opened at that time was stopped. However, after the strong opposition of ELETSON HOLDINGS, which sought to continue the arbitration, the side of Pach Shemen/Levona/Murchinson was forced to come to an agreement that turned into a Stipulation & Order and thus the Bankruptcy Court of the United States of America issued a decision on 17.04.2023 and allowed the said arbitration to continue. The Arbitration hearing lasted for about two weeks in May 2023 with the examination of a number of witnesses from both sides and subsequently the Arbitral Award of 29.09.2023 was issued in New York by the Arbitral Tribunal composed of the Honorable Judge- Arbitrator Ariel E. BELEN, as detailed above under A.4.

As, however, the involuntary bankruptcy proceedings of "ELETSON HOLDINGS" and the other two (2) companies of its interest, Agathonisos Finance LLC and Eletson Finance (US) LLC, continued before the Bankruptcy Court, given the circumstances prevailing at the time, the constant pressure from the opposing party (Levona), which was constantly using tricks to obstruct the progress of the Arbitration and in order for ELETSON HOLDINGS to have control of its assets, at least until the expected arbitral award is issued on September 9, 2023, upon agreement of the parties, ratified by the Bankruptcy Court, the involuntary bankruptcy proceeding (under Chapter 7 of the US Bankruptcy Code) was converted into a voluntary bankruptcy (restructuring) proceeding (under Chapter 11 of the US Bankruptcy Code). In other words, the entry into the voluntary reorganization (Chapter 11) proceedings in the present case was necessarily and due to the prevailing circumstances, i.e. essentially forced and not voluntary.

Subsequently, and following bad faith manipulations by Levona and its coconspirators, Murchinson/Pach Shemen, were issued on 25.10.2024 by the Bankruptcy Court of New York, consisting of Judge John P. MASTANDO, two judgments, which dismissed the objections of the alleged debtors (ELETSON HOLDINGS, Agathonisos Finance LLC and Eletson Finance (US) LLC) against the claims of certain alleged creditors (from Pach Shemen LLC, VR Global Partners L.P., Alpine Partners L.P.) and approved the Amended Creditor Plan of Reorganization.

Just on 04.11.2024, the Order of the Bankruptcy Court of New York, composed of Judge John P. MASTANDO, was issued, confirming the aforementioned Chapter 11 voluntary bankruptcy (restructuring) of ELETSON HOLDINGS and the other companies (Agathonisos Finance LLC and Eletson Finance (US) LLC) and the Amended CreditorsPlan of Reorganization[4].

D. According to the provisions of the U.S. Bankruptcy Code, the time limit for ELETSON HOLDINGS and the other debtor companies to appeal is 14 days from the date of the judgment and commences from the date of the judgment (Rule 8002 Federal Rules of Bankruptcy Procedure) and therefore the appeal had to be filed by

08.11.11.2024 , since the aforementioned decision of the Bankruptcy Court was issued on

[4] FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER CONFIRMING PETITIONING CREDITORS' AMENDED JOINT CHAPTER 11 PLAN OF ELETSON HOLDINGS INC. AND ITS AFFILIATED DEBTORS.

25.10.2024, which was the case, since the relevant introductory appeal was filed before the competent court, i.e. the District Court for the Western District of New York, with Judge LIMAN presiding, on 07.11.2024.

However, in a completely abusive and dilatory manner, a few days after the appeal was filed by the only truly legitimate lawyers of ELETSON HOLDINGS (a law firm called Reed Smith), a new law firm (called Goulston & Storrs) who purported to represent the restructured ELETSON HOLDINGS and filed a purported Stipulation and Agreement to Dismiss Appeal Under Rule 8023 of the Federal Rules of Bankruptcy Procedure (the "Stipulation and Agreement to Dismiss Appeal Under Rule 8023 of the Federal Rules of Bankruptcy Procedure") with the alleged Creditors. In other words, the purportedly restructured ELETSON HOLDINGS (with other attorneys) asked Judge LIMAN to dismiss the appeal filed by ELETSON HOLIDNGS' actual attorneys.

On 23.12.2024, a status conference took place before Judge LIMAN on the issue of the above alleged Agreement to Dismiss the pending Appeal. The critical issue in that discussion was whether the reorganization of ELETSON HOLDINGS had actually occurred on 19.11.2024 and whether the representation of the allegedly restructured ELETSON HOLDINGS by the new solicitors Goulston & Storrs was valid. Judge Liman (without giving the actually legitimate lawyers for ELETSON HOLDINGS (Reed Smith) the right to respond in writing) in a short sitting and on summary judgment accepted that the reorganization of ELETSON HOLDINGS had indeed taken place on 19.11.2024 and that the representation of the restructured ELETSON HOLDINGS by new solicitors Goulston & Storrs was valid and therefore upheld the Agreement to Dismiss the Appeal, ignoring the meritorious arguments of ELETSON HOLDINGS' genuinely legitimate solicitors, Reed Smith to the contrary.

III. The dispute - The relevant facts in this case

A. The lack of jurisdiction of the Bankruptcy Court of the United States - Southern District of New York, composed of Judge John P. Mastando, both with respect to the Chapter 11 bankruptcy of Eletson Holdings and the other companies issued in New York on 25.10.2024 and the Chapter 11 bankruptcy of 04.11.2024 order of the same bankruptcy court confirming the voluntary Chapter 11 bankruptcy order of 25.10.2024 of Eletson Holdings and the other companies and the amended CreditorsPlan of Reorganization.

In this regard, as already mentioned, ELETSON HOLDINGS Inc. is a limited liability company (corporation), which has been incorporated since 04.12.1985 under the law of Liberia, with its actual seat in Greece where it maintains offices at Kolokotroni Street no. 118, in Piraeus, since it is governed by an eight-member board of directors, which has been meeting at its above establishment for forty (40) years without interruption from the time of its incorporation until today, all members of which are Greek and resident in Greece, all decisions concerning its business activity and the fulfillment of its statutory purpose, are taken at its offices, which it maintains at the above address, since the company is a holding company (shipping companies) and all its activities are carried out in Piraeus through its wholly owned subsidiary Eletson Corporation, which maintains a legally established office in Piraeus in accordance with the provisions of article 25 of Law No.27/1975, where it employs a staff of approximately 50 persons on land, salaried and insured in Greece, in accordance with the provisions of Greek law. It should be noted for the sake of completeness that many more staff are employed at sea, including Greek seafarers, as Eletson is one of the traditional companies that historically and even today prefer the Greek flag for its ships.

Following the above and taking into account the fact that for more than forty years the place where the administration of the Company's interests has been exercised in an organised, permanent and continuous manner is Greece and in particular Piraeus, where the Company maintains ofTices at Kolokotroni Street No. 118, it follows that the courts of Greece and in particular, according to Greek law (CCP in conjunction with Article 78 of Law 4738/2020 and Article 51 of Law 2172/1993), the courts of Piraeus have exclusive jurisdiction to initiate insolvency proceedings.

Accordingly, the Chapter 11 Bankruptcy Judgment issued in New York on 25.10.2024 against ELETSON HOLDINGS (now the eighth petitioner) and the other companies by the United States Bankruptcy Court for the Southern District of New York, composed of Judge John P. MASTANDO, as well as the Order of the same Bankruptcy Court of 04.11.2024 confirming the Chapter 11 Bankruptcy Judgment of 25.10.2024 of the same Bankruptcy Court of 25.10.2024 Chapter 11 of ELETSON HOLDINGS (now the eighth applicant) and the other companies and the Amended CreditorsPlan or Reorganization do not have any effect on the current eighth applicant company in the Greek legal order, nor are they binding on it, and the present Eighth Applicant Company has not been declared bankrupt and/or placed in any form of reorganization by virtue of the aforementioned decisions, since the aforementioned US Bankruptcy Court lacked jurisdiction, taking into account that the Company's registered office is located in Greece.

In any case, these decisions of the US Bankruptcy Court have not been recognized in Greece - nor could they be recognized, as mentioned above - therefore, they have no legal effect in Greece. In recognition of this fact, with the force of res judicata, as well as in recognition of the fact that the current eighth applicant company has not been declared bankrupt and/or placed in any form of reorganization/restructuring by virtue of the aforementioned decisions, all the current applicants have brought before the Piraeus Multi-Member Court of First Instance (Ordinary Procedure - Maritime Litigation Section) the action of 17.01.2025 with G.A.K.1260/2025 and E.A.K. 344/2025 against the current defendants, as well as against: 1. the foreign special purpose vehicle "VR Global Partners, L.P.", 2. the foreign special purpose vehicle named "Alpine Partners (BVI), L.P.", 3. the foreign fund management company named "DuPont Capital Management", and 4. The foreign company named "Mulberry Street Ltd".

B. The bad faith and utterly abusive conduct of the opposing parties to date. - The failure to comply with the local limits of the New York Chapter 11 Involuntary Bankruptcy/Reorganization Order of ELETSON HOLDINGS entered in New York on October 25, 2024, as confirmed by the November 4, 2024 Order of the United States Bankruptcy Court for the Southern District of New York consisting of Judge John P. MASTANDO. - The bad faith attempt by the opposing parties to obtain control and management of ELETSON HOLDINGS, ELETSON CORPORATION, ELETSON GAS, CASTOS SPECIAL MARITIME ENTERPRISE, KINAROS SPECIAL MARITIME ENTERPRISE, KIMOLOS II SPECIAL MARITIME ENTERPRISE, and FURNOS SPECIAL MARITIME ENTERPRISE.

As discussed immediately above, the New York Chapter 11 Bankruptcy Judgment of 25.10.2024 of ELETSON HOLDINGS (now the Eighth Petitioner) and the other companies of the United States Bankruptcy Court for the Southern District of New York, composed of Judge John P. MASTANDO, as well as the Order of 04.11.2024 of the same Bankruptcy Court confirming the Order of 25.10.2024 Chapter 11 Voluntary Bankruptcy Judgment of ELETSON HOLDINGS (now the eighth applicant) and the other companies and the Amended CreditorsPlan of Reorganization do not have any effect on the eighth applicant company in the Greek legal order, nor are they binding on it, and the applicant company has not been declared bankrupt and/or placed in any form of reorganization/restructuring by virtue of the aforementioned decisions, since the above US Bankruptcy Court lacked jurisdiction, taking into account that the Company's registered office is in Greece.

Moreover, the abovementioned involuntary bankruptcy petitions were not filed for the purpose of financial reorganization of Eletson Holdings, but were aimed at gaining a strategic advantage in the arbitration proceedings already opened between Eletson Holdings and Eletson Corporation, on the one hand, as plaintiffs/appellants, and Levona (a company wholly related to, if not identical to, Murchinson), on the other hand, as the defendant/appellant.

However, although the opposing parties are aware of the above, they have not ceased to date, despite our invitations to refrain from related actions devoid of any legality, to try to take control of the second to eighth applicant companies, namely,

ELETSON CORPORATION, ELETSON GAS, CASTOS SPECIAL Maritime Enterprise, KINAROS SPECIAL Maritime Enterprise, KIMOLOS II SPECIAL Maritime Enterprise and FURNOS SPECIAL Maritime Enterprise and ELETSON HOLDINGS respectively [detailed below under III.B.1 - III.B.7.].

More specifically, the opponents initially engaged in a global communication and defamatory "campaign" with a press release and multiple e-mails, claiming to be shareholders, managers and representatives of the allegedly restructured ELETSON HOLDINGS, to employees and directors (who are employed in Piraeus with the activities of ELETSON CORPORATION), while they do not hesitate to address banks in Greece and Germany with which the eighth of us and its companies of interest cooperate, in order to obtain control of the assets of these companies. In a desperate attempt to gain control even of ELETSON CORPORATION, ELETSON GAS, KASTOS SPECIAL Maritime Enterprise, KINAROS SPECIAL Maritime Enterprise, KIMOLOS II SPECIAL Maritime Enterprise and FURNOS SPECIAL Maritime Enterprise (which, as already mentioned, are not included in the alleged debtors of 25.10.2024 Decision and

04.11.2024 Order of the US Bankruptcy Court), proceed to draw up unsubstantiated Deeds, which allegedly remove the existing and legal members of their Board of Directors and appoint new ones, with new officers. The opponents have even gone so far as to harass the captains of ships at sea, attempting to mislead them with false orders (as discussed below).

In particular:

B.1. Letters to Directors, officers and employees of ELETSON CORPORATION.

On 20.11.2024, Adam Spears (4th defendant herein), posing in his capacity as a member of the purported Board of Directors of the reorganized "Eletson Holdings Inc." and as the purported Chief Executive Officer of the latter, through his email address "adam.spears@eletsonholdings.com", he sent several employees of ELETSON CORPORATION (i.e. a company that was not even a party to the U.S. Chapter 11 proceeding) an email regarding the alleged future role of these employees in the allegedly restructured parent company, Eletson Holdings.

More specifically, Adam Spears addressed the following groups of ELETSON CORPORATION employees, namely the operations team, the management team, the

legal team, and the information and technology team, and specifically Mr. Manolis Andreoulakis, who is the in-house counsel, stating that they can be a valuable asset to the allegedly restructured parent company Eletson Holdings.

It is worth noting that Adam Spears specifically asked the IT department to grant him immediate access to the electronic files located on servers owned by ELETSON CORPORATION (and not ELETSON HOLDINGS).

In addition to the above emails, Adam Spears (now 4th defendant) also sent emails to specific employees handling ELETSON CORPORATION matters, whom he considered critical to the success of the Company, referring to the future role of these employees in the allegedly restructured parent company ELETSON HOLDINGS and its subsidiaries . [5]

It is noted that in the context of the general effort by the fourth respondent here to amend Eletson Holdings' corporate documents in the Liberian International Ship & Corporate Registry (LISCR), Adam Spears asked Ms. Thekla Matthaiou which employee, if not her, has access to the LISCR.

2. Further, on 20.11.2024, the respondent herein, Mark Lichtenstein, in his capacity as an employee of the purportedly reorganized ELETSON HOLDINGS and as purportedly authorized to sign and represent the reorganized Eletson Holdings Inc. on all accounts of the latter, who incidentally is a member of the Board of Directors of both Levona and Pach Shemen, sent an email from his also deceptively "fabricated" email address "mark.lichtenstein@eletsonholdings.com" to Mr. Vassilis Hadjieleftheriadis, Mr. Vassilis Kertsikov and Ms. Laskarina Karastamatis, who are the heads of the three

[5] The above email was sent to the following employees who are not even employees of ELETSON HOLDINGS, but are employed by other companies (not included among the debtors and were not parties to the Chapter 11 proceeding), namely:

α. To the Chief Operating Officer, Mr Lazaros Skoularikos.

β. The member of the Finance Department, Mr. Paschalis Radopoulos.

c. To the member of the Legal Department, Ms Elena Vandorou.

d. To the member of the financial department, Ms Marina Orphanoudaki. ε. To the member of the legal department, Ms. Thekla Matthaiou.

families controlling the vast majority of the shares of ELETSON HOLDINGS, allegedly representing the "new *management of Eletson"* and pointing out to the above persons that they are not "authorized" to take any action on behalf of Eletson Holdings or its subsidiaries without prior written approval from him, Leonard Hoskinson or Adam Spears.

3. In addition, on the same day, the sixth defendant Mark Lichtenstein sent an email to the entire Eletson team (i.e. all of the above), informing them of some new procedures and precautions that will be implemented in the operation of the supposedly restructured ELETSON HOLDINGS.

B.2. Further letters to the directors, officers and employees of ELETSON GAS and ELETSON CORPORATION.

1. On 04.12.2024, Adam Spears (4th defendant), through his email address "adam.spears@eletsonholdings.com" (which, as mentioned above, was deceptively constructed by the opposing parties in order to create the impression that Adam Spears is an executive of Eletson) sent an email to Ms. Laskarina Karastamatis and Mr. Vassilis Kertsikov, who are the two members of the ELETSON GAS Board of Directors (which is not included among the debtors) appointed by Eletson Holdings, informing them that ELETSON HOLDINGS has "dismissed" them as members of the Board of Directors of Eletson Gas LLC effective December 2, 2024.
2. On 04.12.2024 again, Adam Spears, through his email address "adam.spears@eletsonholdings.com", sent another email to Ms. Laskarina Karastamatis and Mr. Vassilis Kertsikov, informing them that with effect from 2 December 2024, the unitholders and the members of the Board of Directors of ELETSON GAS (which, as mentioned above, is not included among the debtors) were dismissed by officials of the latter.
3. On 05.12.2024, Adam Spears, through his email address "adam.spears@eletsonholdings.com", sent an email to Mr. Paschalis Radopoulos, who handles the financial affairs of ELETSON CORPORATION (i.e. a company not included among the debtors), asking for explanations as to why the freight charges for the ships operated by Special Maritime Enterprises (SMEs) have not

been paid, which are charterers of the naked ships and subsidiaries of ELETSON HOLDINGS (and therefore not included in the debtors), and requests information as to whether this employee receives orders from someone other than Adam Spears.

4. On 06.12.2024, the 7th defendant Marc Bistricer, who is the CEO of the third defendant Murchinson Ltd, which both independently and through Levona and Pach Shemen, has initiated endless legal proceedings against ELETSON HOLDINGS, its subsidiaries and its worldwide heads, sent an email to Ms. Laskarina Karastamatis, Mr. Vassilis Kerchikov and Mr. Vassilis Hadjieleftheriadis, ostensibly exploring ways to settle the disputes. Marc Bistricer is the ultimate/controlling shareholder of the respective companies, i.e. the first to the third of the respective companies. As revealed by shocking documents disclosed in the arbitration (before the Honorable Judge-Arbitrator Ariel E. BELEN), he is the mastermind (orchestrator) behind all the critical illegal, anti-competitive, and abusive acts that have taken place against the respondent companies for at least three years. It is noted that the other company, namely Mulberry Street Ltd. of Scotland, of which the above-named person is similarly the ultimate/controlling shareholder, is the special purpose vehicle that the 7s Defendants used to finance the Amended Plan of Reorganization of the alleged Creditors and is referred to in various U.S. pleadings as an affiliate of Pach Shemen.

5. (a) On 21.11.2024, this 6th defendant Mark Lichtenstein, through his email address "mark.lichtenstein@eletsonholdings.com", sent an email to Mr. Vassilis Hadjieleftheriadis, informing him of the change in management of Eletson and setting out the new guidelines and restrictions under the alleged new management of ELETSON HOLDINGS and its subsidiaries.

6. (a) On 27.12.2024, Adam Spears (4th defendant), through his email address "adam.spears@eletsonholdings.com", sent an email to Mr. Vassilis Hadjieftheriadis, referring to the business activities of the subsidiaries of ELETSON HOLDINGS and reminding him that he is obliged to cooperate with him under the US Bankruptcy Order and the plan of reorganization.

7. On 28.11.2024, Adam Spears (4th defendant), through his email address "adam.spears@eletsonholdings.com", sent an email to groups of ELETSON CORPORATION employees, namely the operations team, management team, legal team, and information technology team, as well as to certain employees individually, in which, among other things, it accuses the current owners of ELETSON HOLDINGS of dishonesty and incompetence and that the current owners are responsible for all negative developments and not the alleged new management.

B. 3. Letters to the German bank Berenberg.

On November 19, 2024, the representative of Pach Shemen LLC, which is among the Creditors that proposed the Amended Creditors Plan of Reorganization, 4th Defendant Adam Spears, sent a letter to the German bank " Joh. Berenberg, Gossler & Co. KG", which holds bank accounts for ELETSON CORPORATION and EMC INVESTMENT CORPORATION, which are subsidiaries of ELETSON HOLDINGS (and are not even included among the alleged Chapter 11 Debtors), as well as bank accounts of EMC GAS CORPORATION, a subsidiary of ELETSON GAS (and not a subsidiary of ELETSON HOLDINGS, but only an affiliate of the latter, which is also not included among the alleged Chapter 11 debtors).

In this letter, Adam Spears, who even signed as the purported CEO of ELETSON HOLDINGS, requested in view of the purported reorganization of ELETSON HOLDINGS under a Chapter 11 plan certified by the United States Bankruptcy Court for the Southern District of New York, which purportedly became effective on 19.11.2024, and related subsequent corporate actions of the purportedly restructured ELETSON HOLDINGS and subsidiaries, the revocation of existing Authorized Signers, the exclusion of the latter from access to the accounts under review, and the reassignment of Authorized Signers.

In this letter Adam Spears attached the Order of the same Bankruptcy Court dated 04.11.2024 confirming the Chapter 11 voluntary bankruptcy of ELETSON HOLDINGS dated 25.10.2024.

It is clear that this is a completely misleading letter, as no relevant subsequent corporate action by the allegedly restructured ELETSON HOLDINGS and its subsidiaries took place, and could not have taken place, since, as stated above, such actions require recognition of the US judgment in Liberia and Greece and/or in other countries where the claimants and their subsidiaries have assets, which has not happened to date.

The Bank, not realizing the misleading nature of the letter and without informing the existing Authorized Signatories, revoked the existing Authorized Signatories and excluded the latter from access to the accounts under review, as well as reassigned Authorized Signatories.

When Eletson's authorized signatories accidentally became aware of the above developments, they were quick to inform the Bank that the necessary corporate actions that Adam Spears claimed to have taken had not in fact taken place and therefore he could not receive instructions from anyone other than Eletson's existing authorized signatories.

As a result of the above actions of Adam Spears, not only were the accounts of the above companies rendered inoperable but, as evidenced by relevant email correspondence of January 2025, the bank even refuses to return to the shipper Novum Energy money that was erroneously deposited in the EMC Investment Corporation account and which it requests to be returned to it.

B. 4. Additional actions against Citibank and ABN.

1. On 16.12.2024 Adam Spears -4[s] of the defendants forwards an email from Citi Bank to Ms. Laskarina Karastamatis. Just as the opposing parties, posing as the alleged new owners of Eletson Holdings, succeeded in causing a blockage in Eletson's accounts at Berenberg Bank, they also succeeded in doing the same with Citi Bank. Therefore, this correspondence is not a bribe and threat to the directors/employees of the Company, but worse, a bribe from the opposing parties to third parties (in this case the banks) and an obstruction of the legitimate management of the Company by the current directors.

2. More recently, on 21.1.2025, the lawyer of Eletson Corporation and the members of the provisional management of Eletson Holdings in Greece, Mr. Ioannis

Markianos-Daniolos, received an email from ABN AMRO Bank NV informing him that the bank had received correspondence from Adam Spears who claimed to the bank that the existing mandates to represent Eletson Holdings and its subsidiaries vis-a-vis the bank had been revoked and that new authorised signatories had been appointed. As a result of this correspondence, the bank froze the movement of the accounts of Eletson Holdings and its subsidiaries and only allowed payments for the operational needs of the vessels managed by Eletson Corporation against a guarantee from Eletson Holdings and its subsidiaries to indemnify the bank for any loss it might suffer in making these payments.

B. 5. Actions against charterers.

1. The actions of the opposing parties, which are devoid of any legality, are also directed against the charterers of the ships operated by the subsidiaries of ELETSON HOLDINGS Special Maritime Enterprises (charterers of the naked ships, i.e. the current 4th to 7th applicants), which are not included, as already mentioned, among the alleged debtors of the 25.10.10.2024 Order and the Order of the US Bankruptcy Court of 04.11.2024), with the result that the business activity of these companies is grossly impeded.

2. a. Indicatively, on 03.01.2025, the company Novum Energy, which is the time charterer of the ships KASTOS and FOURNI, which are operated by the respective subsidiaries of ELETSON HOLDINGS Special Maritime Enterprises (SME) (charterers of the naked ships), namely the 4th applicant, KASTOS SPECIAL MARITIME ENTERPRISE and the 7th applicant, FURNOS SPECIAL MARITIME ENTERPRISE, apparently following false statements made by the defendants and in particular by the 8th defendant, Adam Spears (as shown in (e) below), sent an email to an Eletson employee, and citing the US Bankruptcy Court decisions and the alleged installation of new management in the ELETSON HOLDINGS' shipowning subsidiaries, stated that it had placed the payments for the charters of the two aforementioned vessels on treasury hold until further evidence was provided.

b. Of course, the charterer Novum Energy did not find the bankruptcy court decisions on its own, much less the alleged changes in the management of its subsidiaries ELETSON HOLDINGS, but they were clearly sent to it by the defendants and in particular by the 4th defendant Adam Spears. This is clear from what is stated below under (e) and (f).

c. Further, on January 7, 2025, Defendants' 4ª Adam Spears emailed Martin Hugger, who is the executive of Meerbaum Capital, a company affiliated with Oaktree Tactical Opportunities and a key financier for several vessels operated by Special Maritime Enterprises (charterers of the naked vessels) owned by ELETSON HOLDINGS and ELETSON GAS, attempting gain control of companies that are not included among the debtors or were not otherwise parties to the Chapter 11 proceedings, i.e., subsidiaries of the Company.

d. Further, the interference with the business operations of ELETSON GAS (which, as noted above, is not included among the Debtors nor was a party to the Chapter 11 proceeding) continues to this day, as on January 9, 2025, the 4th Respondent here, Adam Spears, sent an email to Tufton Investment Management, which is the financier of the ships "ANAFI", "NISYROS" and "TILOS", which are operated as charterers of the ships by naked Greek Shipping Companies owned by ELETSON GAS, stating the following (*the exact translation of this in Greek is provided*): *"We are preparing a response on behalf of Eletson Gas LLC to your letter," although it is not authorized to do so."*

e. It is noteworthy that on 14 January 2025, Adam Spears, via his email address "adam.spears@eletsonholdings.com", sent an email to Mr. Vassilis Hadjieleftheriadis, legal representative of "GLAFKOS TRUST COMPANY", one of the main shareholders of "ELETSON HOLDINGS", in which he states that some amendments to the time charter agreements with Novum Energy (for the bank account in which the charters are paid) that took place in December 2024 were not approved by the alleged owners or management of the SMEs and are therefore invalid, while it claims that the payments by the time charter company Novum Energy for the fares of the vessels operated by the subsidiaries of ELETSON HOLDINGS' Special Maritime Enterprises should be frozen. The above leaves no doubt that he, by sending false and unsubstantiated minutes of a change of Board of Directors (cf. and to the alleged changes of the Board of Directors of KINAROS SME (below under B.7.(c)) misled the time charterer Novum Energy in order to freeze the fares (not even to collect them from the opposing parties but to freeze them in order to cause harm to the claimants and in particular to the 4th applicant KASTOS

SPECIAL MARITIME ENTERPRISE and the 7th applicant FOURNOI SPECIAL MARITIME ENTERPRISE).

B. 6. Letters to Lawyers.

1. On 23.11.2024, the Creditors' lawyers, Togut, Segal & Segal LLP, sent a letter to the lawyer, Ioannis Markianos Daniolos, who represents in Greece the members of the Board of Directors of Eletson Holdings Inc, accusing him that his actions violate the decision of the US Bankruptcy Court that confirmed the Creditors' Amended Plan of Reorganization and threatening him with penalties. Indeed, among other things, the Creditors claim that with the issuance of the U.S. Bankruptcy Court's decision upholding the Creditors' Amended Plan of Reorganization, a number of corporate actions, such as cancellation of existing shares, issuance of new shares, change of board of directors, were automatically taken without following the necessary legal actions under the applicable law.

2. On 27.1.2025 the same above-mentioned lawyers of the Creditors Togut Segal & Segal LLP sent an email to the same aforementioned Greek lawyer Ioannis Markianos- Daniolos (as well as to Vassilis Kertsikov, Vassilis Hadjieleftheriadis and the US law firms Reed Smith and Rimon) demanding, inter alia, that Adam Spears be appointed as the person with access to the Liberian company register on behalf of Eletson Holdings, waiver of all pleadings filed in the Liberian courts in relation to Pach Shemen's pending application there for recognition of the US bankruptcy judgment; and setting dates for the delivery of keys and passwords to the Piraeus offices of Eletson Holdings.

B.7 The additional actions of the Defendants against ELETSON CORPORATION, ELETSON GAS, KASTOS SPECIAL MARITIME ENTERPRISE, KINAROS SPECIAL MARITIME ENTERPRISE, KIMOLOS II SPECIAL MARITIME ENTERPRISE and FURNOS SPECIAL MARITIME ENTERPRISE. - The unsubstantiated Minutes of the allegedly 'shareholders' of ELETSON CORPORATION, ELETSON GAS and KINAROS SPECIAL MARITIME ENTERPRISE which purport to remove the members of the duly elected Boards and appoint new ones and the Minutes of the purportedly new Boards appointing officers.

Finally, the actions of the defendants after the entry into force of their plan of reorganization did not stop at Eletson Holdings and its subsidiaries, but were extended, as already briefly mentioned above, to companies that have no legal connection with Eletson Holdings and therefore the restructuring plan of Eletson Holdings, even if it had indeed entered into force and produced legal effects, which we deny, would not have any basis to apply to them.

a. Letters to lawyers of ELETSON GAS.

Specifically, on 21.11.2024, the representative of Pach Shemen LLC, which is among the Creditors that proposed the Creditors' Amended Plan of Reorganization, Adam Spears, sent a letter to the London-based lawyers of the third applicant company here, Eletson Gas LLC, which is not a subsidiary of Eletson Holdings Inc, and attempted to unlawfully sever the business relationship between Eletson Gas and those lawyers.

Further, on 30.12.2024, herein 4th defendant Adam Spears sent a letter signed by himself as (purported) CEO of Eletson Holdings, herein 9th defendant Leonard J. Hoskinson as (purported) CEO of Eletson Corporation and Eletson Gas LLC to the attorneys representing in the British Virgin Islands Eletson Corporation and Eletson Gas LLC, namely Harney Westwood & Riegels LP. citing and relying again on the issuance of the U.S. Court order upholding the Amended Creditors' Plan of Reorganization.

b. The unsubstantiated Minutes of the appointment of new Board of Directors and officers of ELETSON CORPORATION and ELETSON GAS.

On 25.11.2024, the purportedly restructured Eletson Holdings Inc (represented by the appointed Bankruptcy Court Board) filed an emergency petition before the US Bankruptcy Court for sanctions primarily against the lawyers of the first of us in the US, Reed Smith, but also against anyone else who did not comply with the confirmed Amended Creditor Plan of Reorganization.

By the declaration (affidavit) submitted to the above Court by the Creditors' Counsel, J.C. Borriello (of the law firm of Togut) filed as supporting documents (for sanctions) a series of unsubstantiated transcripts for Eletson Corporation and Eletson Gas (attached as relevant documents (Exhibits) 3 through 8 of the above-mentioned affidavit), of which the third and fourth of us have been made aware for the first time, since no meeting was held to keep minutes while these are supposedly "Unanimous Written Consents of the Board of Directors" which are signed by all participants without a call or even a meeting. Furthermore, none of these unsubstantiated Minutes have been recorded either in the ELETSON CORPORATION's share in the Corporate Registry of the Republic of Liberia or in the ELETSON GAS share in the Corporate Registry of the Marshall Islands. Accordingly, these unsubstantiated Minutes (of purported Board or purported shareholder meetings) are in the form of "Unanimous Written Consent" (corresponding to minutes signed "by rotation") and are referred to below as Minutes.

In particular, the following unsubstantiated minutes were submitted:

i. *The unsubstantiated Record of Eletson Corporation 19.11.2024 (Exhibit 3 of Borriello's certificate)*

Said minute purports to be a resolution of the sole director of Eletson Corporation and as sole director appears to be signed by Leonard J. Hoskinson, herein the fifth of the defendants, who resolves to remove from office all pre-existing officers of the Corporation and appoints himself as President, Secretary and Chief Executive Officer (CEO) of said Corporation.

ii. *The unsubstantiated Record of Eletson Corporation 19.11.2024 (Exhibit 4 of Borriello's certificate)*

α. This minute is purported to be a minute of the shareholder of Eletson Corporation (i.e. Eletson Holdings, which Adam Spears purportedly represents).

β. By this minute it is assumed that:

(i) dismiss all directors (Board members),

(ii) amend and replace the Bylaws,

(iii) appoints as a Director (Board member only) the 5th defendant Leonard J. Hoskinson,

(iv) take some other general decisions.

iii. *The unsubstantiated Minutes of Eletson Gas 29.11.2024 (Exhibit 5 of Borriello's certificate)*

The minutes in question purport to be a decision of the holder of Eletson Gas' ordinary shares, namely Eletson Holdings (allegedly represented by Adam Spears), by virtue of which Laskarina Karastamatis and Vassilios Kerchikov were allegedly dismissed from the Board and Leonard Hoskinson - now 5th of them - was appointed in their place.

iv. *The unsubstantiated Record of Eletson Gas 01.12.2024 (Exhibit 6 of Borriello's certificate*

The said minutes purport to be a unanimous decision of the senior alleged board members to appoint officers and in particular appoint (now 6th of the defendants) Mark Lichtenstein as secretary.

v. *The unsubstantiated Minutes of Eletson Gas 02.12.2024 (Exhibit 7 of Borriello's certificate)*

The minutes in question purport to be a resolution of the Board of Directors of Eletson Gas on the basis of which:

a. the existing officers are dismissed and the 5th defendant, Leonard Hoskinson is appointed CEO of Eletson Gas, to whom all management powers are delegated, and all officer powers are delegated to the current 6th defendant, Mark Lichtenstein (authorized designee); and

d. the 5th defendant, Leonard Hoskinson is given bank authorization powers to represent the company in dealings with banks.

vi. *The unsubstantiated Minutes of Eletson Gas 29.11.2024 (Exhibit 8 of Borriello's certificate)*

α. The said minutes purport to be minutes of the members-partners of Eletson Gas LLC, namely a resolution of Eletson Holdings (as holder of the common units), allegedly

represented by (now 4th of the defendants) Adam Spears as President and CEO, and Levona (as holder of the preferred units), represented by Eliyahu Hassett. Pursuant thereto, "the Shareholders" confirm the Board consisting of Mark Lichtenstein (now 6(th) of the Defendants), Eliyahu Hassett, Joshua Fenttiman, Adam Spears (now 4th of the Defendants) and Leonard J. Hoskinson (now 5th of the Defendants).

c. The invalid Act of amendment of the Articles of Association and the appointment of a new Board of Directors of KINAROS SPECIAL MARITIME ENTERPRISE.

On 7 January 2025, a Deed of Kinaros Special Marintime Enterprise dated 6.12.2024 was filed by the opposing parties in a court of the State of Texas, USA, purporting to be a deed of the sole shareholder of Kinaros Special Maritime Enterprise (i.e. Eletson Holdings, purportedly represented by the current 5 th defendant Leonard Hoskinson). By this minute it is alleged that the shareholder under its new purported representation: i) amends the company's articles of association to change its registered office; ii) elects a new Board of Directors of the company consisting of Greek IKE BRASCHEL A GREECE SINGLE-MEMBER Private Capital Company (9h of the Defendants), BRASCHEL B GREECE SINGLE-MEMBER Private Capital Company (10h of the Defendants) and BRASCHEL C GREECE SINGLE-MEMBER Private Capital Company (11h of the Defendants); and iii) amend the Articles of Association of the Company to change its counterpart.

It is reasonable to assume that similar Minutes have been signed by Eletson Holdings for the other three subsidiaries of EME, namely KASTOS SPECIAL Maritime Enterprise, KIMOLOS II SPECIAL Maritime Enterprise and FURNOS SPECIAL Maritime Enterprise, which simply have not yet come to our attention.

It is hereby emphasized that based on the data published in the G.E.M.H., the administrator of the above mentioned (9th -10th) Greek IKE BRASCHEL A GREECE MONOPROΣΩΠΗ I.K.E., BRASCHEL B GREECE MONOPOSOPPI IKE. and BRASCHEL C GREECE MONOPOSOPPI IKE.) is the current 8th defendant, Ion Varouxakis (resident of Athens, at 1 Bakou Street, No. 1, holder of D.A.T. N033180, A.F.M. 074097190, profession businessman, nationality Greece and e-mail address (email) braschelltd@gmail.com). Judge-Arbitrator Ariel E. BELEN) proves the decisive role of Ion Varouxakis, as the "right hand man" in Greece, i.e. the direct

collaborator of both Marc Bistricer (now 7th[th] Respondent) and Adam Spears (now 4th Respondent) in critical anti-contractual and abusive acts that have already taken place against ELETSON GAS (now 3rd[th] Claimant) since the beginning of the dispute.

δ. The very recent attempted conservative seizure of the Kinaros in conjunction with the attempted misleading of the Captain and crew of the Kinaros

As if the foregoing were not enough, the opposing parties did not merely limit themselves to amending the record of the Kinaros Special Maritime Enterprise, but obtained unilaterally (ex *parte)* an order of conservatory attachment of the Vessel from the United States Federal Court for the Southern District of Texas and contacted, by

10.01.2025 email sent by Leonard Hoskinson, even with the captain of the vessel KINAROS, threatening him and instructing him, as alleged representatives of KINAROS SME (which operates the vessel as the charterer of the naked ship) to dock the vessel in Brownsville, Texas. The ship KINAROS, contrary to the above, was removed from Brownsville, Texas, however the above email to the master and the ship is a clear example of the confusion and damage caused to a Greek flagged ship by the opposing parties.

ε. The unsubstantiated Minutes of the Board of Directors of Eletson Gas dated January 13, 2025 purporting to terminate Eletson Gas' engagement with the law firm of Reed Smith LLP.

On 14 January 2025, a Deed purporting to be that of ELETSON GAS dated 13 January 2025 was filed by the second of the defendants Levona Holdings Ltd in the London Court of International Arbitration (LCIA), purporting to be a "Unanimous Written Consent of the Board of Directors", signed by all participants without any invitation or even a meeting. By this minute it is assumed that the Board of Directors of ELETSON GAS:

(i) Acknowledges and ratifies the alleged termination of Eletson Gas' engagement of Reed Smith Law Firm for legal services as of December 4, 2024, and all actions taken to that end,

(ii) grants certain general powers to the officers of Eletson Gas.

This minute, like the minutes above, has not been registered in the Eletson Gas register of companies in the Marshall Islands.

f. New provocative claims (letter dated 27 January 2025)

On January 24, 2025, a hearing took place before Judge Mastando, where the Court issued an oral ruling on the allegedly restructured Eletson Holdings' application for sanctions. Specifically, Judge Mastando orally ruled that the CreditorsPlan of Reorganizati on is binding on the former shareholders, officers, directors, legal advisors, agents and other persons identified in the Plan of Reorganization and that such persons must comply with the Plan of Reorganization and take all reasonably necessary actions as requested by the board of directors of Restructured Eletson Holdings.

Following this oral judgment of Judge Mastando, which has not been recognized in Greece, the lawyers of the opposing parties, Togut Segal & Segal LLP, sent on 27.01.2025 letter to the lawyers representing the debtors, the lawyers representing the majority of the shareholders of Eletson Holdings, the lawyer representing in Greece the members of the Board of Directors of Eletson Holdings, and the individuals associated with the shareholders of Eletson Holdings, threatening them to take a series of actions, which in fact involve companies that have never been parties (litigants) to the bankruptcy proceedings in New York and are not covered by the US Court's decisions.

In particular, the opponents' lawyers state the following in their letter of 27.01.2025:

" As you're aware, this past Friday, the Court directed Holdings' former shareholders, officers, directors, counsel, and others to comply with the Plan and Confirmation Order to assist in effectuating the Plan, including by taking all steps "reasonably necessary as requested by the board of Reorganized Eletson Holdings Inc. or its agent to assist in amending the AOR and updating the corporate governance documents." See Jan. 24, 2025 Hr'g Tr. at 43:16-44:3 (copy attached). This is in addition to your and the other parties' obligations already set forth in the Plan and Confirmation and required by the Bankruptcy Code.

We are requesting that you take the following actions as soon as possible. Again, given this recent ruling, your obligations to cooperate in good faith with us under paragraph 5 of the Confirmation Order, and the injunctive provisions of the Confirmation Order,

we expect that y^-u will wo^k with us in good faith to accomplish these and other tasks to effectuate the Plan.

1. Update or amend Holdings' AOR to reflect that Adam Spears is Holdings' AOR, by no later than seven days from the entry of the order to be entered by the Court

2. Assist with the filing of further amended articles of incorporation with LISCR by the current AOR or Mr. Spears as the new AOR, by no later than seven days from the entry of the order to be entered by the Court.

3. Withdraw all pleadings filed in opposition to the recognition proceeding currently pending in Liberia, including, without limitation, the opposition to the petition, the motion to strike, the motion to intervene, and the motion to dismiss.

4. Update or amend all other AOR or similar filings with applicable authorities for Holdings' subsidiaries, including, without limitation, the four SMEs and Eletson Corp.

5. Obtain or provide certificates of incumbency for Holdings and each of its wholly owned subsidiaries, including, without limitation, the four SMEs and Eletson Corp, reflecting their new management.

6. Provide days and times that Holdings' representatives can obtain keys and passwords for Eletson Maritime's offices located in Stanford, CT and Eletson Corp.'s offices located in Greece.

7. Describe all property located at the Stanford, CT office and Greek offices and identify all property that has been removed from those locations since November 19, 2024 (or confirm in writing that no property has been removed since such date)

8. Contact all banks andfor all accounts maintained by Holdings and its wholly owned subsidiaries, including the four SMEs and Eletson Corp., instruct the banks to remove access and authorizations for all existing personnel and replace and direct new authorizations and access for Adam Spears, Len Hoskinson, and Mark Lichtenstein

- *We have been in contact with what we understand to be the significant majority of the existing banks. o We will email the banks which we ^^ve had contact with, copy you into the email chain as well as Laskarina Karastamati, Vasilis Kertsikoff, and*

Vasilis Hadjieleftheriadis, and issue a joint instruction on yours and their behalf.

- *To the extent that the banks respond with any questions, you are directed to inform them of the foregoing instructions and changes to the authorizations.*
- *You are also directed to cooperate with us and the banks in providing all paperwork requested by the banks, such as various corporate documents to the extent that your assistance is needed with doing so.*

9. File the necessary pleadings with the Greek Court to withdraw or dismiss with prejudice the proceedings filed there concerning the appointment of the "provisional board."

10. Withdraw all instructions provided to Novum and any other SME charterers and contact all charterers and identify Adam Spears as the new contact moving forward.

11. Provide a list of and contact information for all key employees and contact such key employees and put them in touch with Adam Spears.

12. Instruct all counsel or former counsel acting or purporting to act on behalf of Holdings or any of its wholly owned subsidiaries to only take instructions from the new boards.

This list is not exhaustive and is not intended to be a complete list of all things needed from you to effectuate the Plan and we reserve all rights, including to amend or supplement this list at any time. Given this recent ruling, we expect your prompt good faith cooperation. We also expect that you will share this message with anyone not included on this email chain that you know are needed to effectuate these and other implementation tasks.

Please respond to this email by no later than January 28 at 5:00p.m. (ET) confirming that you will work with us in good faith."

g. The last actions of the 4th defendant in Greece, as the alleged representative of the foreign company under reorganization under the name "ELETSON HOLDINGS INC"

Most recently, and specifically on 3.2.2025, the 4th defendant went so far as to claim in pleadings filed before the Piraeus Single-Member Court of First Instance [jurisdiction

in absentia], as well as before the Athens Multi-Member Court of First Instance [jurisdiction in absentia], that on the one hand he represents in Greece the foreign company under reorganization under the name "ELETSON HOLDINGS INC", on the other hand, that its actual alleged registered office is in the State of New York, where the centre of its main interests is allegedly located, namely at One Pennylvania Plaza Suite 333, New York, NY 10119, United States, where, it should be noted, the offices of the law firm Togut, Segal & Segal LLP, representing 4(τ)current defendant in litigation arising in the United States.

h. Conclusion:

It is clear that all of the above decisions are invalid under the law of Liberia, the Marshall Islands and Greece. Obviously these and probably others that we do not yet know are being formulated by the opposing parties and sent to the banks, creating serious problems for the second and third of us, ELETSON CORPORATION and ELETSON GAS, but also for the companies operating the four ships, i.e. the fourth to seventh of us. It is in the legitimate interest of all the applicant companies to apply for interim judicial protection from Your Court, in order to prevent irrevocable situations against us.

IV. Clarification regarding the US Bankruptcy Court Decision

By this Motion, Petitioners do not intend to show disrespect to the United States Bankruptcy Court for the Southern District of New York or its October 25, 2024 decision regarding the reorganization of Eletson Holdings, Inc. (joined as a petitioner herein to obtain full judicial protection), or to any other decision of that Court. However, the United States Bankruptcy Court has not ruled, nor did it intend to rule, on the validity or enforceability of its decisions under Greek law or other non-U.S. law. In particular, the above decisions have local application and in order to be effective in the Greek legal order and in other legal orders outside the United States, they must be recognized under the law of those legal orders.

Instead, the defendants in this case are the ones who have shown disrespect and blatantly violated the decisions of the United States Court by falsely and deliberately

stating that those decisions are applicable in jurisdictions outside the United States without proper recognition by those jurisdictions. Respondents falsely and knowingly assert that they have authority to act on behalf of Eletson Holdings, Inc. and other entities (such as the 2h through 7h Petitioners) that were not and have never been parties (litigants) to the New York bankruptcy proceedings and are not covered by the U.S. Court's orders. Moreover, they seek to exercise this nonexistent authority in dealings with third parties who are not familiar with the issues, attempting to mislead those parties and, at the very least, create confusion and doubt. These actions threaten Applicants with serious harm, including, but not limited to, causing bank account entanglements and interference with financial and business relationships, intimidating and misleading employees on land and seamen at sea, and interfering with payments from shippers.

This action by the Defendants, as well as other illegal, irregular and abusive conduct on their part that was not presented to, approved or authorized by the United States Bankruptcy Court, makes the filing of the present petition highly necessary in order to protect the legal rights of the Petitioners against the Defendants in the Greek legal system.

Rather, the opposing parties blatantly violate the 20.12.2024 decision of the same Judge Mastando, by which the only authority given to Adam Spears in a jurisdiction outside the US was to file applications in Liberia and Greece for recognition of the Court's bankruptcy judgment, making it clear that this does not prevent (nor can the opposing parties claim to prevent) or limit any party from defending against the recognition.

V. Imminent risk

1. From the provision of Article 682 par. 1 of the CCP it follows that in order to order a protective measure the Court must first presume that: [a] the claim alleged to be capable of being secured has arisen, that is to say, that all the necessary elements of justification for it exist under the provision of the substantive law which is held to be applicable in concreto; and [b] there is an urgent situation or imminent danger which makes it necessary, in order to secure or preserve the right or to regulate the situation, to take appropriate conservatory or regulatory measures of interim protection. These are two concepts that are obviously not identical, because otherwise both would not have a place in the text of the law. Urgency is the existence of an urgent need to temporarily

activate the legal relationship (legal consequence) that constitutes the main dispute. In this sense, urgency is understood to be the case when the provisional adjudication of a claim (Articles 728 et seq. CCP) and the provisional adjustment of a situation (Article 731 et seq. CCP) is requested and occurs when there is a need for the temporary enjoyment of the secured right by the claimant because, in the course of time, damage of any nature is likely to occur either to the material object of the claim or to its beneficiary. An imminent risk arises where the insured right is about to be frustrated, in which case its occurrence must be prevented in order to prevent the creditor's satisfaction from being frustrated by the acceleration of enforcement after the final conclusion of the diagnostic proceedings. Such a situation arises when interim measures other than those referred to in Articles 728 and 731 of the CCP must be ordered. With regard to the above requirement of the existence of an imminent danger or an urgent case, in order for the application for interim measures to be complete, it must contain, even if only briefly, a statement of the facts which suggest the existence of an imminent danger or an urgent case. It is not sufficient, therefore, to refer to the stereotyped wording of the law, but it is necessary to set out, even briefly, the specific circumstances of the conceptual definition of those conditions. The conditions for granting interim judicial protection (urgency and risk) are in fact the applicant's legitimate interest in obtaining the protective measure. They are therefore characterised as procedural requirements of the proceedings and, if their existence is not presumed, the application for interim measures will be dismissed, not as essentially unfounded, but as inadmissible.

2. α. In the present case, as set out immediately above, the eighth applicant, by virtue of a proceeding instituted against her, was placed in insolvency by a Court which lacked the jurisdiction to do so and despite the fact that she had no debt to her alleged Creditors, with the result that it is in danger of being definitively deprived of the possibility of managing its assets and its corporate affairs in general, and, as is apparent from the very recent and increasingly frequent actions of the opposing parties to that end, the risk of that happening is very real.

This was at a time when the only reason for the initiation of these proceedings against the Company was, as stated above, the desire of Levona and other, related companies or

individuals, to suspend the arbitration proceedings initiated by the Company, so as not to be awarded against the defendants in the relevant (arbitration) claims. In particular, as mentioned above (under A.7.3.), from numerous documents and as has already been ruled by the retired Judge-Arbitrator Ariel E. BELEN in the 29.09.2023 final arbitral award, the conduct of Levona, as well as of its affiliated companies Murchinson and Pach Shemen, about which the aforementioned Arbitrator states that "each is an alter ego of the other", towards ELETSON HOLDINGS is completely illegal, unconventional, abusive and in total bad faith.

It was this bad faith behaviour that led to the bankruptcy of ELETSON HOLDINGS, which, although it was vindicated in the Arbitration Decision of 29.09.2023, was in a state of alleged voluntary bankruptcy due to the illegal and abusive actions of the current first and third defendants and other companies of their interests.

2. β. The other applicants are also exposed to a similar risk and this is because the first applicant is a shareholder of the eighth applicant, with the consequence that its financial interests are directly and inextricably linked to the autonomous operation of the latter, and these interests are directly affected as the Amended Plan of Reorganization provides for the cancellation ('annihilation') of the shares held by ELAFONISSOS SHIPPING CORPORATION for 40 consecutive years in ELETSON HOLDINGS. Absolutely directly and inextricably linked to the autonomous operation of the first applicant are the financial interests of the second and third applicants, as well as the fourth to seventh applicants, as subsidiaries of the Company, which are the ones operating the four ships mentioned above, since the opposing parties, using the alleged decision of the voluntary bankruptcy of the latter as a vehicle, proceed to draw up a series of unsubstantiated Deeds on their behalf (see above under B.7)..b.), in order to take de facto control of these companies, as set out in detail above in this document, and boast to third parties that they also control these companies, creating enormous problems in their operation.

3. In order to safeguard their interests, the current applicants have brought an action before the Piraeus Court of First Instance (Ordinary Procedure - Maritime Disputes Division), dated 17.01.2025 with G.A.K.1260/2025 and C.A.C. 344/2025 against the current defendants, as well as against: 1. the foreign special purpose vehicle "VR Global

Partners, L.P.", 2. the foreign special purpose vehicle "Alpine Partners (BVI), L.P.", 3. the foreign fund management company named "DuPont Capital Management" and 4. A foreign company named 'Mulberry Street Ltd', seeking, inter alia: (a) a declaration that both the New York issued 25.10.2024 Chapter 11 Bankruptcy Judgment in respect of ELETSON HOLDINGS Inc. (of the Bankruptcy Court of the United States - Southern District of New York, composed of Judge John P. MASTANDO, as well as the Order of

04.11.2024 of the same Bankruptcy Court confirming the aforementioned Judgment of

25.10.2024 Decision of Voluntary Bankruptcy (Chapter 11) and the Creditors' Amended Plan of Reorganization, do not have any effect on the company in question in the Greek legal order, nor are they binding on it, and that ELETSON HOLDINGS has not been declared bankrupt and/or placed in any form of reorganization/restructuring by virtue of the aforementioned decisions, (b) to recognize the invalidity of the decisions of the alleged new Boards of Directors, (c) to declare that ELETSON HOLDINGS has been declared bankrupt and/or placed in any form of reorganization/restructuring by virtue of the aforementioned decisions.Board of Directors appointed pursuant to the aforementioned bankruptcy court order; and (c) to declare that the above-mentioned natural persons or anyone else deriving or claiming to derive rights from the aforementioned orders of the Bankruptcy Court for the Southern District of New York are not entitled to represent or claim (boast) to represent any of the petitioners or any of their subsidiaries, nor to perform any acts of administration or management thereof.

4. Based on the above, it follows that the bad faith and defiant behavior and arbitrary actions of the current defendants, which have escalated over the last few days, causing substantial damage to the current applicants, since these actions of the defendants impede the smooth operation of our company and at the same time threaten to cause us irreparable financial damage, the occurrence of which we cannot prevent otherwise, except by means of an action before Your Court, so that we may obtain the protection required until such time as the dispute hereby brought before You is finally settled by the judgment of the Piraeus Court of First Instance on the above-mentioned action.

In conclusion, it has become imperative to grant interim judicial protection to the current applicants, so that they can, on the one hand, manage their businesses smoothly and defend their interests in the legal disputes already opened, both within and outside

the country's borders, and, on the other hand, not to suffer further financial damage as a result of the arbitrary and bad faith actions of the current defendants.

VI. The requested interim measure

1. α. Pursuant to Article 731 of the Code of Civil Procedure, the Court is entitled to order as a protective measure the doing, omission or tolerance of a certain act by the person against whom the application is directed, while, pursuant to Article 732 of the same Code, the Court is entitled to order as a protective measure any other measure which, in the circumstances, it considers appropriate for securing or preserving a right or for regulating a situation. Provisional regulation of the situation is not a protective measure with a predetermined content, but the framework for taking appropriate measures (692(1) CCP), by which a certain situation (682 CCP) which has arisen or is tending to arise in the legal relations of the parties is temporarily dealt with until a final judgment is given on their legal relations, in respect of which a dispute has arisen and if there is an immediate and pressing need (urgency) to activate them by that time or to inactivate them in whole or in part, as the case may be, in order to avoid the creation of irrevocable or irreversible consequences for the probable outcome of the main proceedings. In other words, the situation to be regulated must be based on the existence of a right which has been infringed or is at risk of being infringed or a legal relationship in substantive law, which is why mere factual situations are not subject to regulation. In this sense, the provisional regulation of a situation is covered by Articles 731-736 of the CCP and has a broader content than simply securing or maintaining a right by means of measures of a regulatory nature, since it may also concern any other type of regulation, which serves the legal relations of the parties which cannot be postponed and at the same time consolidates legal peace. In that context, Article 731 provides for the imposition of an obligation to act, to refrain from acting or to refrain from acting or to tolerate a certain act as a suitable protective measure, by which the court's regulatory intervention is manifested. The applicant may be anyone who claims that his legal relations with his opponent have been disturbed. The act provided for in Article 731 of the CCP must correspond to the disruption and the limits of his substantive claim. In essence, the provision of Article 731 CCP is a provisional award of the corresponding claim for an

act, omission or forbearance of an act. The type of disturbance in the legal relations of the parties is irrelevant and may come from the whole range of their substantive legal relations, in whichever branch of law they belong, as long as there is jurisdiction of the civil courts (Single-Member Court of First Instance of Athens 7591/2022, 1167/2022, Single-Member Court of First Instance of Piraeus 1/2019, Single-Member Court of First Instance of Rhodes 148/2018, Single-Member Court of First Instance of Sparti 66/2018, Single-Member Court of First Instance of Herakleion 195/2017) [Single-Member Court of First Instance of Rhodes 288/2024, Legal Information Bank NOMOS].

1. β. According to Article 691A of the CCP, as introduced by Law No. 4335/2015, the possibility is established for the Court to issue a temporary injunction, either at the request of the parties or ex officio by the Court until a decision on the application for a provisional measure is issued. The issuance of an temporary order is intended to address the need for an absolutely temporary protection, when the temporary protection provided by interim measures is not sufficient, due to a particularly urgent case or an imminent immediate danger, to prevent irreparable damage that could occur until the decision on interim measures is issued. The Court of Justice, in which the application for interim measures is pending, is competent to issue the temporary order, even if it still lacks jurisdiction (Single-Member Court of First Instance of Thessaloniki 12256/2019 ■ Legal Information Bank NOMOS).

2. In this regard, based on the detailed disclosures herein, it is lawful for Your Honor to enjoin each of the fourth through eighth current Defendants, as well as the Defendants' attorneys appearing as representatives, and any other person deriving or purporting to derive rights from the judgments of the Bankruptcy Court for the Southern District of New York herein:

(i) Represent or claim (boast) to represent any of the applicants or any of their subsidiaries,

(ii) To perform any acts of administration or management thereof,

(iii) Use the highly misleading @eletsonholdings.com address created by the defendants herein, based on the detailed disclosures herein,

(iv) Claim that the boards of directors of the applicants have changed,

(v) Attempt to register such changes with any authority and in particular with the Register of Shipping Companies Department of the Ministry of Maritime Affairs and Insular Affairs or the Department of Companies established under Article 25 of Law 27/1975 of the aforementioned Ministry or for Liberian companies to the Liberian International Ship and Corporate Registry (LISCR) (which has an office in Greece under the name LISCR HELLAS Single-Member Societe Anonyme for the Provision of Services

Monopolie Anonyme Societa Anonyme Societa Anonyme de Provision de Servicios para la Societa Maritime et de Societas) and for Marshall Islands companies to the International Registries, Inc (IRI) (which have an office in Greece under the name INTERNATIONAL REGISTRIES LLC HELLAS SINGLE-MEMBER LTD).

Order the respondents to refrain from all of the above until the final decision of the Court of Your Honour on the present case is rendered in the case of 17.01.2025 with G.A.K.1260/2025 and E.A.C. 344/2025, filed by the current applicants before the Piraeus Court of First Instance [Ordinary Procedure - Maritime Disputes Division], directed, inter alia, against the current defendants, threatening against the defendants, namely against the representatives of the first to the third and the ninth to the eleventh of them, as well as against the fourth to the eighth of them, a fine of five thousand (5.000) and a personal detention order for three (3) months, for each infringement of the operative part of the judgment of the Court of First Instance delivered on this application.

VII.

Whereas the judgments of the aforementioned Bankruptcy Court of the Southern District of New York[6] have not been recognized in Greece, nor have the conditions for their recognition been met, the defendants and in particular the natural person defendants (i.e. the 4th through 8th of the current defendants) or anyone else deriving or claiming

[6] Namely, the Chapter 11 Bankruptcy Judgment issued in New York on 25.10.2024 regarding the already eighth petitioner ELETSON HOLDINGS (and regarding the other two companies that are not parties to the present proceedings) by the Bankruptcy Court of the United States - Southern District of New York consisting of Judge John P. MASTANDO, as well as the Chapter 11 Bankruptcy Judgment of 04.11.2024 Order of the same aforementioned Bankruptcy Court affirming the 25.10.2024 Chapter 11 Involuntary Bankruptcy Judgment of the already eighth petitioner ELETSON HOLDINGS (and two other companies not parties to this litigation) and the Creditors' Amended Plan of Reorganization and any other order that may have been issued by the same Court,

to derive rights from the aforementioned judgments of the Bankruptcy Court of the Southern District of New York, shall not be entitled to represent or purport (boast) to represent any of the current petitioners or any of their subsidiaries, nor to perform any acts of administration or management thereof, nor to purport to change the boards of directors thereof, nor to attempt to register such changes with any authority, including but not limited to the Registry of Shipping Companies of the Department of Shipping and Insular Affairs or the Registry of Companies established pursuant to Section 25 of L.27/1975 of the same registry or for Liberian companies to the Liberian International Ship and Corporate Registry (LISCR) (which has an office in Greece under the name LISCR HELLAS Single-Member Societe Anonyme for the Provision of Services on Shipping Issues and Companies) and for Marshall Islands companies to the International Registries, Inc (IRI) (which have an office in Greece under the name INTERNATIONAL REGISTRIES LLC HELLAS MONOPORED LTD).

Whereas our present petition is admissible and well founded in law and in substance.

Whereas in this case, on the basis of the details set out in this application, there is an urgent need for the Court to grant, at the hearing of this application before it, an temporary order pursuant to Article 691^{A} of the Civil Code, by virtue of which the defendants are ordered to refrain from all of the above-mentioned acts [under V.2. (i) to
(v)], pending the Court's decision on this application, in order to prevent irreparable harm to the applicants up to that point.

Whereas Your Court has jurisdiction pursuant to Article 51 of Law 2172/1993, because the dispute concerns shipping companies, shipowners and charterers of naked ships, and the Court should also decide on matters relating to or connected with maritime trade, the use, operation or exploitation of ships.

Whereas our claims will be proven before Your Court, with documents and witnesses.

Whereas we hereby declare that we waive our motion dated 10.2.2025, with G.A.K. 3304/2025 and E.A.K. 190/2025, injunctive relief application before Your Court.

Whereas we are bringing the application no P5586574/2025, and P5585911/2025 Contribution Advance Bills of the D.S.A. of article 61 of Law 4194/2013, for our attorneys-at-law who sign this document.

FOR THESE REASONS

and for as many reasons as we will add during the hearing hereof, with the expressed reservation of all our rights WE REQUEST

- That our present application be granted.

- To be ordered, pursuant to Article 731 et seq. CCP, injunctive relief against the defendants, and in particular that Your Court forbid each of the fourth through eighth of the present defendants, and those appearing as representatives of the defendants, as well as any other person deriving or claiming to derive rights from the judgments of the Bankruptcy Court of the Southern District of New York herein:

(i) To represent or claim (boast) to represent any of the applicants or any of their subsidiaries,

(ii) To perform any acts of administration or management thereof,

(iii) To use the highly misleading @eletsonholdings.com address created by the defendants herein, based on the detailed disclosures herein,

(iv) To claim that the boards of directors of the applicants have changed,

(v) To attempt to register such changes with any authority and in particular with the Register of Shipping Companies Department of the Ministry of Maritime Affairs and Insular Affairs or the Department of Companies established under Article 25 of Law 27/1975 of the aforementioned Ministry or for Liberian companies to the Liberian International Ship and Corporate Registry (LISCR) (which has an office in Greece under the name LISCR HELLAS Single-Member Societe Anonyme for the Provision of Services on Shipping Issues and Companies) and for Marshall Islands companies to the International Registries, Inc (IRI) (which have an office in Greece under the name INTERNATIONAL REGISTRIES LLC HELLAS SINGLE-MEMBER LTD),

- And that the present defendants be ordered by the judgment of the Court of First Instance on the present case to refrain from all of the above until the final decision on the action brought by the present applicants on 17.01.2025 under G.A.K. 1260/2025 and

E. A.K. 344/2025 before the Piraeus Court of First Instance (Ordinary Procedure - Maritime Litigation Section), directed, inter alia, against the present defendants.

-A fine of five thousand (5,000) euros and three (3) months' personal detention be imposed on the defendants, namely the representatives of the first to the third, the ninth

to the eleventh and the fourth to the eighth, for each infringement of the operative part of the judgment of the Court of First Instance delivered on this application.

- That the above be ordered by a temporary order of the Court, granted during the hearing of this application, pending the determination of the application.

- To convict the opposing parties to pay the costs of the proceedings and the fees of the applicants' lawyers jointly and severally.

Athens, 19 February 2025 The Authorized Lawyers

(signature-stamp) (signature-stamp)

K. F. KALAVROS LAW FIRM K.F. KALAVROS LAW FIRM

HELLENIC REPUBLIC
COURT OF FIRST INSTANCE OF PIRAEUS

ACKNOWLEDGEMENT OF A LEGAL DOCUMENT

Deed Type: APPLICATION

General File No. 4213/2025

Special File No. 244/2025

At the Court of First Instance of Piraeus this 19th day of February 2025, weekday Wednesday at 13.47' appeared before the Court Clerk, the Lawyer KIOUSI Panagiota with Reg.No. 030165 of the Athens Bar Association and filed the foregoing legal document.

In witness whereof this report was drafted and is legally signed.

THE LAWYER	THE COURT CLERK
(signature)	(signature)
KIOUSI PANAGIOTA	DEDE SOPHIA

ACT OF SETTING A HEARING DATE

Proceedings : Interim Measures Exhibit : Docket of Interim Measures with Exhibit Number 5 We hereby set as date of hearing, the 14th day of March 2025 (14.03.2025) weekday Friday at 09.30 at the First Instance Court of Piraeus 3-5 Skouze street, 3rd floor, Courtroom 303 on the condition that a copy of the application and this act is served, ten (10) days before the hearing, by diligence of the applicants per email to the email accounts of the defendants included at this application, except of the 8th, 9th, 10th, 11th who will be summoned through a judicial server.

Piraeus 19.02.2025

The Judge

(signature)

STAVGIANOUDAKI ELEANA

Exact Copy. Piraeus 19.02.2025

The Clerk (stamp-signature)

DEDE SOPHIA

ΕΠΙΣΗΜΗ ΜΕΤΑΦΡΑΣΗ - OFFICIAL TRANSLATION

Κωδικός Ασφαλείας - Security QR Code :

xf51FhhS1gf9TxjKKZPyPg

APOSTILLE

(Convention of Hague of October 5th, 1961)

1. Country: GREECE

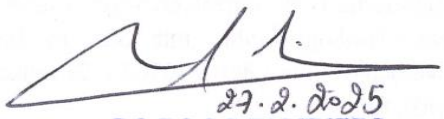
   The present public document
2. Was signed by Ms. SOPHIA DEDE
3. Acting in the capacity of the Clerk of the First Instance Court of Piraeus
4. Bears the seal/stamp of the Court of First Instance of Piraeus

Certified

5. At Piraeus
6. On 25.02.2025
7. By the Court of First Instance of Piraeus
8. No. 299/2025
9. (Stamp) Court of First Instance of Athens
10. (Signature) The President of the Three-Member Council of Administration of the Court of First Instance of Piraeus p/p KALTAKHS ELEFTHERIOS

This Apostille only certifies the signature, the capacity of the signatory and the stamp that the document bears. It does not certify the content of the document for which it was issued.

I hereby certify as the applicant's lawyer that this application for interim measures is sent to the email address indicated in the application for those specified in the judge's act.
Athens, February 27, 2025
The applicant's lawyer
Themistoklis Sofos
Managing Partner
SOFOS LAW FIRM



27.2.2025

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EXHIBIT “3 ”

OMNIBUS WRITTEN CONSENT OF THE PARENT

November 19, 2024

The undersigned, Eletson Holdings Inc. (the "***Parent***"), in its capacity as the sole shareholder, or controlling shareholder, as applicable, of the companies listed in Exhibit A attached hereto and of any and all other wholly-owned or controlled companies (each a "***Company***" and, collectively, the "***Companies***"), in accordance with (i) the applicable laws of the Republic of Liberia (including, without limitation, the Business Corporation Act of 1977)) and (ii) the charters and bylaws of each of the respective Companies, hereby directs each of the Companies as follows:

1. PROHIBITED COMPANY ACTIONS

Each of the Companies hereby shall not, either directly or indirectly, effect or take steps to effect, or allow any of its subsidiaries to either directly or indirectly, effect or take steps to effect, the following acts without the written consent or affirmative vote of the Parent:

a. make any decisions related to any dispute, litigation, arbitration, or settlement, whether such matter is ongoing or is brought in the future;

b. elect or remove any director of the Company's board of directors;

c. increase or decrease the authorized number of directors constituting the Company's board of directors or change the number of votes entitled to be cast by any director or directors on any matter;

d. hire, terminate, or change the compensation of the executive officers, including, without limitation, approving any option grants or stock awards to executive officers;

e. enter into any new management agreement or amend any management agreement to which the Company is a party as of the date hereof;

f. establish, open or close any bank account in the name of the Company or in any other capacity that may appear to represent the Company;

g. enter into, approve or facilitate any transaction or agreement with any entity or individual that is an affiliate of a Company or a former affiliate of any Company;

h. sell, assign, license, pledge or encumber any assets or property of the Company;

i. engage in any sales, transfers or assignments outside of the ordinary course of the Company's business;

j. create, or issue, any debt security, create any lien or security interest, or incur or agree to incur any form of indebtedness, including, without limitation, loans, credit facilities or other financial obligations that would impose a liability on the Company;

k. guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness;

l. make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any other corporation, partnership, or other entity, including, without limitation, any other Company, affiliate of any Company or former affiliate of any Company;

m. make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any other Company, affiliate of any Company or former affiliate of any Company;

n. enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Company;

o. create or issue, or obligate itself to issue, shares of, or reclassify, any capital stock of the Company;

p. create, issue or enter into any agreement, instrument or security that is convertible into, exercisable or exchangeable for any capital stock of the Company;

q. increase or decrease the authorized number of shares of any capital stock of the Company;

r. create or adopt any compensation plan, including, without limitation, any equity (or equity-linked) compensation plan; or amend any such plan to increase the compensation, including, without limitation, increasing the number of shares authorized for issuance under such plan;

s. purchase or redeem or pay or declare any dividend or make any distribution on, any shares of capital stock of the Company;

t. liquidate, dissolve or wind-up the business and affairs of the Company or effect any merger, consolidation, statutory conversion, transfer, domestication or continuance;

u. amend, alter or repeal any provision of the Company's charter or bylaws; or

v. take or omit to take any action or series of actions which have the effect of any of the foregoing.

2. REMOVAL DIRECTORS AND OFFICERS

With effect from the date hereof, the Parent hereby directs the removal and revocation of the appointment of all directors and officers of each of the Companies and their subsidiaries.

The Parent hereby directs that an officer of each of the Companies shall file this consent in the minute books of each of the Companies and shall be effective as of the date first written above.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Parent of the Companies has caused this consent to be executed as of the date first written above.

PARENT:

Eletson Holdings Inc.

By: Adam Spears
Adam Spears (Nov 7, 2024 12:55 EST)

Name: Adam Spears

Title: Chief Executive Officer

EXHIBIT A

Companies

Kinaros Special Maritime Enterprise
Fourni Special Maritime Enterprise
Kastos Special Maritime Enterprise
Eletson Corporation
Eletson Gas LLC
Fournoi Shipping Corporation
Arginusae Holdings, Inc.
Five Investment Inc.
Glaronissi Shipping Corporation
EMC Investment Corporation
Kimolos II Special Maritime Enterprise
Antikeros Special Maritime Enterprise
Dhonoussa Special Maritime Enterprise
Polyaigos Special Maritime Enterprise
Strofades Special Maritime Enterprise
Eletson Chartering Inc.
Kastelorizo Shipping Corporation
Folegandros Shipping Corporation
Eletson Chartering II Inc.
Eletson Chartering III Inc.
Argironissos Shipping Corporation
Salamina Shipping Corporation
Samothraki Shipping Corporation
Eletson Offshore Inc.
Eletson Chartering III Inc.
Agathonissos Shipping Corporation
Alkyonis Shipping Corporation
Alonissos Shipping Corporation
Angistri Shipping Corporation
Dhokos Shipping Corporation
Erikoussa Shipping Corporation
Kandilousa Shipping Corporation
Karos II Shipping Corporation
Makronissos Shipping Corporation
Megalonissos Shipping Corporation
Parapola Shipping Corporation
Pelagos Shipping Corporation
Serifopoulo Shipping Corporation
Serifos Shipping Corporation
Skiropoula Shipping Corporation
Skopelos Shipping Corporation
Sporades Shipping Corporation
Stavronisi Shipping Corporation
Velopoula Shipping Corporation
Astipalea Shipping Corporation
Kithnos Shipping Corporation

Paros Shipping Corporation
Othoni Shipping Corporation
Mathraki Shipping Corporation
Limnos Shipping Corporation
Dilos Shipping Corporation
Despotico Shipping Corporation
Antimilos Shipping Corporation
Anafi Shipping Corporation
Thira Shipping Corporation
Karos Shipping Corporation
Dhonousa Shipping Corporation
Antikeros Shipping Corporation
Eletson Maritime Inc.
Aklyonis Shipping Corporation
Angkistri Shipping Corporation
Eletson Maritime Ltd
EMC Gas Investment Corp.

EXHIBIT “33”

ACTION BY WRITTEN CONSENT
OF THE STOCKHOLDERS
OF ELETSON CORPORATION
IN LIEU OF A MEETING

The undersigned being the sole stockholder ("***Sole Stockholder***") of Eletson Corporation, a Liberian corporation (the "***Corporation***"), pursuant to the Business Corporation Act of 1977 of the Republic of Liberia and the Bylaws of the Corporation, hereby adopts and approves the following resolutions and the taking of the actions referred to in such resolutions:

1. **Removal of Directors**

WHEREAS, the Sole Stockholder previously resolved for the removal of all previous directors (the "***Director Removals***") of the board of the Corporation (the "***Board***") by resolutions dated November 19, 2024 (the "***Omnibus Parent Resolution***"),

WHERAS, the Sole Stockholder desires to further ratify and affirm the Director Removals,

NOW, THEREFORE, BE IT RESOLVED, the Director Removals are hereby ratified and affirmed in all respects and any and all previously appointed directors of the Board are removed as directors of the Board:

2. **Amended and Restated Bylaws**

WHEREAS, the Sole Stockholder wishes to amend and restate the Corporation's existing Bylaws (the "***Existing Bylaws***") in substantially the form attached hereto as Exhibit A (the "***Restated Bylaws***") to modify the number of directors of the Corporation to be one director,

WHEREAS, pursuant to Article VIII of the Existing Bylaws, the Bylaws of the Corporation may be amended at any meeting of the stockholders by the vote of the stockholders holding a majority of the shares entitled to vote,

WHEREAS, the Sole Stockholder holds the majority of the shares entitled to vote,

NOW THEREFORE, BE IT RESOLVED that the Restated Bylaws in the form attached hereto as Exhibit A be, and it hereby is, adopted and approved and that the number of directors of the Corporation shall be one.

3. **Appointment of Directors**

NOW, THEREFORE, BE IT RESOLVED, that effective as of November 19, 2024, the following individuals are each appointed as a director of the Board to serve until such individual's successor shall have been duly elected and qualified, or until such individual's earlier resignation or removal:

Leonard J. Hoskinson	Director

4. **Additional Filings Resolution**

NOW, THEREFORE, BE IT RESOLVED, the officers of the Corporation are authorized and directed to make such filings and applications, to execute and deliver such documents and instruments, and to do such acts and things as any such officer deems necessary or appropriate in order to implement the foregoing resolutions.

5. **Omnibus Resolutions**

NOW, THEREFORE, BE IT RESOLVED, the officers of the Corporation are authorized and directed to take such further action and execute such additional documents as any such officer deems necessary or appropriate to carry out the purposes of the above resolutions.

RESOLVED FURTHER: that in the event any part of the above resolutions cannot be carried out or implemented for any reason, such part shall be deemed severable and shall not affect the enforceability or implementation of the remaining provisions of the above resolutions.

[Remainder of page intentionally left blank]

This Action by Written Consent may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and will be deemed to have been duly and validly delivered and be valid and effective for all purposes. The undersigned have executed this Action by Written Consent of the Stockholders as of the date set forth opposite such stockholders' names.

Date of Execution: November 19, 2024

SOLE STOCKHOLDER:

Eletson Holdings Inc.

By: Adam Spears
Name: Adam Spears
Title: Chief Executive Officer and President

Exhibit A

Restated Bylaws

ELETSON CORPORATION

Office of Registry: Monrovia, Liberia

AMENDED AND RESTATED BY-LAWS

Adopted 19th November 2024

ARTICLE I.

OFFICES

The principal office of the Corporation shall be 80 Broad Street, Monrovia, Liberia. The Corporation may also have an office or offices at such other places within or without Liberia as the Board of Directors may from time to time appoint or the business of the Corporation may require.

ARTICLE II.

STOCKHOLDERS

Section 1. Annual Meeting. The annual meeting of the Stockholders shall be held at such place within or without Liberia as the Board of Directors may determine on the 30th day of June in each and every year (or if said day by a legal holiday, then on the next succeeding day not a legal holiday), at 10.00 o'clock in the forenoon, for the purpose of electing Directors and of transacting such other business as may properly be brought before the meeting. If on the day appointed for the annual meeting of the Stockholders, there shall be less than a quorum present or represented, the meeting shall be adjourned to some convenient day. No notice need be given of the annual meeting of the stockholders.

Section 2. Special Meetings. Special Meetings of the stockholders may be held at such places within or without Liberia as the Board of Directors may determine upon call of the Board of Directors or the President or the holders of record of shares entitled in the aggregate to more than a majority of the number of votes which could at the time be cast by the holders of all shares of the capital stock of the Corporation at the time outstanding and entitled to vote, at such time as may be fixed by the Board of Directors or the President or such stockholders, and as may be stated in the call and notice. The purpose for which a special meeting of stockholders may be held shall include the removal from office of any or all of the Directors, whether or not any cause exists for such removal, and the election of Directors in place of those removed.

Section 3. Notice of Meetings. Written notice (including notice by telegram, cablegram or radiogram) of the time, place and purpose or purposes of every meeting of stockholders, signed by the President or a Vice-President or the Secretary or an Assistant Secretary, shall be served upon or mailed to each stockholder of record entitled to vote at such meeting, and upon any stockholder who by reason of any action proposed at such meeting would be entitled to have his stock appraised if such action were taken, not less than fifteen days nor more than sixty days before the meeting. If mailed, such notice shall be directed to such stockholder at his home

or post-office address as it appears upon the records of the Corporation. Such further notice shall be given by mail, publication or otherwise, as maybe required by the Certificate of Incorporation of the Corporation or By- Laws Meetings may be held without notice if all of the stockholders entitled to notice of the meeting as aforesaid are present in person or represented by proxy at the meeting, and sign the minutes of such meeting or·if notice is waived by those not so present or represented.

Section 4. Quorum. A quorum at any regular or special meeting of the stockholders shall consist of the holders of the majority of the shares entitled to vote thereat, present by person or represented by proxy. If at any meeting there shall be no quorum, the holders of a majority of the shares of stock entitled to vote so present or represented may adjourn the meeting from time to time, without notice other than announcement at the meeting, until such quorum shall have been obtained, when any business may be transacted which might have been transacted at the meeting as first convened had there been a quorum.

Section 5. Voting. Resolutions at meetings of stockholders must be adopted by the affirmative vote of the stockholders holding a majority of the shares entitled to vote thereat, present or represented by proxy appointed by instrument in writing (including telegraph, cablegram or radiogram). No proxy shall be valid after the expiration of eleven months from the date of its execution unless the stockholder executing it shall have specified therein a longer time during which it is to continue in force.

Section 6. Record of ·Shareholders. The Board of Directors may prescribe a period, not exceeding forty days prior to any meeting of the stockholders, during which no transfer of stock on the books of the Corporation may be made. In lieu of prohibiting the transfer of stock as aforesaid, the Board of Directors may fix a day and hour, not more than forty days prior to the holding of any such meeting as the day as of which stockholders of record entitled to notice of and to vote at such meeting shall be determined, and all persons who were holders of records of voting stock at such time and no others shall be entitled to notice of and to vote at such meeting.

ARTICLE III.

BOARD OF DIRECTORS

Section 1. Number. Subject to any By-law made by the stockholders of the Corporation, the number of Directors within the maximum and minimum limits provided for under Section 25 of the Liberian Corporation Law of 1943, as amended, and in the Certificate of Incorporation, may be changed from time to time by the stockholders or by the Board of Directors by an amendment to these By-Laws. Subject to amendment of these By-Laws, as aforesaid, the number of Directors of the Corporation shall be one.

Section 2. Meetings of the Board. Meetings of the Board of Directors shall be held at such place within or without Liberia as may from time to time be fixed by resolution of the Board, or as may be specified in the call of any meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board. Notice need not be given of the regular meetings of the Board held at times fixed by resolution of the Board. Special meetings of the Board may be held at any time upon the call of the President or any two Directors by oral, telegraphic or written notice, duly served on or sent or mailed to each Director not less than one day before such meeting. Special meetings of the Board of Directors

may be held without notice, if all of the Directors are present and sign the minutes of such meeting or if those not present waive notice of the meeting in writing.

Section 3. Annual Meeting of Directors. An annual meeting of the Board of Directors shall be held in each year after the adjournment or the annual stockholders' meeting and on the same day.. If on the day appointed for the annual meeting of the stockholders there shall be less than a quorum present or represented, the meeting shall be adjourned to some convenient day. No notice need be given of the annual meeting of the Board of Directors.

Section 4. Quorum. At any meeting of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there shall be less than a quorum present or represented a majority of those present may adjourn the meeting from time to time until a quorum shall have been obtained.

Section 5. Voting. Resolutions at the meeting of Directors must be adopted by a majority vote of the Directors present or represented at the meeting by proxy appointed by instrument .in writing (including telegram, cablegram or radiogram). No proxy shall be valid after the expiration of eleven months from the date of its execution unless the Director executing it shall have specified therein a longer time during which it is to continue in force.

Section 6. Term of Office. The Directors shall hold office, unless they are theretofore removed from office by the stockholders, until the next annual meeting and thereafter until their successors shall be duly elected and qualified.

Section 7. Vacancies. Vacancies in the Board of Directors may be filled for the unexpired portion of the term by the designee of the holders of a majority of the stock having power to vote or by majority vote of the Directors then in office.

Section 8. Resignation. Any Director of the Corporation may resign at any time by giving written notice to the President or to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein; and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective.

Section 9. Organization. At each meeting of the Board of Directors, the President or, in the absence of the President, a chairman chosen by a majority of the Directors present shall preside, and the Secretary of the Corporation or, in the absence of the Secretary, a person appointed by the chairman of the meeting shall act a secretary. The Board of Directors may. adopt such rules and regulations as they shall deem proper, not inconsistent with law or with these By-Laws, for the conduct of their meetings and the management of the affairs of the Corporation. At all meetings of the Board of Director, business shall be transacted in such order as the Board may determine.

Section 10. Powers. The power of the Corporation shall be exercised by the Board of Directors, except such as are by law or by the Certificate of Incorporation conferred upon or reserved to the stockholders. The Board of Directors, consequently, shall have absolute control and complete management of the business of the Corporation and may confer all kinds of powers of attorney upon any person, persons or entities (including powers of attorney in favor of lawyers, solicitors or judicial agents, in order to enable them to carry on and perform the legal representation of the Corporation in connection with any judicial process), with all the faculties and powers that he or they may deem convenient, and also to revoke the same in whole or in part.

Section 11. Compensation. In addition to reimbursement for his reasonable expenses incurred in attending meetings or otherwise in connection with his attention to the affairs of the Corporation, each Director who is not a salaried officer of the Corporation shall be entitled to receive such remuneration for serving as the Director and as a member of any committee of the Board as may be fixed from time to time by the Board of Directors. These By-Laws shall not be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

ARTICLE IV.

OFFICERS

Section 1. Officers and Agents. The Board of Directors shall appoint a President, a Secretary and a Treasurer for the Corporation. The Board of Directors may also appoint from time to time one or more Vice- Presidents, Assistant Secretaries, Assistant Treasurers and other agents, officers, factors and employees as may be deemed necessary. No officer except the President need be a Director of the Corporation. The salaries of all officers shall be fixed by the Board of Directors, and the fact that any officer is a Director shall not preclude him from receiving a salary or from voting for the resolution providing the same. Any person may hold two or more offices. Officers, agents, factors or employees of the Corporation may of any nationality and need not be residents of Liberia.

Section 2. Term of Office. The term of office or all officers shall be one year or until their respective successors are chosen and qualify but any officer elected or appointed by the Board of Directors may be removed, with or without cause, at any time by the affirmative vote of a majority of the members of the Board then in office.

Section 3. Powers and Duties. The officers, agents, factors and employees of the Corporation shall each have such powers and duties in the management of the property and affairs of the Corporation, subject to the control of the Board of Directors, as generally pertain to their respective offices, as well as such powers and duties as from time to time may be prescribed by the Board of Directors. The Board of Directors may require any such officer, agent, factor or employee to give security for the faithful performance of his duties.

ARTICLE V.

CAPITAL STOCK

Section 1. Certificates of Shares. The interest of each stockholder shall be evidenced by a certificate or certificates for shares of stock of the Corporation in such form as the Board of Directors may from time to time prescribe. The certificates of stock may be issued either as registered shares or to the bearer, provided however that same may be issued to bearer only if fully paid and non-assessable.The certificates of stock shall be signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary and sealed with the seal of the Corporation and shall be countersigned and registered in such manner, if any, as the Board may by resolution prescribe.

Section 2. Transfers. Shares in the capital stock of the Corporation issued in the name of the owner shall be transferred only in the books of the Corporation by the holder there of in person or by his attorney, upon surrender for cancellation of certificates for the same number of

shares, with an assignment and power of transfer endorsed thereon or attached thereto; duly executed, with such proof of the authenticity of the signature as the Corporation or its agents may reasonably require. Transfers of shares in the capital stock issued to bearer shall be made by the delivery of certificate or certificates representing the same.

Section 3. Lost or Destroyed Stock Certificates. No Certificates for shares of stock of the Corporation shall be issued in place of any certificate alleged to have been lost, stolen or destroyed, except upon production of such evidence of the loss. theft or destruction and upon indemnification of the Corporation and its agents to such extent and in such manner as the Board of Directors may from time to time prescribe.

ARTICLE VI.

FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of January in each year and shall end on the thirty-first day of December following.

ARTICLE VII.

CORPORATE SEAL

The corporate seal shall have inscribed thereon the name of the Corporation and such other appropriate legend as the Board of Directors may from time to time determine. In lieu of the corporate seal, when so authorized by the Board of Directors or a duly empowered committee thereof, a facsimile thereof may be impressed or affixed or reproduced.

ARTICLE VIII.

AMENDMENTS

The By-Laws of the Corporation may be amended, added to, rescinded or repealed at any meeting of the stockholders by the vote of the stockholders holding a majority of the shares entitled to vote and given at a stockholders meeting called for that purpose provided that notice of the proposed change is given in the notice of the meeting.

EXHIBIT “34”

ELETSON GAS LLC

ACTION BY UNANIMOUS WRITTEN CONSENT OF THE BOARD OF DIRECTORS

Pursuant to the Limited Liability Companies Act of the Republic of the Marshall Islands and the Third Amended and Restated Limited Liability Company Agreement, dated as of August 16, 2019, as amended by Amendment No. 1, dated as of April 16, 2020 (as amended, the "***LLC Agreement***", capitalized terms used herein but not defined herein shall have the meaning ascribed to such term in the LLC Agreement), of Eletson Gas LLC, a limited liability company formed in the Republic of the Marshall Islands (the "***Company***"), the undersigned, constituting all of the members of the Company's board of directors (the "***Board***"), hereby adopt the following resolutions:

1. ***Removal of Pre-Existing Officers and Election of New Officers***

WHEREAS, Section 3.1(b) of the LLC Agreement provides that any officer may be removed, with or without cause, by an affirmative vote of the majority of the Board;

WHEREAS, the Board has determined it advisable and in the best interest of the Company to remove and revoke all of the individuals currently serving as officers of the Company as of the date hereof (the "***Pre-Existing Officers***");

WHEREAS, the Board has determined it advisable and in the best interest of the Company to revoke any and all authorizations and powers of the Pre-Existing Officers, including but not limited to revoking any and all Management Powers (as defined below) and any and all Bank Authorization Powers (as defined below) that the Company may have previously granted to the Pre-Existing Officers; and

WHEREAS, Section 3.1(b) of the LLC Agreement provides that any vacancy in any office of the Company shall be filled by the Board.

NOW, THEREFORE BE IT, RESOLVED, that the Board hereby elects to remove and revoke the appointment of the Pre-Existing Officers of the Company, effective immediately;

RESOLVED FURTHER, that the Board hereby revokes any and all authorizations and powers of the Pre-Existing Officers, including but not limited to revoking any and all Management Powers (as defined below) and any and all Bank Authorization Powers (as defined below) that the Company may have previously granted to the Pre-Existing Officers; and

RESOLVED FURTHER, that the following persons are appointed as officers of the Company, to the offices set forth opposite such person's name, to serve at the pleasure of the Board until their successor is duly elected and qualified, or until their earlier death, resignation or removal:

Chief Executive Officer Leonard J. Hoskinson

2. ***Management Powers***

NOW, THEREFORE BE IT, RESOLVED, that the officers of the Company are authorized to sign and execute in the name and on behalf of the Company all applications, contracts, leases and other deeds and documents or instruments in writing of whatsoever nature that may be required in the ordinary course of business of the Company and that may be necessary to secure for operation of the corporate affairs, governmental permits and licenses for, and incidental to, the lawful operations of the business of

the Company, and to do such acts and things as such officers deem necessary or advisable to fulfill such legal requirements as are applicable to the Company and its business (collectively, the "***Management Powers***").

3. ***Authorized Designees***

WHEREAS, pursuant to Section 3.1 of the LLC Agreement, the Board may delegate powers or duties of the Company's officers to a third-party agent; and

WHEREAS, the Board has determined that it is in the best interests of the Company to delegate officer powers to Mark Lichtenstein with respect to the Company and the Eletson Gas Companies.

NOW, THEREFORE BE IT, RESOLVED, the Board hereby grants Mark Lichtenstein all authorizations and powers of an officer of the Company and of each of the Eletson Gas Companies, including but not limited to Management Powers and Bank Authorization Powers.

4. ***Designation of Depositary***

NOW, THEREFORE BE IT, RESOLVED, that the Chief Executive Officer of the Company is authorized to do the following (collectively, the "***Bank Authorization Powers***"):

(a) To designate one or more banks or similar financial institutions as depositories of the funds of the Company.

(b) To open, maintain and close general and special accounts with any such depositories, including any existing depository or similar accounts.

(c) To cause to be deposited, from time to time, in such accounts with any such depository, such funds of the Company as such officers deem necessary or advisable, and to designate or change the designation of the officer or officers or agent or agents of the Company authorized to make such deposits and to endorse checks, drafts and other instruments for deposit.

(d) To designate, change or revoke the designation, from time to time, of the officer or officers or agent or agents of the Company authorized to sign or countersign checks, drafts or other orders for the payment of money issued in the name of the Company against any funds deposited in any of such accounts, including any existing depository or similar accounts.

(e) To authorize the use of facsimile signatures for the signing or countersigning of checks, drafts or other orders for the payment of money, and to enter into such agreements as banks and similar financial institutions customarily require as a condition for permitting the use of facsimile signatures.

(f) To make such general and special rules and regulations with respect to such accounts as they may deem necessary or advisable, and to complete, execute and certify any customary printed blank signature card forms in order to exercise conveniently the authority granted by this resolution, including any existing depository or similar accounts, and any resolutions printed on such cards are deemed adopted as a part of this resolution.

RESOLVED FURTHER, that all form resolutions required by any such depository are adopted in such form used by such depository, and the Secretary is (i) authorized to certify such resolutions as having been adopted by this Unanimous Written Consent and (ii) directed to insert a copy of any such form

resolutions in the Company's minute book immediately following this Unanimous Written Consent; and

RESOLVED FURTHER, that any such depository to which a certified copy of these resolutions has been delivered by the Secretary of the Company is authorized and entitled to rely upon such resolutions for all purposes until it has received written notice of the revocation or amendment of these resolutions adopted by the Board.

5. ***Prohibited Corporate Actions by Eletson Gas Companies.***

NOW, THEREFORE BE IT, RESOLVED, in its capacity as the sole shareholder, or controlling shareholder, as applicable, of any and all wholly-owned or controlled companies (each an "***Eletson Gas Company***" and, collectively, the "***Eletson Gas Companies***"), in accordance with (i) the applicable laws of the Republic of Marshall Islands and (ii) the charters, and bylaws, or operating agreements as applicable, of each of the respective Eletson Gas Companies, hereby directs each of the Eletson Gas Companies as follows:

Each of the Eletson Gas Companies hereby shall not, either directly or indirectly, effect or take steps to effect, or allow any of its subsidiaries to either directly or indirectly, effect or take steps to effect, any of the acts enumerated in Schedule I attached hereto without the written consent or affirmative vote of the Company, including the written consent or affirmative vote of the Chief Executive Officer of the Company.

6. ***Removal of Directors, Managing Members, Officers and Similarly Held Positions of Eletson Gas Companies***

NOW, THEREFORE BE IT, RESOLVED, with effect from the date hereof, the Board hereby directs the removal and revocation of the appointment of all directors, managers, managing members, general partners, and officers of each of the Eletson Gas Companies and their subsidiaries unless such position is held by another Eletson Gas Company.

7. ***Omnibus Resolutions***

NOW, THEREFORE BE IT, RESOLVED, that each of the officers of the Company be and hereby are authorized and directed, for and on behalf of the Company, to execute and deliver all such instruments, documents and certificates and to take all such further action in connection with the resolutions above as they may deem necessary, advisable or proper to effectuate the intent and purposes of the foregoing resolutions;

RESOLVED FURTHER, that any and all actions heretofore taken by the Board, any authorized person and/or the agents of the Company, in furtherance or contemplation of any of these resolutions or as otherwise reflected in the minute books of the Company be, and each of such actions hereby is authorized, approved, confirmed and ratified in all respects as the act and deed of the Company by the Board; and

RESOLVED FURTHER, that these resolutions shall be filed in the minute books of the Company and shall be effective as of the date first written above.

RESOLVED FURTHER, that in the event any part of the above resolutions cannot be carried out or implemented for any reason, such part shall be deemed severable and shall not affect the enforceability or implementation of the remaining provisions of the above resolutions.

[Signature Page Follows]

THIS ACTION BY UNANIMOUS WRITTEN CONSENT shall be effective on the date the Company receives the unanimous written consent of the Company's directors. This action by unanimous written consent may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action. Any copy, facsimile or other reliable reproduction of this action by unanimous written consent may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used. This action by unanimous written consent shall be filed with the minutes of the proceedings of the Board of the Company.

_____ Date: 11/30/2024
Mark Lichtenstein

_____ Date: 12/1/2024
Eliyahu Hassett

_____ Date: 12/2/2024
Joshua Fenttiman

Adam Spears
_____ Date: 11/29/2024
Adam Spears

_____ Date: 11/29/2024
Leonard J. Hoskinson

Schedule I

Prohibited Corporate Actions

a. Make any decisions related to any dispute, litigation, arbitration, or settlement, whether such matter is ongoing or is brought in the future;

b. Elect or remove any (i) director of the Eletson Gas Company's board of directors or managers or (ii) managing member or similar position of the Eletson Gas Company.

c. Increase or decrease the authorized number of directors or managers constituting the Eletson Gas Company's board, change the number of votes entitled to be cast by any director(s) or manager(s) on any matter, or alter or transfer the powers of any directors, managers, managing members or similar position of the Eletson Gas Company;

d. Hire, terminate, or change the compensation of the executive officers, including, without limitation, approving any profits interests, option grants or stock awards to executive officers;

e. Enter into any new management agreement or amend any management agreement to which the Eletson Gas Company is a party as of the date hereof;

f. Establish, open or close any bank account in the name of the Eletson Gas Company or in any other capacity that may appear to represent the Company;

g. Enter into, approve or facilitate any transaction or agreement with any entity or individual that is an affiliate of an Eletson Gas Company or a former affiliate of any Eletson Gas Company;

h. Sell, assign, license, pledge or encumber any assets or property of the Eletson Gas Company;

i. Engage in any sales, transfers or assignments outside of the ordinary course of the Eletson Gas Company's business;

j. Create, or issue, any debt security, create any lien or security interest, or incur or agree to incur any form of indebtedness, including, without limitation, loans, credit facilities or other financial obligations that would impose a liability on the Eletson Gas Company;

k. Guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness;

l. Make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any other corporation, partnership, or other entity, including, without limitation, any other Eletson Gas Company, affiliate of any Eletson Gas Company or former affiliate of any Eletson Gas Company;

m. Make, or permit any subsidiary to make, any loan or advance to any person, including, without limitation, any employee, director or manager of the subsidiary or any other Eletson Gas Company, affiliate of any Eletson Gas Company or former affiliate of any Eletson Gas Company;

n. Enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Eletson Gas Company;

o. Create or issue, or obligate itself to issue, shares or interests of, or reclassify, any equity securities of the Eletson Gas Company;

p. Create, issue or enter into any agreement, instrument or security that is convertible into, exercisable or exchangeable for any capital stock of the Eletson Gas Company;

q. Increase or decrease the authorized number of shares of any capital stock of the Eletson Gas Company;

r. Create or adopt any compensation plan, including, without limitation, any equity (or equity-linked) compensation plan; or amend any such plan to increase the compensation, including, without limitation, increasing the number of shares authorized for issuance under such plan;

s. Purchase or redeem or pay or declare any dividend or make any distribution on, any shares of capital stock of the Eletson Gas Company;

t. Liquidate, dissolve or wind-up the business and affairs of the Eletson Gas Company or effect any merger, consolidation, statutory conversion, transfer, domestication or continuance;

u. Amend, alter or repeal any provision of the Eletson Gas Company's charter, bylaws, operating agreement or similar governing document (as applicable); or

v. Take or omit to take any action or series of actions which have the effect of any of the foregoing.

EXHIBIT “35”

EXHIBIT “35”

THE REPUBLIC OF LIBERIA

APOSTILLE

(Hague Convention of 5 October 1961/Convention de La Haye du 5 Octobre 1961)

1. Country: The Republic of Liberia

This Public Document

2. Has been signed by: Margaret Ansumana

3. Acting in the capacity of: Deputy Registrar of Corporations, Republic of Liberia

4. Bears the seal/stamp of: Ministry of Foreign Affairs, Republic of Liberia

Certified

5. At: Piraeus, Greece

6. On: January 03, 2025

7. By: V. SCARLATOU
Special Agent,
Liberia Maritime Authority

8. Number: G-259482

9. Seal/Stamp:

10. Signature:

C-19741-1291458

CERTIFICATE OF ELECTION AND INCUMBENCY
OF
ELETSON CORPORATION

I, the undersigned, Laskarina Karastamati, being the duly appointed, qualified and acting President/Director of **ELETSON CORPORATION** (the "Corporation"), a corporation organized under the Laws of the Republic of Liberia on the 2nd day of October 1979, with registration number C-19741, hereby **CERTIFY THAT:**

The following are the duly elected, qualified and acting Directors of the Corporation at the date of this Certificate:

Name:	**Address:**
Laskarina Karastamati	118, Kolokotroni Street, 18535 Piraeus, Greece
Vasileios Chatzieleftheriadis	118, Kolokotroni Street, 18535 Piraeus, Greece
Vassilis Kertsikoff (passport spelling Vasileios Kertsikof)	118, Kolokotroni Street, 18535 Piraeus, Greece

The following are the duly appointed, qualified and acting Officers of the Corporation at the date of this Certificate:

Title:	**Name:**	**Address:**
President:	Laskarina Karastamati	118, Kolokotroni Street, 18535 Piraeus, Greece
Vice-Presisent/Treasurer:	Vasileios Chatzieleftheriadis	118, Kolokotroni Street, 18535 Piraeus, Greece
Vice-President/ Secretary:	Vassilis Kertsikoff	118, Kolokotroni Street, 18535 Piraeus, Greece

IN WITNESS WHEREOF, the undersigned has executed this Certificate under penalty of perjury on this 2nd day of January 2025 and duly acknowledges that the facts stated therein are true and that the execution of the forgoing instrument is the act and deed of the corporation.

Signature:

Name: Laskarina Karastamati
Title: President/ Director

REPUBLIC OF LIBERIA

BUSINESS CORPORATION ACT 1977
THE ASSOCIATIONS LAW, TITLE 5, AS AMENDED, OF THE LIBERIAN CODE OF LAWS REVISED

CERTIFICATE OF ELECTION AND INCUMBENCY
OF
ELETSON CORPORATION

(A Nonresident Domestic Corporation)

Registration Number C-19741

REPUBLIC OF LIBERIA

MINISTRY OF FOREIGN AFFAIRS

FILED

on

this 3rd day of January, 2025

By order of the Registrar

REPUBLIC OF LIBERIA

Business Corporation Act 1977
The Associations Law, Title 5, as Amended, of the Liberian Code of Laws Revised

CERTIFICATE OF ELECTION AND INCUMBENCY
OF
ELETSON CORPORATION

(A Nonresident Domestic Corporation)

Registration Number C-19741

INCORPORATED on the 2nd day of October, 1979

The LISCR Trust Company
80 Broad Street
Monrovia
Liberia

EXHIBIT “36”

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

ELETSON HOLDINGS INC., *et al.*,

Petitioners,

v. 23 Civ. 7331 (LJL)

LEVONA HOLDINGS LTD.,

Respondent. Conference

New York, N.Y.
November 12, 2024
10:50 a.m.

Before:

HON. LEWIS J. LIMAN,

District Judge

APPEARANCES

REED SMITH LLP
Attorneys for Petitioners
BY: LOUIS M. SOLOMON, ESQ.
COLIN A. UNDERWOOD, ESQ.

QUINN EMANUEL URQUHART & SULLIVAN, LLP
Attorneys for Respondent
BY: ISAAC NESSER, ESQ.
WILLIAM B. ADAMS, ESQ.
MICHAEL A. WITTMANN, ESQ.

(Case called)

THE DEPUTY CLERK: Starting with counsel for plaintiffs, please state your appearance for the record.

MR. SOLOMON: Good morning, your Honor. Lou Solomon and Colin Underwood for the petitioners.

THE COURT: Good morning.

MR. NESSER: Good morning, your Honor. Isaac Nesser, William Adams, and Michael Wittmann from Quinn Emanuel for Levona.

THE COURT: Good morning. And I apologize that we're getting started late. It's always one of the happy occasions to admit new members of the bar.

I guess, Mr. Nesser, you were the one who asked for a stay and asked for a status conference, so why don't we get started with you, and you can give me your view of the status and why the short stay that I entered should be permitted to continue, if in fact that is your position.

MR. NESSER: Thank you, your Honor.

The status is as follows: The bankruptcy court's confirmation order has been appealed, but there's been no motion for a stay. As such, I understand from counsel to the petitioning creditors that they're in the process of closing certain transactions that are predicate to effectiveness, and they expect the plan to go effective in the next couple of business days. I should say they're in the room here today if

your Honor has any desire to hear from them.

In terms of, you know, where we go from there, the process of appointing new management and board members and so forth I assume will take some amount of time to deal with. I'll note that under the plan——I think it was Section 2.5(a) of the plan——any professionals engaged by the debtors are automatically terminated on the effective date, and so there would need to be, at least with respect to Eletson Holdings I think, as I read the plan, at least as to Eletson Holdings, there would need to be a new engagement with counsel. Whether that's Reed Smith or some other firm, I have no idea. But that's something that, as I understand it, will need to occur.

THE COURT: And that's upon the effective date?

MR. NESSER: Correct.

THE COURT: And when is the effective date?

MR. NESSER: As I understand it from counsel for petitioning creditors, they expect the effective date to occur within the next couple of business days. And again, your Honor, that's Section 2.5(a) of the plan. That's ECF 1132. It's pdf page 27.

So under the circumstances, our view is that it probably makes sense to continue the stay in place for another couple of weeks. Two weeks from today would put us November 26th, which is the Tuesday before Thanksgiving. If that makes sense to the Court, that would be sensible from our

perspective. If you wanted to do the Monday after Thanksgiving, that would be sensible as well.

And that's where we are.

THE COURT: So Mr. Nesser, if I'm not mistaken, you have not responded to the request for letters of request on the various third-party discovery. Is there any reason why I shouldn't have you respond to those so that if the case continues to go forward in something like its current posture, either with Holdings or Corp., or with the folks who are the beneficiaries of the arbitration order, it's not unduly delayed?

MR. NESSER: Your Honor, we have no objection to that, provided that, you know, the third-party discovery we've been pursuing would be permitted to proceed as well.

THE COURT: So refresh me as to what that is. I know that Mr. Solomon and Mr. Underwood have filed motions to have me approve letters of request to various foreign courts and before anything happens, before anything is collected, I have to authorize those. Refresh me as to where things stand for you.

MR. NESSER: We have not filed any motions. We don't have anything that we filed here. I don't believe we anticipate filing any at this point in time. But, you know, we did serve a significant number of subpoenas, including subpoenas abroad, and we have desisted from pursuing any of

those in light of the stay. We've told the counterparties that——to the extent we're in touch with them, we've told the counterparties that everything is stayed.

THE COURT: Well, I haven't heard from Mr. Solomon. I'm not prejudging whatever he's going to say because I don't know what he's going to say, but you've asked for a stay, and a stay would mean that nobody collects discovery from anybody. What I'm raising is whether, in the interim, there is the filings before the Court so that if discovery goes forward, the Court has issued whatever orders make sense.

MR. NESSER: Again, I have no objection to that, your Honor. I suppose the only thing I would say is, again, there's perhaps a question as to what new management might or might not want to do with those motions, but from my perspective, I'm not Eletson, I will not become Eletson, thank goodness; from my perspective, I have no objection.

THE COURT: Okay. All right. Mr. Solomon? Mr. Underwood?

MR. SOLOMON: Thank you, your Honor.

It seems unarguable, as your Honor observed in your Honor's order, that some balancing here is needed. It's unquestionable at the same time that I think the Eletson interests are being prejudiced, and so it is our view, for reasons that I will explain, that the Court should lift the stay, we should move forward, and then whatever comes before

your Honor in some formal way, your Honor will then be able to react to rather than trying to anticipate. Two weeks ago they thought they were going to close and this was going to happen and that was going to happen, and it hasn't happened. It was supposed to happen last Friday and it didn't happen; for whatever reason, it didn't happen. And so rather than keep sort of speculating about that, we would like this case to move forward, and I believe we have a statutory right to do that, fully recognizing that your Honor has discretion concerning the issue of the stay.

The reason we think it should move forward is, at a minimum, now that Levona has made assertion concerning Holdings, there are parties whom we, Reed Smith, Holdings, believes we may soon not be in a position to represent as we have been——Gas and Preferred Nominees have been adequately represented in this case until now. To the extent that they're going to try to bring a big hook and pull Holdings out, that's an open question. Counsel for those parties, which will include Reed Smith but will not be exclusive to Reed Smith, are here. No one has moved to intervene. At a minimum, it seems to me that your Honor should see those papers to see what this case should look like, irrespective of what happens in the bankruptcy. That's item No. 1.

Item No. 2 is, the effective date of the transaction is going to itself be the subject of debate. The petitioning

creditors, in the plan that has been approved, they recognize that Holdings is a Liberian corporation, and they explicitly state that the effectiveness of a plan issued by a U.S. court may be subject to Liberian law and they have to go through some events in Liberia to confirm what the U.S. court did. Now whether or not we have anything to do with that——and we don't—— that has to be done. Your Honor will remember almost a year ago when Levona tried to say that this case couldn't go forward because there was inadequate representation, right, it was inadequate capacity and authorization for us to do that, your Honor rejected that because it was untimely. And this issue is not I think untimely. I think we don't have anything from the people who are purporting to take over. We know that the plan says that the shares of Holdings, old Holdings, might be extinguished, but even that is explicitly subject to applicable law, and that applicable law is not U.S. law, it's Liberian law. I'm not suggesting anything that I know; the only thing I know to represent to your Honor is that we asked the same Liberian counsel whom your Honor knows from the last time whether a U.S. bankruptcy order is automatically enforceable in Liberia. It is not. There are steps that they have to take. And let's assume for these purposes they're going to take them. I don't know how long it takes to take them, I don't know what they have to do to take them, I don't know what reaction a Liberian court is going to have to this. I think there's a

whole lot that we do not know, but I do know that the plan itself says that even the cancellation of the shares is subject to applicable——i.e., Liberian——law. Even if the shares are canceled, as your Honor knows——

THE COURT: Give me one second, Mr. Solomon. I'm just checking one thing that may lead to a question.

MR. SOLOMON: Yes, sure.

THE COURT: Okay. Go ahead. I'm sorry.

MR. SOLOMON: Let us suppose that the shares are canceled, and we're advised that they will be canceled, if appropriate under Liberian law. They still are going to have to replace the board, and the board is going to have to——the new board is going to have to tell us what to do, and I'm assuming it can all happen, if it happens, but it's not happening yet, and they're going to need to show that they have the capacity to take over the board and direct new counsel or direct counsel or direct something before all of that happens. So that is——

THE COURT: Mr. Solomon, Mr. Nesser made reference to a provision of the plan that stated that, as I understood it, as of the effective date of the plan, the professional engagements of Holdings would be terminated. Do you have that language?

MR. SOLOMON: I do, your Honor, and we recognize it.

THE COURT: Can you read it to me, please, and then I

may ask you to unpack it and ask Mr. Nesser about it.

MR. SOLOMON: There actually is a bankruptcy lawyer for the trust here to tell me. Is it provision 205?

COUNSEL: 2.5(a).

THE COURT: Yes, it's referenced as 2.5(a).

MR. SOLOMON: I do not have that in my notes, your Honor.

THE COURT: Your colleague is passing it up to you. Maybe your colleague can also tell you how the effective date is defined.

MR. SOLOMON: This is Kyle Ortiz from the Togut firm. He's not my colleague, but he's an officer of the court.

On the effective date——and I have that someplace in my notes——the retention, including all rights and duties arising from or related to the Chapter 11 cases, of each of the debtor's retained professionals shall terminate, provided, however, that the debtor's retained professionals may file fee applications in accordance with the plan and confirmation order by the professional fee claims bar date.

So this is a reference to rights and duties arising from or relating to the Chapter 11 cases——

MR. NESSER: No.

MR. SOLOMON: ——of each of the debtor's retained professionals shall terminate. That's what I was just handed.

THE COURT: That's as of the effective date.

MR. SOLOMON: It is, your Honor.

THE COURT: How is the effective date defined?

MR. SOLOMON: There needs to be——

THE COURT: I'm going to ask Mr. Nesser if he can go to the person in the gallery who it sounds like has a copy of the plan, and maybe provide to the Court a copy of the plan.

MR. SOLOMON: I may not be the right person to be answering this.

THE COURT: Hold on for a second, Mr. Solomon, while we're getting a copy of the plan.

Maybe he doesn't have it.

MR. ORTIZ: Your Honor, it has some notes and highlighting.

THE COURT: Do you have any problem——I'll try to disregard your notes and highlighting.

MR. ORTIZ: I can also remove some of the flags.

MR. SOLOMON: We won't ask for it, your Honor.

THE COURT: Okay.

(Discussion off the record)

THE COURT: Thank you. Give me one second.

Okay. Go ahead, Mr. Solomon.

MR. SOLOMON: Thank you, your Honor.

And so what I'm not saying is that this is not going to ever happen; what I am saying is that in order for the plan to be declared effective, the petitioning creditors, under the

plan——because I do have and your Honor has it in front of you—— have to have satisfied all of the conditions precedent. I believe they are waivable, but in the conditions precedent, there are two that require them to obtain all governmental and third-party approvals. That's Article IX, Section 9.1(f), and (l). But they have to both obtain the requisite approvals and file with the government units in accordance with applicable law. My only point is that this is going to require review by another court and another jurisdiction, and it is our view that there is no reason to tether this case to that proceeding. If, as, and when Levona or somebody shows up with the proper evidence to your Honor that this has all been done and that I'm not here and that Holdings is not here, then I think your Honor will be able to look at something concrete and answer the question of capacity and who has the authority to speak, but as of now, we do. Our client is being quite prejudiced, and while the stay is being asked for here, Levona is pressing forward in the LCIA. There's been a slight delay in that case also, but they've not agreed here to stay that matter so they're continuing to litigate and cost everything that they're claiming they're trying to save here; they're continuing to siphon——encumber funds from the assets that we are going to pay the creditors with. The number is up to now $17.5 million that they're asking to encumber these funds. And I believe we have a right under the statute and under the New York Convention to

ask your Honor, as expeditiously as possible, to decide the matter and give us a judgment and then we'll let the——then we can either enforce it, go back to the bankruptcy court, they can go to the circuit, the normal things that might have happened in this case, but it's been exceedingly delayed.

THE COURT: Tell me a little bit more about prejudice and about the LCIA.

MR. SOLOMON: Yes. So the LCIA proceeding is the exact claim that we won before Justice Belen. It is a claim that Levona has asserted against Gas.

THE COURT: Right.

MR. SOLOMON: The same claim. So that they owned a preferred——

THE COURT: No, I recall that, but what's the status?

MR. SOLOMON: Oh, so the status is that that is marching forward in discovery that Levona is pressing for. When your Honor declined to ask them to stay that proceeding a couple of weeks ago, I'm informed that they voluntarily delayed a hearing in that case by a couple of weeks but they've not agreed to stay that proceeding, and so that proceeding is causing——everything that they claim they're trying to avoid here is still going to proceed there, and Gas, Holdings, Corp. are all being prejudiced by the expenditure of funds there that they're not going to be here. We're all——we're trying to get our judgment, they're trying to continue to delay getting that

judgment. That's the first item of prejudice with respect to LCIA.

With respect to the worldwide freezing order, which is still in effect, there is an exception to that that allows Levona to seek to encumber the assets of the Symi and/or Telendos, which are being——which will be——

THE COURT: I know.

MR. SOLOMON: Okay. And they have just advised us that they wish to pull $7.5 million more. I was advised of this last night. They've already taken 10, and they want 7.5 more to take out of that, which is going to reduce the res, the assets, that we have to satisfy the judgment of the award, that the creditors have, because we have agreed to hand those assets over, 75 percent of those assets over. In your Honor's opinion, the stay opinion of a couple weeks ago, your Honor adopted a quote that Levona gave you, which had the bankruptcy court stating that under the plan, Levona is going to pay everything in the award over to Pach Shemen, but of course that's not right. As your Honor has already ruled, there are other parties who have rights to that award, and that's Gas and the Preferred Nominees. And so that is plainly wrong. I don't think that's what Judge Mastando meant. I don't think that——

THE COURT: No. I think, frankly, my sentence really says, under the confirmation order, that the following is the case. I didn't intend to adjudicate whatever rights those

third parties have, and I don't think Judge Mastando did. So I get that point. By the same token, though, you shouldn't understand me to be saying that Pach Shemen doesn't have entitlement to a hundred percent of the value collected from Levona. That matter is an open issue, I think. In other words, there's no judgment that has been entered that determines those rights.

MR. SOLOMON: So that our position is clear, your Honor, I believe that the award, the final award has the rights that it has under New York convention. I do not believe that your Honor disturbed that. I do not believe Judge Mastando was intending to change——

THE COURT: You and I aren't saying anything different. I'm saying there's been no judgment; you're saying there's a contractual right that is conferred by the award.

MR. SOLOMON: Well, I was saying more, your Honor. I was saying that Judge Mastando wasn't——I don't think we have a contract clause——I don't think this is now raised to the constitutional level of whether the bankruptcy court had the right to take the contract rights away from the parties to whom your Honor has said they have it. I don't think——I just——

THE COURT: I get the point. I think I get the point.

MR. SOLOMON: And so that is the prejudice, and I believe every day that we are stayed, we are being prejudiced. And I'm not suggesting that there may not come a time when

someone is going to present your Honor with evidence——and it's not that I have it and it's not that I'm——I think there are some——

THE COURT: So tell me, if I lift the stay, what that means as a practical matter for the next couple of weeks.

MR. SOLOMON: I think that we need to get whoever else feels they have an interest in this case to apply to your Honor, to see whether there are other parties that your Honor will feel should properly be parties to this matter.

THE COURT: I think that makes sense. I'll turn to Mr. Nesser, but if there are parties who want to move to intervene, that my stay not prevent them from moving to intervene.

MR. SOLOMON: Second, we were in the process of preparing our discovery, what passes for cooperation in these matters actually was occurring, and we were narrowing lists of key terms, of what was going to be produced. I believe that all should continue. We have in front of your Honor motions to compel and motions for third-party discovery, and we think that that should continue. I think discovery should continue. That's where we were when your Honor entered the stay.

THE COURT: One of my concerns with respect to the motions for discovery is that there's an issue, as you know, about compelling communications to and from lawyers, and in the possession of lawyers, people from your firm. The privilege

belongs to Holdings or to Holdings and Corp., as I now understand it, and it would be within their prerogative to either insist on the privilege or to waive the privilege. That doesn't dispose of the question as to whether there's an exception to the privilege, but it may make it unnecessary for me to decide that question, and in a case like this, where equitable tolling is a question, why would you have me spend a whole bunch of time addressing an issue that may not be a ripe issue, or an issue I have to decide?

MR. SOLOMON: I would like to say three things about that, your Honor.

THE COURT: Okay.

MR. SOLOMON: The first is that we believe they have placed their communications at issue, and so we also need your Honor at some point to address the waiver question at the Levona level. First thing I'd like to say.

Second thing I'd like to say is that even if Holdings has new owners, I believe, under the New York Court of Appeals decision in *Tekni-Plex*, the particular issues that have been litigated here do not get waived, and we will address that at the appropriate time.

And the third thing I'd like to say is——

THE COURT: Why not? Just give me a preview.

MR. SOLOMON: Oh, because what *Tekni-Plex* says is that if you have privileged information that relates to the running

of the business, okay, then the new owners should have access to it. And I do not believe that we're going to be taking a contrary position. I don't know what other counsel is going to say. I don't believe we're going to be taking a contrary position. Insofar as it doesn't relate to the running of the business but it relates to the matter that brought you together, in that case, as a merger, there was a dispute——

THE COURT: I understand.

MR. SOLOMON: What the Court of Appeals said is it would chill attorney-client privilege manifestly and too much, and they didn't require the waiver in those circumstances.

But the third thing I'd like to say is that it feels like we have a whole wall to paint, and I'd like to paint it as quickly as possible. There's a lot of discovery that doesn't involve that particular issue. Why don't we set that issue aside. We can just set that issue aside. Discovery isn't going to all happen in one place. Your Honor had given us a couple of months to get it done. I still would like to try to maintain that schedule. But why don't we put off the issue of waiver so that your Honor can address it at an appropriate time. We're prepared to do that.

THE COURT: Okay. Anything else before I turn to Mr. Nesser?

MR. SOLOMON: Thank you, your Honor.

THE COURT: Mr. Nesser, anything?

One thing I'm focused on is that under the plan, the plan doesn't become effective until the conditions precedent are satisfied, and there's a lengthy list of conditions precedent.

MR. NESSER: Your Honor, I direct you to paragraph 9.2 in that same section of conditions precedent, which specifies that each of the conditions precedent are waivable. And again, as I indicated earlier, my understanding from Togut, who are representatives of the plan proponents, is that the plan, as they understand it, will be going effective in the next couple of days.

THE COURT: Okay. All right. Here's what I think makes sense. And I'll ask each of you to ask for any kind of clarification.

I'm prepared to modify the stay to the following extent: to permit the filings of motions to intervene by Gas and by the other people who are beneficiaries of the award. I'm also prepared to lift the stay to require responses to the motions by Mr. Solomon and his client to third-party discovery. And we can talk about the timetable for those. And then I would keep the stay of discovery in effect in all other respects. And I think we should have another conference probably at the beginning of December to see where things stand. It may be that after I get the motions to intervene, depending on what happens with the motions to intervene, it

would make sense to put that conference off for a little bit, but I think I should know, and everybody would benefit from knowing who's at the table before we go forward with a whole lot of paper discovery and depositions.

MR. NESSER: Your Honor, one point, just on sequencing. It's not quite clear to me how there could be a motion to intervene that would satisfy the standard before the effective date occurs. In other words, the entire premise of these motions to intervene is that, our interests aren't represented because Holdings is no longer Holdings, and so, you know, if what Mr. Solomon is saying is correct, which I don't concede and don't believe is correct, but assuming that they are in fact going to take this position that something in Liberia is going to interfere with the changeover and so forth and so on, that I think has pretty significant implications for when the intervention would and could be addressed.

THE COURT: Mr. Solomon, can the motions be filed before the plan is declared effective?

MR. SOLOMON: They can, your Honor, yes. The matter before your Honor, as your Honor has actually observed, isn't controlled by the bankruptcy, isn't controlled by what's going on in the bankruptcy. Levona has filed a letter, and they have said this is what they intend to do. They intend to take out Holdings, they intend to get rid of us, they intend to——

THE COURT: So you don't need to argue the point now,

but it's sufficient to me that you, as somebody who represents, along with others, those entities, are taking the position that a motion could be filed.

I'll listen to Mr. Nesser then about whether the standards are satisfied. Isn't that right, Mr. Nesser?

MR. NESSER: I'm sorry, your Honor. Number one, I don't understand in what world Reed Smith could be representing any of those entities.

THE COURT: Okay. I mean, you can then make that argument at the time. You can say that there's a conflict.

MR. NESSER: No, no, of course. I just mean for purposes of the statements that are being made today, I don't know on whose behalf they're being made. He's saying things about what some other party might do.

THE COURT: But all I'm permitting is the motion to be made.

MR. NESSER: I understand. I just wanted to be clear that insofar as your Honor is making that ruling in reliance on representations that counsel to Eletson is making, all I'm saying——and it may be irrelevant, but all I'm saying is it's clear to me that counsel sitting here has no authority to speak on behalf of those other entities in terms of when they might want to file.

THE COURT: I don't understand that point, and in fact, I think in my previous order I made that clear.

MR. NESSER: Yes.

THE COURT: And it may in fact be the case that those entities do not want to file a motion to intervene until after the plan is declared effective, if the plan is declared effective. All I am saying is that my stay is not going to prevent a filing of a motion to intervene, and that we're going to have a conference at some date in probably early December where we may have a better sense as to who's at the table.

MR. NESSER: That's perfectly well understood, your Honor. It's just the point your Honor was making, as I understood it, was, let's come back at the beginning of December, understand who's at the table. But, again, it just seems to me as if——what Mr. Solomon said in his letter when he addressed these intervention issues is, until now, Gas and the nominees were represented by the parties in the case——that's what he said——and therefore, there was no need for those entities to intervene, but when and if the effective date occurs, those entities will no longer be represented in the case and therefore there will be grounds to intervene, and so having said that——and again, I suppose it's fair——if the answer is that, well, I'm just Reed Smith and I don't represent those other entities, and maybe that's the answer, but it just seems to me that if the entire premise of the intervention motion is that there's been a change in management or ownership of Eletson Holdings, how can there be an intervention motion

before there's been a change in management of Holdings? But I heard your Honor saying you're not requiring any filing, you're just permitting a filing, so I'm happy to——

THE COURT: So how soon can you file your responses to the motions for letters of request?

MR. NESSER: Is a week acceptable?

THE COURT: That's fine with me. So that would be November 19th.

And Mr. Solomon, why don't you, if there's a need for a reply, respond on November 26th.

MR. SOLOMON: Thank you, your Honor.

MR. NESSER: And your Honor, we would expect to file one consolidated response to all of those motions.

THE COURT: Mr. Solomon, any reason why you can't file a consolidated reply to all of those?

MR. SOLOMON: No objection.

THE COURT: It will reduce the paperwork for me.

MR. SOLOMON: No objection.

THE COURT: Okay. And then let me give you a date for a conference in early December.

Somebody can take back the copy of the plan. Thank you.

MR. ORTIZ: Thank you, your Honor.

MR. SOLOMON: Your Honor, since the 1st is a Sunday, could we see if the Court has any availability on the 2nd?

THE COURT: December 5th at 3:00. Does that work for you, Mr. Solomon?

MR. SOLOMON: It does, your Honor. Thank you.

THE COURT: And Mr. Nesser?

MR. NESSER: Your Honor, unfortunately, it does not. That would be in person, yes?

THE COURT: I think so, yes.

MR. NESSER: Unfortunately that date doesn't work for me.

THE COURT: Does December 6th at 2:30 work for you, Mr. Solomon?

MR. SOLOMON: It does, your Honor. If we go long, I'm going to have to excuse myself, but——

THE COURT: Let me see if we can schedule it a little bit earlier.

Is 12 noon better for you?

MR. SOLOMON: Yes, very much so, but only if it's convenient for the Court.

THE COURT: I wouldn't have suggested it otherwise.

And Mr. Nesser, December 6th at 12 noon?

MR. NESSER: Yes, your Honor.

THE COURT: Okay. All right. We're adjourned.

o0o

EXHIBIT “37”

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

- -x

In the Matter of:

ELETSON HOLDINGS INC., ET AL., Main Case No.

Debtors. 23-10322-jpm

- -x

United States Bankruptcy Court

One Bowling Green

New York, New York

November 13, 2024

10:08 AM

B E F O R E:

HON. JOHN P. MASTANDO, III

U.S. BANKRUPTCY JUDGE

ECRO: MARIA

Case Status Conference /Letter to the Honorable John P. Mastando III re: Request for Status Conference on November 7, 2024 (Attachments: Exs. A-H) (related document(s)1212, 1223, 1132)

Notice of Hearing /(Status Conference: 11/13/2024 at 10:00 AM) Notice of Status Conference

Letter /Letter to the Honorable John P. Mastando III re: Status Conference on November 13, 2024 (Attachments: Exhibits A-E) (related document(s)1241, 1227, 1132)

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P R O C E E D I N G S

THE COURT: Good morning, everyone. We're here on case number 23-10322, Eletson Holdings.

Can I have appearances for the record, please?

MR. SOLOMON: Good morning, Your Honor. Lou Solomon, and with me is a new colleague, Rich Solow and Derek Osei-Bonsu. Mr. Baker is still assisting in the case, but pursuant to a request by the Administrative Office of the U.S. Courts, he will not be appearing. But we wanted both Your Honor to know that he's not left the case, but he won't be appearing before Your Honor at this time.

THE COURT: Thank you, Counsel.

MR. ORTIZ: Your Honor, Kyle Ortiz of Togut, Segal & Segal for the plan proponents, petitioning creditors, and DIP lender, joined on the phone by my colleagues Bryan Kotliar and Brian Shaughnessy.

THE COURT: Good morning.

MR. ORTIZ: Good morning.

MR. HERMAN: Good morning, Your Honor. David Herman from Dechert on behalf of the official committee of unsecured creditors.

THE COURT: Good morning.

MR. HERMAN: Good morning.

MR. RUDEWICZ: Good morning, Your Honor. Daniel Rudewicz on behalf of the United States Trustee.

THE COURT: Good morning.

MR. JASPER: Good morning. Paul Jasper of Perkins Coie on behalf of Wilmington Savings Fund Society, FSB, and joining me also is Tina Moss.

THE COURT: Good morning.

Okay. Mr. Solomon, would you like to begin?

MR. SOLOMON: We'd be happy to, Your Honor. We understood it the purpose of the conference was I think as of yesterday a letter that had been sent on November 6th by counsel for the petitioning creditors. We did try to respond to that letter, insofar as we have been asked to cooperate before the effective date. We have done all that we can.

Much of the information that is being sought, I think, is premature, both because it's before the effective date and there's no basis to ask for it, but we've set that aside and tried to find the information. We have gone back to the directors of Holdings and asked the questions of where they thought they could get additional information. They have sought counsel on their own. They've done that in part because they've been, I think, sort of threatened by the Pach Shemen principals to go get counsel on their own. And that counsel has responded that they are considering the request.

We don't control it. We have done all we can. I'm not sure what more can be asked of us. That was as of -- that was, I think, as of yesterday. And then later yesterday,

another letter came in to Your Honor about updating the Liberian registry. There, again, what we did was we sent that letter off to our client, and our client has then sent it to counsel for the directors at Holdings. They have written back. All the communications we're having, we're sending at this point, by the way, both to Your Honor and to counsel. And got the letter back that we already -- we submitted just a couple of minutes ago, just after I received it, detailing what consideration they are giving to it.

I did want to say, Your Honor, that in the plan, as I read it, from the get-go, the petitioning creditors have understood that there are non-U.S. aspects of this bankruptcy. Their plan says that whether the stock gets canceled is not just an issue of U.S. law. It has to comply with all applicable law. I think I've read four or five other times in the plan where they recognize that there are non-U.S. aspects of this. We do not represent the debtor in any of those -- in any of those aspects.

And so I think the short answer is we have done what we can. And I don't know what else is being asked of us in a conference setting. If there's a motion that they wish to make, then perhaps they should make it. But that's, I think, our opening position.

THE COURT: Okay. Thank you, Counsel. Now, I think I saw a notice of appeal was filed, correct?

MR. SOLOMON: We did, Your Honor. Yes. Well, Holdings did, Your Honor.

THE COURT: Yes. And what is the impact, if any, of that?

MR. SOLOMON: Well, I think, in due course, I can describe -- I can describe that. We believe that there are a couple of respects that are quite meaningful to the outcome of Your Honor's rulings, where I think Your Honor felt bound by law in a way that we think that the --

THE COURT: No, I don't mean what the basis for the appeal is. I just mean, what is the impact here of the filing of a notice of appeal, if any. Is there any impact on these proceedings?

MR. SOLOMON: While someone else is talking, I can give that some more thought, but I don't think so, Your Honor. I don't think Your Honor is ousted of any jurisdiction on the matters that are being raised by the petitioning creditors. If that was the question, I don't think so.

THE COURT: Okay. And has any appeal -- is any stay being sought?

MR. SOLOMON: Well, we did not seek a stay because I don't think they can go effective with their plan until they comply with the non-U.S. law that they -- there are two different parts of -- they have conditions precedent to their closing that they maintain they can waive. These same parties

were before Judge Liman yesterday, and I heard them explain to Judge Liman that they feel that they can waive those. But there are aspects of the plan that they can't wave, and that is they have to be in compliance with non-U.S. law.

Until they're in compliance with non-U.S. law, I don't see how there can be an effective transfer of this company. And so I think that's going to take them a little time. At least what I keep asking them for is some evidence that they have done it, that these various things have occurred. And so I hope that answers Your Honor's question.

THE COURT: It does. So I assume you have a different view as to the effective date; is that what you're saying? Well, different from their view.

MR. SOLOMON: So I read the definition of "effective date", and I believe that we may be on the same page that in order for them to claim effective date, they do have authority that they've arrogated to themselves to waive some conditions, precedent. But what they don't have is the authority to render moot our appeal until they've actually proceeded through consummating the plan. And that, I do not think they can do without complying with various aspects of non-U.S. law.

THE COURT: Okay. Thank you, Counsel.

Would anyone else like to be heard?

MR. ORTIZ: Your Honor, Kyle Ortiz of Togut, Segal & Segal for the plan proponents. Look, I don't think anything

that was just said is even remotely accurate about how bankruptcy law works and how plans go effective, but we'll get into that. We asked for this conference. We appreciate that Your Honor gave us the time to talk about this. What you just saw is the exact obstruction that we're going to get into, which is the just coming up with, which I think we just admitted, an effort to obtain a stay without asking for a stay by just not complying with the law.

So look, we originally thought we were just going to have a quick status conference. Give you some update on our progress towards the effective date. And we're really focused on some things that were going to be an issue post-effective date with their noncooperation in kind of effectuating downstream corporate control. But things have kind of dramatically escalated in the past twenty-four hours as the debtors, through comments they made in the district court -- and I was in the galley. I didn't say anything in that hearing. So there was no comments made by us to a district court. We're not in front of them yet.

And then the letter that they filed yesterday, I think, made it very clear that they plan to actively obstruct efforts to close. So I will still give Your Honor an update with regard to where we are.

THE COURT: Well, I think they're saying that they -- I think they're saying that they think there are issues of

foreign law, et cetera, other things that need to be dealt with, or at least that's part of what they're saying.

MR. ORTIZ: Yes, Your Honor, but that's just completely inaccurate. So they don't get to relitigate confirmation today. They didn't raise any of these issues.

We have the -- we have to come up with what we need to do to effectuate our plan. We have the foreign law that we think we need to do, and we do that. And then that's up to us. We declare an effective date. And if they think they can challenge that, they can go challenge that.

The debtors are not the Court. The debtors don't get to decide what we have to do. And I'm going to go through, Your Honor. Your Honor has already issued what they're supposed to do at this point. And what they are supposed to do is cooperate with the plan and do what we ask.

And all that we've asked and all that we need, and I'll get into this, Your Honor, is for them to fill out a letter that we sent to them so that we can send that to the Liberian registry. This is amazing. We did a year and a half and a week-long trial, and he's trying to get a do-over right now.

So let's just like -- I just want to back up, Your Honor. I'm going to go through what applies to this and just give you some context. I want to note that everybody else has been working towards confirmation. We have the full 53.5

million at an account with Verita, the distribution agent. Verita has spent the last two days verifying account numbers and wire amounts. And we're ready to fund and make plan payments, including funding the reorganized Holdings.

Now, where the issue comes up is, as Your Honor is aware, the plan also provides that there's a number of corporate actions contemplated to be made to effectuate the confirmed plan that the debtors are bound by, Your Honor, under Section 1141 of the Code and obligated to implement under Section 1142 of the Code. These corporate actions essentially boil down to canceling the old shares and then issuing the new shares to change the ownership of Holdings.

For instance, Your Honor, section 5.4 of the plan provides in part for the stock of the current equity to be terminated, Your Honor, "without further notice to or under the Bankruptcy Code act or action under applicable law, regulation, order, or rule, or any requirement or further action, vote, or other approval of authorization by any person, the plan cancels the old shares."

Section 5.8 then calls for the issuance of new equity in the plan supplement, including the amended bylaws and articles of incorporation, to effectuate all that. On the effective date, the new shares are issued. To do all this requires, Your Honor, updating the Liberian registry to reflect the new ownership.

And to be clear, Your Honor, I don't know what their letter is referring to. There's no court involved. Liberian law is a carbon copy of Delaware law. This is just updating the corporate registry to reflect what the confirmed plan, which the debtors are bound by, provides for. This is simply updating of the corporate registry.

Your Honor, and this is where things have gone off the rails in the last twenty-four hours, we have been working for the last many months and particularly in the last two-and-a-half weeks with our Liberian counsel on making the necessary filings to the Liberian registry, such as filing the amended certificate of incorporation and amended bylaws for reorganized Holdings, which were approved by this Court, to implement the ownership and management change at Holdings that are contemplated by the confirmed plan that the debtors are bound by under Section 1141 of the Code and obligated to carry out under Section 1142 of the Code.

Liberian counsel, Your Honor, was going through what is called a preclearance process. With the Liberian registry -- when the Liberian registry -- which, by the way, Your Honor, is itself actually a U.S. LLC headquartered in Virginia, which may be bound by this Court itself -- informed us that the Liberian registry only accepts instructions from a company's current address of record or a person granted authority by the current address of record through an

authorization letter submitted to the Liberian registry. So our Liberian lawyer prepared this authorization order, and we sent it to the debtors to populate and execute, consistent with their obligations under the plan and the Bankruptcy Code.

And I should back up real quick. There are actually two ways to do this. One is through the authorization letter submitted as just noted or to demonstrate we already have authority, regardless of the debtor's cooperation, by first getting our confirmation order recognized in Liberia, which would allow us to file the registry even without the debtors' executing an authorization letter.

But we don't have to do that, Your Honor, because the debtors are here and subject to the jurisdiction of this Court. So I think it's important to note here, really, the purpose of recognition and cross-border insolvencies. And my practice is almost exclusively cross-border restrictions. Done Japanese companies, UK companies, Chilean companies, Brazilian companies, German companies, Italian companies, Philippine companies, and two Greek shipping companies in the past. And sometimes, I have sought recognition. More often, I have not. It depends on the situation and what you need and who you are seeking to bind.

The purpose of recognition is if you have a foreign entity that is not subject to the jurisdiction of the U.S. court, that you need to enforce certain things on in a foreign

jurisdiction, you go to that country, get recognition, and enforce. But here, Your Honor, the only entity we need to do anything related to Liberia is the debtors themselves. And they are unquestionably subject to the jurisdiction of this court. There's no need for them to reconstitute a board, decide an appropriate course of action with mysterious counsel that apparently advises them when Reed Smith doesn't, that they claim in their letter.

They invoked this Court's jurisdiction when they voluntarily converted, and this Court confirmed a plan which is binding on them and they are obligated by law to enforce. They don't get to choose whether to do that or dictate what we need to do or whether we need to get recognition. And this isn't about, Your Honor, the intricacies of non-U.S. corporate formalities that counsels' letters suggesting we don't apprehend. The plan, like nearly all plans, including the ones that they drafted, is explicit that it is effectuated "without any requirement or further action by shareholders, directors, or managers of the debtors." The plan itself provides all necessary authorizations.

The only party refusing to do something is the debtors. And they are here, Your Honor, right now and subject to this court. Not only are they subject to this court, they're subject to the Bankruptcy Code, the plan, and the confirmation order. And all three of those things, Your Honor,

require the debtors to cooperate and take this one small action that they've been directed to take and implement the plan that they are bound by under 1141 of the Code and obligated to carry out under Section 1142 of the Code.

And specifically, Your Honor, Section 1142 provides that, 1142(a), "notwithstanding any other applicable nonbankruptcy law, rule, or regulation related to financial condition, the debtor shall carry out the plan and shall comply with any orders of the court." And then at (b), it says, "The court may direct the debtor and any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect the transfer of property dealt with by a confirmed plan and to perform any other act, including the satisfaction of any lien, that is necessary for the consummation of the plan."

Your Honor, Colliers is instructive on the purpose of this section when it says, "Section 1142(a) directs the debtor to carry out the terms of the confirmed plan. While these provisions are arguably superfluous in light of the statement in Section 1141(a), that the plan binds the debtor, Section 1142(a) makes clear the legal obligation of the debtor to carry out the terms of the confirmed plan and obviates the need for the court to specifically direct the debtors to do so. And this is the most important part. This clear statement of the debtor's obligation is particularly helpful in those cases

where the debtor was not the plan proponent."

And it's worth highlighting for Your Honor that when Section 1142(b) says the court may direct the debtor to execute, deliver, or to join in delivery of any instrument necessary for the consummation of the plan, Your Honor has already done that through the confirmation order and the confirmation of the language in the plan itself. The confirmation order, Your Honor, provides both an obligation to cooperate and an injunction from interference.

That obligation to cooperate arises under paragraph 5, which provides at 5-1 that the debtor, the petitioning creditors, and each of their respective related parties, which, by the way, Your Honor, is a term that includes owners, subsidiaries, and affiliates, among others, are hereby directed to cooperate in good faith to implement and consummate the plan.

Paragraph 5-3 then provides that in connection with any actions taken pursuant to this paragraph and all other actions required by the plan and this confirmation order, to effectuate, implement, or consummate the plan and the transactions contemplated therein, the debtors are hereby authorized and directed to take or not take any and all actions as instructed by the petitioning creditors and shall not take any actions inconsistent with the plan.

On the injunctive side, Your Honor, paragraph 12

provides, among other things, upon entry of the confirmation order, by the way, not the effective date, upon entry of the confirmation order, all holders of claims or interest and other parties-in-interest, along with the respective present or former employees, agents, officers, directors, principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the plan.

Then, Your Honor -- and I'm sorry. I'm just going through this because these are very explicit language that are in the plan and the confirmation order. The plan itself describes the means for implementation and what is required of the debtors in article 5. And again, under the Bankruptcy Code, Your Honor, the plan is binding on the debtors, and they are obligated to effectuate it.

Specifically, section 5.2 provides for the debtors to, among other things, participate in a whole host of actions which are instructed by the plan proponents, including, among many, many others, filing of appropriate certificates of articles of incorporation, reincorporation, merger, consolidation and conversion. Such other transactions that are required to effectuate the plan. The issuance of reorganized entity. All other actions that the applicable entities determined to be necessary, including making filing or recordings that may be necessary by applicable law in connection with this plan, and such action and documents are

deemed to require no further action or approval.

Section 5-11, Your Honor, relating to corporate action. And this is the issue that we're talking about today. "Each of the matters" -- this is a quote. "Each of the matters provided for under this plan involving the corporate structure of any debtor or reorganized Holdings or any corporate action to be taken by or required of any debtor or reorganized Holdings shall be deemed to have occurred and be effective as provided herein and shall be authorized, approved, and to the extent taken prior to the effective date ratified in all respects, without any requirement of further action by shareholders, members, creditors, directors, or managers of the debtor as applicable.

Goes on to say, "On or as applicable before the effective date, the appropriate officers of the debtors or reorganized Holdings, as applicable, shall be authorized and as applicable, directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by this plan in the name of and on behalf of the debtor organized holdings as applicable, including the shareholder agreement and any other agreements. The authorizations and approvals contemplated by this Section 5-11 shall be effective notwithstanding any requirements under nonbankruptcy law."

So Your Honor, notwithstanding this clear dictate in the plan, which again Section 1141 binds upon the debtors, to

cooperate in these corporate actions, the debtors wrote the Court a letter last night that claims the debtors have not failed to cooperate and then details all the ways the debtors not only plan not to cooperate, but to actively obstruct the petitioning creditors efforts to consummate the plan. The debtors will say, you've heard it already, that their shareholders are evaluating the appropriate course of action in light of certain resignations and other events or working with some mysterious counsel that isn't Reed Smith to determine what they can do under nonbankruptcy law.

Nonsense. There is nothing to evaluate. They're subject to this Court, and Your Honor has ordered their cooperation. The plan binds them, and they're obligated to effectuate the plan. And again, Your Honor, Section 5-11 says the authorizations and approvals contemplated by it shall be effective notwithstanding any requirement under nonbankruptcy law.

So if counsel is going to instruct the debtors not to comply with court orders, then both the debtors and their counsel should be sanctioned. What has actually just transpired in the last twenty-four hours, Your Honor, is we asked the debtors to execute an authorization letter. We drafted a form. It's simply fill in the blanks.

Following receipt of this very simple request that's consistent with the plan, that's consistent with the law, half

the board resigned from the board and apparently also their officer positions. And of course, we're looking into the consequences of what that means from an authority perspective. But their articles on their face call for only three board members, and I think the email that Mr. Solomon just filed provides that there are new board members provisionally. So there are definitely people who can do what they are ordered to do under the plan and under the confirmation order. And they've just simply refused to take the simple act because it would mean that there's an effective date.

Instead, they sent the Court this copy of a self-serving email from a Greek lawyer opining on Liberian law. The debtors, Your Honor, do not get to decide what we need to do to effectuate our plan. It's up to us to effectuate our plan. They are required to do as directed in furtherance of the plan, consistent with Sections 1141 and 1142 of the Code, the plan, and the confirmation order.

We asked them for a letter. Whether that is sufficient in Liberia is our problem, not theirs. They have no discretion. They don't get to evaluate and decide whether to honor This Court's orders. We're asking for something. The stuff that was in the earlier letter is things that would be helpful post-effective date. They should be doing those, but they're not critical.

But the thing that came up last night with regard to

this instruction in Liberia, that is critical, and they need to do that. We are asking for something that is very simple. This recognition nonsense is just that, Your Honor. It's nonsense. They're the only party refusing to do things. They're the ones that came to this court. This is, I think, Your Honor, as transparently as can possibly be, an effort at delay and obstruction. We've already drafted the letter we need. They just have to fill it out.

The Court has already ordered -- so Mr. Solomon talked about a motion. No, you've already ordered that they're required to do so. And Congress long ago mandated they're required to do so by enacting Sections 1141 and 1142 of the Bankruptcy Code, as Collier said, particularly an important protection when the debtor is not the plan proponent.

So what we are asking of Your Honor today is to, again, direct them to comply with the plan, the order, and the Bankruptcy Code and just populate this letter. And if they refuse to do that, you need to impose some penalty on the debtors, their shareholders, and their counsel each day until they do because they will be choosing to remain in contempt of Your Honor's orders. And if we have to go seek recognition of the confirmation order in Liberia to accomplish what they are flatly refusing to do in violation of the plan, the Bankruptcy Code, and the order, they should have to pay for that. And I can't imagine they're seriously going to say that they're going

to oppose recognition of a plan they are bound by in Liberia. It's absurd.

I want to, like, acknowledge the stakes here, Your Honor. My client has had 53.5 million tied up for the past two months. 43.5 million tied up for the last nearly six months. Nearly thirty million of that, Your Honor, is for payments to professionals for in a year-and-a-half-plus-long process that they are just flatly refusing to cooperate with because they don't like the outcome.

This plan, Your Honor, is ready to go effective but for the debtors' refusal to provide this one little letter that's just a fill in the blank. We have conditions precedent. We have satisfied them all. The only thing we need is this letter, and we will declare our effective date, which is our right, as plan proponents, to declare our effective date consistent with the conditions precedent that we drafted for our own protections.

The time is up, Your Honor. The DIP is fully drawn. This case is thirty million of pro fees in. This is nothing but obstruction. If they want to stay, they need to file a motion and satisfy the standard. They don't get to play games in other places and say that they need proof of things. I don't have to give proof to the debtors. It's my job to make this plan, satisfy the conditions, which we determine if we satisfy them, and file the effective date.

They want to challenge that, go nuts. But this is obstruction. And if they are allowed to do this, Your Honor, we've seen this pattern this entire case, they will take it as permission. They will continue to do additional things. They need to be directed or penalized, or we will continue to be talking about this in February of next year. At the very least, they're not willing to just fill out this one letter, they should be penalized for the millions a month the delay this is causing. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard before I turn it back to Mr. Solomon?

MR. HERMAN: Your Honor, David Herman for the committee. Could I be heard?

THE COURT: Please.

MR. HERMAN: Thank you, Your Honor. So I think Mr. Ortiz covered all the points pretty well. I just wanted to highlight a few things because I actually think this is quite simple. We have a confirmed plan. Your Honor has confirmed it. There's a confirmation order. As Your Honor pointed out in the colloquy with Mr. Solomon, there's been no stay. There has been an appeal. But as Your Honor knows, an appeal does not stay a confirmation order. So as Mr. Solomon acknowledged, this Court retains jurisdiction to act.

And so what is required of the parties? And you start

with 1142. 1142(a) does not just provide that the debtor has to cooperate. It provides that, notwithstanding any otherwise applicable nonbankruptcy law, rule, or regulation and so forth, the debtor shall carry out the plan and shall comply with any orders of the Court. So the appropriate question for Mr. Solomon and the place that one ought to expect debtor's counsel to begin two weeks after the plan has been confirmed, is with an explanation of what the debtors are doing to carry out the plan.

Now, what the petitioning creditors have said is all they need from the debtors is to sign an instrument that provides for the transfer of in the stock registry as required under applicable law. And 1142 also explains how that's supposed to happen. The debtor should be doing it anyway because under 1142(a), as I explained, the debtor shall carry out the plan.

But 1142(b) provides this court with the authority and with instructions as to what to do in the event that the debtor or any other necessary party doesn't do that, which is the following. "The court may direct the debtor and any other necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property dealt with by a confirmed plan." So this is a provision of the Bankruptcy Code that specifically contemplates this situation, where you have a confirmed plan

that needs to be implemented, and somebody needs to execute some sort of instrument, which is this letter that the petitioning creditors have prepared.

All of this is also required under the confirmation order. The confirmation order under paragraph 5(i) provides the debtors and the petitioning creditors and each of their respective related parties are hereby directed to cooperate in good faith to implement and consummate the plan. That mirrors the requirements of Section 1142(a).

And then in paragraph 5(iii) of the plan provides, as Mr. Ortiz mentioned, that the debtors are hereby authorized and directed to take or not take any and all actions as instructed by the petitioning creditors and shall not take any actions inconsistent with the plan or this confirmation order without the petitioning creditors' prior consent. So you have a requirement in the Bankruptcy Code and in the confirmation order that the debtors not just cooperate, but that they affirmatively carry out the plan and that they listen to the petitioning creditors.

To the extent the debtors hide behind the stay that's imposed by Bankruptcy Rule 3020(e) that provides an order confirming the plan is stayed until the expiration of fourteen days, the Court has the ability to shorten that, and we would urge the Court to do so. The purpose of the stay under the Rule is not to provide incumbent management and owners with a

window of opportunity to try to thwart the plan until the stay is up.

So that's the legal framework and the framework under this Court's orders. As far as all the excuses that we're hearing, these are all things that have been concocted in the last two weeks. Foreign recognition is not necessary. Greece is a signatory to the model law on cross-border insolvency. See it's the same as our Chapter 15. As Mr. Ortiz well knows, he and I have been on opposite sides of cross-border cases, the purpose of those provisions is to be able to apply for assistance to local courts, if necessary, to implement a plan. That's not necessary here. All the debtors have to do is sign the letter and it goes effective.

All of this is also inconsistent with a number of things. It's inconsistent with the debtor's sworn testimony on feasibility that they could go effective with a plan in short order. There was no testimony at trial that there would need to be some unknown period of time that the debtor would have to stay in bankruptcy to initiate foreign proceedings and things like that. There's nothing in the debtors' disclosure statement about the need to institute foreign proceedings. There's nothing in the objections raised. The debtors consented to entry of the confirmation order following the Court's ruling, which says that they shall do all these things notwithstanding any nonbankruptcy law. So all of these things

are just excuses that have been concocted since the plan has been confirmed.

So what should the Court do about this? From the committee's perspective, our main concern here is that this is a very thin estate. Your Honor found rightly in the confirmation ruling that the debtors' plan was underfunded. There wasn't enough funds for that one to go effective. The petitioning creditors' plan is also on the razor's edge. They have a commitment letter. At some point, that commitment letter will expire. The DIP is fully drawn. The debtors are not paying professional fees currently. There objected to fees that are outstanding and have not been paid for some time, and they have no money to do so. If this keeps going on, the estates are simply going to run out of money, notwithstanding the fact that we have a confirmed plan.

So our view is we would really urge the Court to act decisively here. The Bankruptcy Code and the rules and the confirmation order supply all the guidance for what the Court needs to do. Your Honor should direct the debtors and their principals and their officers and directors to execute whatever instruments the petitioning creditors believe they need. And to the extent they don't do so, the debtors and their counsel and their management should be held in contempt. And to the extent that they're hiding behind a stay of the confirmation order, the Court should shorten it. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Does anyone else wish to be heard?

MR. SOLOMON: Your Honor, I would.

THE COURT: Counsel.

MR. SOLOMON: Lou Solomon for the debtors. I guess I'm used to being threatened by --

THE COURT: Counsel, can you first update me on what happened yesterday in the district court?

MR. SOLOMON: Yes. Yes, Your Honor. We went down at the same time. I was getting, apparently, this letter that I was required to respond to in six hours, at the same time I was doing that, I was going down to Judge Liman. It was an in-person. What the judge did was he lifted the stay so that motions to intervene could be made. He lifted the stay so that Levona could respond to our requests for third-party discovery. So all of that is done. He maintained the stay for everything else for the rest of discovery. That's all that's before him is the rest of discovery. And we're to appear before him on December 6th again. And --

THE COURT: So what's going forward is the discovery related to the motion to vacate?

MR. SOLOMON: Yes, Your Honor. That's the only thing that -- yes. Correct. Correct, Your Honor. That, and motions to intervene because Levona has said that they plan to throw us out, and so Gas and the and the nominees have advised us that

they intend to move to intervene, which he's allowed those motions to be made.

THE COURT: Got it.

MR. SOLOMON: And what we explained to him as well, because of the communications that we received, is that apparently what we're being asked to do, apparently, in the eyes of Liberian counsel, is to violate Liberian law. And the question presented to Your Honor is whether the Bankruptcy Code or their plan requires the debtor to violate non-U.S. law. The Bankruptcy Code --

THE COURT: And you're referring to specifically the letter that they're seeking to --

MR. SOLOMON: Yes, Your Honor.

THE COURT: -- or are you referring more broadly? Is it just --

MR. SOLOMON: No, no. I'm actually referring to that -- I'm referring to that letter. That letter says that what we have to say is that Adam Spears is the CEO of Holdings. Adam Spears is not the CEO of Holdings. Adam Spears cannot be the CEO of Holdings until they have this bankruptcy recognized in Liberia. Now, I am speaking as a layman when it comes to that. I have been given information, all of which I've communicated both to Your Honor and to the other side, about what Liberian law requires. But it is not a surprise that when they sent me this letter on my way down to Judge Liman and

wanted an answer in six hours and didn't give us a chance to actually get anybody, who, in fact, then responded and said they are looking into it, to answer any further than that, any more fully than that when they sent this to me yesterday.

But I do know that their very plan says that what the plan has to do is satisfy the applicable requirements of applicable law. That's section 5.2 under restructuring transactions. Now, why Mr. Ortiz threatens me for a half hour or forty minutes and why Mr. Herman me-toos, again, as essentially counsel for Pach Shemen, counsel for Murchinson, why they go through all of this and not once identify to Your Honor the five or six times where in the plan they recognize, they acknowledge, that they have to satisfy non-U.S. law. That is a mystery to me, but I am going to call it to Your Honor's attention.

5.2 says what I just read. 5.4 says cancellation of existing securities. On the effective date, all notes, stock, where permitted by applicable law, are going to be canceled. Okay. I don't know what applicable law requires. I have asked them for some evidence that they are satisfying applicable law because on the one question that they asked, and that is make pretend that Adam Spears is the CEO, that violates applicable law. So I've asked simply for that.

Now, Your Honor, my view is if they can waive this and they think it's a condition precedent and they want to go

effective, then they can do that. And they don't need me for it. But if they do need the debtors for it, then the debtors have to go and did go and get counsel in Liberia and in Greece. And those counsel have said this cannot be done in the way they are doing it. They are ignoring applicable law.

And so I don't believe Your Honor should require the debtor to do that. I don't believe Your Honor should sanction debtor for not violating foreign law. The idea that Reed Smith now somehow is going to be sanctioned because our client wants to follow non-U.S. law is an absurdity. I don't have to speak to that further. And there are more places in the plan where over and over again they acknowledge they have said in their risk factors to everybody, including this Court, that the debtors are incorporated in Liberia and some of their interests are governed by the laws of foreign jurisdictions other than the United States.

Although the plan proponents will make every effort to ensure that the confirmation order entered by the bankruptcy court and the steps taken pursuant to the confirmation order to implement are recognized and are effective in all applicable jurisdictions, it is possible that if a creditor or stakeholder were to challenge the plan, a foreign court may refuse to recognize the effect of the confirmation order. So not only do they recognize the risk, but they also have in their plan that they have to comply with non-U.S. law.

So they came to me less than twenty-four hours ago and said, here, this is what we need. And I then sent it off. And counsel in Liberia has said this is unlawful. This cannot be done. We're not going to be able to recognize Adam Spears as CEO until such time as they comply with non-U.S. law. And that is what I told them.

And in come they and say that we're violating this and we're violating this and why can't we cooperate. We will cooperate. We are cooperating with everything that we have control over. Asking us to violate non U.S. law is not something that we have control over. And that's really what we're talking about here. Not talking about other -- well, so far as I know, we're not talking about other big issues.

Let me just look at my notes and make just sure that there's nothing else I wanted to say, Your Honor.

Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Does anyone else wish to be heard?

MR. ORTIZ: Your Honor, Kyle Ortiz of Togut, Segal & Segel for the plan proponents. Look, that was remarkable. We violate a law. That's the first time we've heard him say this. But that's a plan objection. The plan says what the plan says. If you are going to say that you can't do things under Liberian law, you should have raised that as part of your plan objection. He is selectively reading little words here and

there and ignoring other words here and there that say things like the authorizations and approvals contemplated by section 5-11 shall be effective, notwithstanding any requirement under nonbankruptcy law.

This is not -- it is remarkable to me that somebody will just suddenly say to do anything they can to stop this from happening -- what is it -- we're in November 13th, so two months after the confirmation hearing, that there are things that violate the law about our plan. Okay. This is just not the case. All we've asked, and it's attached to our -- it's attached to our letter. I'm sure Your Honor has read it because you read everything. You've seen this letter. The requirement is that you need to have this change of address so that we can file what we need to file.

What they're saying is, no, go to Liberia and get recognition to do the same thing that they're going to then challenge. Are they telling you they're going to challenge recognition in Liberia? Because if they're not, then they're just clearly telling you that this is an obstruction and the delay so that they can do something else so that they can move assets out of Corp. I don't know. I'm not going to speculate. That's their thing, speculating.

What I do know is that we have a confirmed plan and that they are debtors in a U.S. bankruptcy court, and they are obligated to implement it. To say that they -- it says Adam

Spears will be the CEO. He will be the person of record following the filing, which is all we need so that we can make the filing. This person is authorized to make that filing consistent with the bankruptcy court order. I don't know how to say it. They're making things up on the fly to try to accomplish a stay that you need to actually bring emotion and do something about.

And this is what we're talking about when we're talking about sanctionable conduct. There's a plan. Again, year and a half. Thirty-million dollars. Week-long trial. This never came up. This is a thing that they are literally making up today in order to stop a plan that's been confirmed by Your Honor and took up your clerk's time and your time and everybody's time.

I've never been like this in court before. I just, I don't even know what to say to what they're trying to do. They're making stuff up to stop something because they don't like the result. You need to just enforce the plan. And if they're not willing to do that, they should be sanctioned. There should be serious consequences for just thumbing their noses at the bankruptcy system. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard before I --

MR. SOLOMON: I do, Your Honor.

THE COURT: Hold on, Mr. Solomon. Just let me see if

anyone else wishes to be heard.

MR. KOTLIAR: I just, Your Honor, just very briefly, I wanted to clarify what we're asking for. This is Bryan Kotliar of Togut, Segal & Segal, counsel for the plan proponents.

I think it was said differently by different people. And I think Mr. Solomon probably said it in the most inaccurate way. Holdings is a Liberian company. It has no assets or operations in Liberia. It actually can't. It's what's called a nonresident corporation. It's not allowed to operate in Liberia. In connection with its Liberian existence on a shelf, which is managed by the Liberian registry, it actually has a registered office in Virginia.

I think, as Mr. Ortiz said, Holdings has an address of record with the Liberian registry that has a person of record with the Liberian registry. To change that address of record, to change the person of record, the Liberian registry needs a letter from the existing address of record. Changing the address of record is how you -- is how Holdings submits the bylaws, the shareholder agreement, the corporate governance documents to the Liberian registry to update their paperwork.

The plan, the confirmation order, and the otherwise requirements that Mr. Ortiz mentioned, that issues the new equity. It replaces the governance. It replaces the corporate documents that Your Honor has already approved and directed the debtors to implement. That all happens on the effective date,

and the conditions pertinent to the effective date we control. We just need them to submit a letter to update some paperwork to effectuate the confirmed and soon-to-be-consummated plan. Thank you.

THE COURT: Thank you, Counsel.

MR. HERMAN: Your Honor, David Herman for the committee. Very briefly, I just want to reinforce that everything that Mr. Solomon is arguing is foreclosed by Section 1142(a), which says, "notwithstanding any otherwise applicable nonbankruptcy law, the debtor shall carry out the plan and comply with orders of the court."

THE COURT: So you're saying even if that violates some foreign law?

MR. HERMAN: Yes. If there are violations of foreign law, I guess that'll get taken care of in those countries. But for purposes of this Court implementing its plan for this debtor that's under the custody of this Court as a debtor in Chapter 11, it has to comply with the Bankruptcy Code.

And just to be clear, what's being asked of the debtor is a ministerial act. They have to sign a letter to give to the registrar to have the stock registry changed. And 1142(b) contemplates this exact situation and provides that the court may direct the debtor or any other necessary party to deliver an instrument required to do that.

There's no evidence in front of Your Honor that

there's a violation of foreign law. This is Mr. Solomon's say so. And frankly, it defies belief. We've never heard about any of this before. There's nothing in their disclosure statement about it. There's nothing in their objections about it. This is all just something that they've made up to try to get in the way of the plan going effective.

THE COURT: Thank you, Counsel.

MR. SOLOMON: Your Honor, Lou Solomon for the debtors. We're obstructing nothing. We are making up nothing. We are, as accused, acting on the fly because I got something yesterday which was not part of what we were to be before Your Honor on. I am having to respond to it now. We've done the best we can to get answers to the questions from the other jurisdictions. For counsel to say there's no evidence, there's no evidence from them. Before yesterday, they never came to us and asked us for this.

We don't know anything about this, so we sent it off to the right people. We were told that there is a legal inhibition, non-U.S., to do it. And now, Your Honor is being told that it doesn't matter if we violate non-U.S. law. I would like to brief that issue. I'm not trying to delay anything. It's an extraordinary statement. Okay. And I think there's no basis in law to allow that.

But yes, we're doing it on the fly, and it's not our fault. And we're doing the best we can. And to try to

railroad Your Honor into sanctioning us or threatening us to do something that we are advised violates the law of another jurisdiction is improper. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

MR. ORTIZ: Your Honor, I'm sorry. Just very briefly, Kyle Ortiz for the petitioning creditors.

So when I talked about other cases we've done in recognition, again, what he's doing right now is there should definitely not be briefing. That's exactly what he wants. That's a stay. It is relitigating the plan. And I want to just clarify, like, I have -- again, here's two examples of when I sought recognition.

Pacific Drilling, which was a Luxembourg entity, Luxembourg law does not allow you to extinguish shares. In LATAM Airlines, we sought recognition in Chile because Chilean law does not allow you to terminate shares. We didn't seek recognition in Brazil or Peru or certain of the other jurisdictions because we didn't need that. Those are things that you raise at plan confirmation. Say there's a feasibility issue that you need to get around in order to make this plan work, and those are raised at confirmation.

So this is a collateral attack that they're coming up with now. Again, this is all stuff that everybody knew about, exactly how this plan was going to be effectuated and exactly what was going to be required, and it's in the plan fifteen

different places that there's going to potentially be instruments or things that we need from the debtors and that they are directed to do so. We can't start over and start briefing on things that have always been known. If they thought that there was a issue with Liberian law that needed to be part of the plan discussion, like it was in those other cases I mentioned where we did need to get recognition, these are things that we always evaluate and decide whether we need recognition or we don't need recognition.

Do we need recognition in Liberia? Yes, only if the debtors don't fill out this letter. And they're a party who's in front of this Court, and we don't need to go somewhere else to get them and enforce on them. They're right here. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Okay. I understand the issues that have been raised. Obviously, these are complicated issues that have been raised, both in the numerous letters that have been submitted and here at the status conference. And this was set as a status conference. The Court is not prepared or able to rule on these issues being raised in this context. So I would encourage the parties to continue discussing and seeing if they can resolve these issues. And if not, I think a motion will need to be brought to brief these things that have been raised. There have been a lot of issues raised here today.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Anything else for today?

MR. SOLOMON: Nothing from the -- nothing from the debtors, Your Honor. Thank you.

MR. ORTIZ: Yeah. Nothing further, Your Honor, but we'll be bringing those motions. We'll try to talk to them today, but we have been directed to meet and confer with them throughout this case, and they've never once taken that seriously. So you'll be seeing motions quickly, and they'll be on shortened notice because they have just gotten a stay without doing what they're required to do. So we'll bring those motions, we'll get things in front of you, and they will likely include things like contempt and sanctions. Thank you, Your Honor.

THE COURT: Thank you, Counsel.

Okay. We're adjourned. Thank you, everyone. Have a great day.

(Whereupon these proceedings were concluded at 11:00 AM)

C E R T I F I C A T I O N

I, River Wolfe, certify that the foregoing transcript is a true and accurate record of the proceedings.

River Wolfe (CDLT-265)
TTA-Certified Digital Legal Transcriber

eScribers
7227 North 16th Street, Suite #207
Phoenix, AZ 85020

Date: November 14, 2024

D

EXHIBIT “38”

OFFICIAL TRANSLATION

Piraeus, 5 February 2025
Protocol No. 2212.3-1/4491/24/8775/2025

HELLENIC REPUBLIC
MINISTRY OF SHIPPING AND ISLAND POLICY
PORT POLICE HEADQUARTERS – HELLENIC COAST GUARD
B' BRANCH (SHIPPING)
DIRECTORATE OF OCEAN SHIPPING
DEPARTMENT OF SHIPPING COMPANIES
REGISTRY OF MARITIME COMPANIES
Address : Akti Vasiliadi, Gate E1-E2
Postal Code : 185-10 Piraeus
Information :
Tel : 213 1374282,-4440,-4285
E-mail: ymne@hcg.gr

CERTIFICATE

1. It is hereby certified that, in accordance with the filings maintained by this Department, the company under the name "**KIMOLOS II SPECIAL MARITIME ENTERPRISE**" having its registered office and established in Piraeus (62, Iroon Polytechneiou Avenue) was registered in the Registry Books of Maritime Companies incorporated under the law 959/79 (Government Gazette 192A / 24-8-1979) on 28-12-2009 under registration number 4491 and it has not been deleted from the registry until today.

2. The above Special Maritime Enterprise was incorporated pursuant to section 16 of no 3113.1.3257/2009/18-12-2009 (Government Gazette 2519/B'/24-12-2009) Instrument of Approval issued by the Ministers of Economy, Finances, Competitiveness and Mercantile Marine, by delegated authority provided in article 13 of legislative decree 2687/53 as authentically interpreted by legislative decree 2928/1954.
(The duration of the company is indefinite, subject to the conditions of articles 4 and 23 of its Charter).

3. Pursuant to the Minutes of the Extraordinary General Meeting of the Sole Shareholder and the Minutes of the Board of Directors' meeting dated 17-07-2019, submitted and filed on 05-02-2025, and subject to paras. (γ) and (ια) of clause 16 of the above-mentioned Instrument of Approval, the following were appointed as members of the Board of Directors:

a. Vasileios CHATZIELEFTHERIADIS son of Apostolos	President/Treasurer
b. Laskarina KARASTAMATI daughter of Ioannis	Vice President
c. Emmanouil ANDREOULAKIS son of Stylianos	Secretary

4. Pursuant to the above mentioned minutes of the Board of Directors' meeting, the company was appointed to be represented and bound by Vasileios CHATZIELEFTHERIADIS son of Apostolos, Laskarina KARASTAMATI daughter of Ioannis and Emmanouil ANDREOULAKIS son of Stylianos, acting singly.

5. According to the Charter of the above company the process agent is Emmanouil Andreoulakis son of Stylianos.

6. This Certificate is provided in response to a request filed by the Company, and is intended for any lawful use.

The Director Y.M.N.E.
Lieutenant Commander Coast Guard
MELISSOURGAKIS Em.
(Signature)

Seal bearing the words: "Hellenic Republic- Ministry of Shipping and Island Policy"

ΕΛΛΗΝΙΚΗ ΔΗΜΟΚΡΑΤΙΑ
ΥΠΟΥΡΓΕΙΟ ΝΑΥΤΙΛΙΑΣ ΚΑΙ
ΝΗΣΙΩΤΙΚΗΣ ΠΟΛΙΤΙΚΗΣ
ΓΕΝΙΚΗ ΓΡΑΜΜΑΤΕΙΑ ΝΑΥΤΙΛΙΑΣ ΚΑΙ ΛΙΜΕΝΩΝ
ΑΡΧΗΓΕΙΟ Λ.Σ. – ΕΛ. ΑΚΤ.
ΚΛΑΔΟΣ Β΄(ΝΑΥΤΙΛΙΑΣ)
ΔΙΕΥΘΥΝΣΗ ΠΟΝΤΟΠΟΡΟΥ ΝΑΥΤΙΛΙΑΣ
ΤΜΗΜΑ ΝΑΥΤΙΛΙΑΚΩΝ ΕΤΑΙΡΕΙΩΝ
ΥΠΗΡΕΣΙΑ ΜΗΤΡΩΟΥ ΝΑΥΤΙΚΩΝ ΕΤΑΙΡΕΙΩΝ
Ταχ. Δ/νση : Ακτή Βασιλειάδη, Πύλη Ε1 – Ε2
Ταχ. Κώδικας : 185 10, Πειραιάς
Πληροφορίες :
Τηλέφωνο : 213 1374282,-4440,-4285
Ηλεκτρονικό ταχ/μείο : ymne@hcg.gr

Πειραιάς, 05 Φεβρουαρίου 2025
Α.Π.: 2212.3-1/4491/24/8775/2025

Β Ε Β Α Ι Ω Σ Η

1. Βεβαιώνεται ότι από τα στοιχεία που τηρούνται στην Υπηρεσία μας, η εταιρεία **«ΚΙΜΩΛΟΣ ΙΙ ΕΙΔΙΚΗ ΝΑΥΤΙΚΗ ΕΠΙΧΕΙΡΗΣΗ»** που εδρεύει στον **Δήμο ΠΕΙΡΑΙΩΣ** (Λεωφ. Ηρώων Πολυτεχνείου 62), καταχωρίστηκε στα Βιβλία Μητρώου Ναυτικών Εταιρειών του Νόμου 959/79 (ΦΕΚ 192^{Α}/24-8-1979) την **28-12-2009** με αύξοντα αριθμό **-4491-** και μέχρι σήμερα δεν έχει διαγραφεί.

2. Η παραπάνω Ειδική Ναυτική Επιχείρηση συνεστήθη σύμφωνα με τον όρο 16 της αριθ. 3113.1.3257/2009/18-12-2009 (ΦΕΚ 2519 /Β΄/ 24-12-2009) Εγκριτικής Πράξης των Υπουργών Οικονομικών και Οικονομίας, Ανταγωνιστικότητας και Ναυτιλίας, κατά εξουσιοδότηση του άρθρου 13 του Ν.Δ. 2687/53, όπως ερμηνεύθηκε αυθεντικά με το Ν.Δ. 2928/1954.
(Η διάρκεια της εταιρείας είναι αορίστου χρόνου, με την επιφύλαξη των αναφερομένων στα άρθρα 4 και 23 του καταστατικού της).

3. Σύμφωνα με τα από **17-07-2019** Πρακτικά Έκτακτης Γενικής Συνέλευσης του Μοναδικού Μετόχου και πρακτικού συνεδρίασης Διοικητικού Συμβουλίου, τα οποία κατατέθηκαν και καταχωρίστηκαν την **05-02-2025**, και με την επιφύλαξη των παρ. (γ) και (ια) του όρου 16 της παραπάνω αναφερόμενης εγκριτικής πράξης, ως μέλη του Διοικητικού Συμβουλίου ορίστηκαν οι:

α.	**Βασίλειος ΧΑΤΖΗΕΛΕΥΘΕΡΙΑΔΗΣ** του **Αποστόλου**	**Πρόεδρος Δ.Σ. - Ταμίας**
β.	**Λασκαρίνα ΚΑΡΑΣΤΑΜΑΤΗ** του **Ιωάννου**	**Αντιπρόεδρος Δ.Σ.**
γ.	**Εμμανουήλ ΑΝΔΡΕΟΥΛΑΚΗΣ** του **Στυλιανού**	**Γραμματέας Δ.Σ.**

4. Σύμφωνα με το παραπάνω αναφερόμενο πρακτικό συνεδρίασης του Διοικητικού Συμβουλίου, την εταιρεία ορίστηκαν να εκπροσωπούν και δεσμεύουν οι **Βασίλειος ΧΑΤΖΗΕΛΕΥΘΕΡΙΑΔΗΣ** του **Αποστόλου, Λασκαρίνα ΚΑΡΑΣΤΑΜΑΤΗ** του **Ιωάννου** και **Εμμανουήλ ΑΝΔΡΕΟΥΛΑΚΗΣ** του **Στυλιανού** ενεργώντας χωριστά.

5. Σύμφωνα με το καταστατικό της εταιρείας ως αντίκλητος αυτής φέρεται ο **Εμμανουήλ ΑΝΔΡΕΟΥΛΑΚΗΣ** του **Στυλιανού.**

6. Η βεβαίωση αυτή χορηγείται ύστερα από σχετική αίτηση της εταιρείας για κάθε νόμιμη χρήση.

Ο Προϊστάμενος ΥΜΝΕ

Αντιπλοίαρχος ΛΣ ΜΕΛΙΣΣΟΥΡΓΑΚΗΣ Εμ.

EXHIBIT “39”

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

- -x

In the Matter of:

ELETSON HOLDINGS INC. AND Main Case No.

REORGANIZED ELETSON HOLDINGS INC., 23-10322-jpm

Debtor.

- -x

United States Bankruptcy Court

One Bowling Green

New York, New York

January 29, 2025

9:05 AM

B E F O R E:

HON. JOHN P. MASTANDO, III

U.S. BANKRUPTCY JUDGE

ECRO: MARIA

Notice of Hearing for (I) First Interim and Final Fee Application of Harold Furchtgott-Roth for Compensation for Services Rendered and Reimbursement of Expenses as Economic Expert to the Debtors for the Period of August 7, 2024 Through November 19, 2024; (II) First Interim and Final Fee Application of Investment and Finance Limited for Compensation for Services Rendered and Reimbursement of Expenses as Financial Advisor to Eletson Holdings, Inc. et al. for the Period from July 15, 2024 Through November 19, 2024; and (III) Fourth Interim and Final Fee Application of Reed Smith LLP, Counsel to the Debtors and Debtors in Possession, for Compensation and Reimbursement of Expenses for the Period September 25, 2023 to November 19, 2024 (related document(s)1324, 1325, 1323)

Notice of Hearing on the Fourth Interim and Final Fee Applications of (1) Dechert LLP, as Counsel and (2) FTI Consulting, Inc., as Financial Advisor to the Official Committee of Unsecured Creditors (related document(s)1321, 1322)

Notice of Hearing /(Hearing Date: 1/29/2025 at 9:00 AM) Notice of Hearing on First and Final Fee Applications of (I) Kurtzman Carson Consultants, LLC dba Verita Global, as Voting Agent for the Debtors; and (II) Riveron, RTS LLC, as Domestic Financial Advisor to the Debtors (related document(s)1318, 1320)

Notice of Adjournment of Hearing /(Adjourned Hearing Date: 1/29/2025 at 9:00 AM)
Notice of Adjournment of Certain Matters Scheduled to be Heard on January 21, 2025
(Related to Docket Nos. 1172, 1201, 1198 and 1218]

Notice of Hearing /Notice of Adjournment of Hearing of Certain Matters Scheduled to be Heard on December 18, 2024 at 11:00 AM (related document(s)1201, 1199, 1198, 1172, 1218)

Notice of Agenda /(Hearing Date: 1/29/2025 at 9:00 AM) Notice of Agenda of Matters Scheduled for Hearing on January 29, 2025 at 9:00 AM (Prevailing Eastern Time) Via Zoom for Government (related document(s)1351, 1324, 1346, 1334, 1201, 1321, 1325, 1199, 1221, 1374, 1318, 1198, 1375, 1322, 1260, 1347, 1388, 1320, 1257, 1323, 1352, 1350, 1172, 1349, 1218)

Amended Notice of Agenda /(Hearing Date: 1/29/2025 at 9:00 AM) Amended Notice of Agenda of Matters Scheduled for Hearing on January 29, 2025 at 9:00 AM (Prevailing Eastern Time) Via Zoom for Government (related document(s)1351, 1321, 1392, 1347, 1388, 1323, 1172, 1390, 1349, 1218, 1235, 1324, 1346, 1334, 1201, 1325, 1199, 1221, 1391, 1318, 1374, 1198, 1375, 1322, 1260, 1320, 1257, 1352, 1350, 1389)

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BY: STEPHEN D. ZIDE, ESQ.
DAVID A. HERMAN, ESQ.

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BY: DANIEL RUDEWICZ, ESQ.

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BY: LOUIS M. SOLOMON, ESQ.
DEREK M. OSEI-BONSU, ESQ.

P R O C E E D I N G S

THE COURT: Good morning, everyone. We're here on Case No. 23-10322, Eletson Holdings Inc.

Can I have appearances for the record, please?

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz of Togut Segal & Segal for Eletson Holdings. I'm joined on the line by my partners, Bryan Kotliar and Brian Shaughnessy.

THE COURT: Good morning.

MR. ORTIZ: Good morning.

MR. ZIDE: Good morning, Your Honor. Stephen Zide from Dechert on behalf of the official committee of unsecured creditors. I'm here with my partner, David Herman.

THE COURT: Good morning.

MR. ZIDE: Good morning.

MR. SOLOMON: Good morning, Your Honor.

MR. RUDEWICZ: Good morning, Your Honor. Daniel Rudewicz on behalf of the United States Trustee.

THE COURT: Good morning.

MR. SOLOMON: And good morning, Your Honor. Lou Solomon. I'm here for Reed Smith, and I also intend to argue the fee application for Dr. Furchtgott-Roth. And with me is Derek Osei-Bonsu, who I saw a minute ago and will be back if he has something to say. Thank you.

THE COURT: Of course. Good morning. Okay.

Who'd like to begin?

MR. ORTIZ: Good morning, Your Honor. Kyle Ortiz of Togut Segal & Segal for Eletson Holdings.

Your Honor, we did file an amended agenda at 1397. And that agenda has the seven fee applications. Five of those, Your Honor, are opposed. One, I think is ready for argument today. The other, which is the Dr. Furchtgott-Roth application, and one, Reed Smith's -- there's a question of whether there's something to talk about today.

And then also, just so Your Honor is aware, there's two kind of off-agenda items that we'd like to address at some point, whether before the fee applications or after, whatever is easier for Your Honor. And those are the revised proposed order relating to Your Honor's ruling from Friday, and then we would like to address who has the authority to continue to file things on this docket at Eletson Holdings. And those issues, we can do before the fees or after the fees, whatever order you'd like to go in, Your Honor.

THE COURT: Let's do those after.

MR. ORTIZ: All right. So Your Honor, with regard to the fee applications on the amended agenda, which was filed at Docket 1397, if it's all right with Your Honor, I'd like to go a little out of order because, again, we have five of these that are unopposed. The five unopposed ones, there was a lot of back and forth between both the Eletson Holdings and the U.S. Trustee on fee concessions. And happy to report that,

with those five, we did reach resolutions. And if it's all right with Your Honor, I can just kind of report what was agreed with the U.S. Trustee and/or Reorganized Holdings. And then we would respectfully request entry of the nondisputed final fee applications.

THE COURT: That sounds good.

MR. ORTIZ: All right. So Your Honor, the Kurtzman Carson Consultants, doing business as Verita Global, which was filed at Docket 1318, there were no reductions that were requested in connection with their application. So we would submit that that one can be entered as filed. With regards to Riveron, RTS --

THE COURT: Well, why don't we just go one at a time?

MR. ORTIZ: Sure.

THE COURT: So in terms of Kurtzman Carson Consultants, which is -- their application is found at Docket No. 1318, did anyone wish to be heard in connection with this application? Okay.

Hearing no objection, the Court has reviewed the application and will grant the application -- again, noting that there is no objection. And that is the summary sheet and final fee application of KCC, which is found at Docket No. 1318.

MR. ORTIZ: Thank you, Your Honor.

The next item was the Riveron RTS, LLC, is the final

fee application, as the debtors' domestic financial advisor. That was filed at Docket 1320. After good-faith discussions with the U.S. Trustee and Reorganized Holdings, Riveron RTS agreed to a reduction of $6,256.50, which will be reflected in the final order. And just to mention it here, Your Honor, we typically, as we do in all cases -- there's the court form, so we'll take all of these and put it in the court form with -- it'll have all the final amounts reflected. And obviously, all of the professionals review and make sure we have all the pennies right. But that's how we submit the final order on behalf of everybody. But that's the reduction that Riveron RTS agreed to, Your Honor.

THE COURT: Okay. Thank you.

Would anyone like to be heard in connection with the Riveron application, which is found at Docket No. 1320?

MR. RUDEWICZ: Good morning, Your Honor. Daniel Rudewicz on behalf of the United States Trustee. I would just like to confirm that Mr. Ortiz's representations with respect to the reductions are correct. And I'll say that for all the other ones going forward. I won't speak after every one, but we did agree to reductions with a number of the professionals.

THE COURT: You won't speak unless you disagree.

MR. RUDEWICZ: Exactly. Thank you, Your Honor.

THE COURT: Okay. Thank you.

Did anyone else wish to be heard? Okay.

The Court has considered the summary sheet and first and final applications of Riveron RTS LLC as domestic financial advisor, which is found at Docket No. 1320. And noting there is no objection, and based on the Court's review, and subject to the revision of the amount as stated by counsel, the Court will grant the application.

MR. ORTIZ: Thank you, Your Honor.

The next item on the docket is the fourth interim and final fee application of Dechert LLP as counsel to the unsecured creditors' committee. That was filed at Docket 1321, Your Honor. After extensive good-faith negotiations with Eletson Holdings, Dechert agreed to a $976,261.22 reduction in their final fee amount, which, again, we appreciate that all these parties were able to reach resolution without needing to come to the Court. And so that would also be reflected in the final fee order that we file.

THE COURT: Thank you.

Did anyone else wish to be heard in connection with the Dechert application, which is found at Docket No. 1321?

MR. ZIDE: Your Honor, Stephen Zide from Dechert on behalf of the official committee. Not anything particular, but just, it's the Dechert application. As Mr. Ortiz said, we did extensive negotiations with both the U.S. Trustee and the reorganized debtors on our fee application. We did ultimately agree, as a result of those negotiations, for a one million

dollar reduction in fees for the entire case. Some of that had been taken previously in prior fee applications. So as Mr. Ortiz said, the number for the final application is around 970,000 dollars. The exact numbers have all been agreed to.

Just important to note, Your Honor, we took this concession not because we thought that there was any real objection to our fees or merit any objection to our fees. But the fees in this case had gone really, really high and extensive. And the litigation had gone on for a very, very long time here. And we thought it was appropriate for both us and FTI for committee professionals to take very significant concessions here, in connection with our fee applications, to help the estates with the administrative costs here. So that's really where that came from, Your Honor.

As part of our agreement, the reorganized debtors have agreed to pay us the unpaid amounts relatively quickly after the hearing. We have full confidence in them and in that. And other than that, Your Honor, in case you have any questions, I'll rest on the application.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard? Okay.

The Court has considered the fourth interim and final fee application of Dechert LLP as counsel to the official committee of unsecured creditors. That is found at Docket No. 1321. And noting no objection, the Court will grant the

application subject to the reduction as stated by counsel here on the record.

MR. ZIDE: Thank you, Your Honor.

MR. ORTIZ: Thank you, Your Honor.

The next item on the agenda is the FTI Consulting fourth and final fee application as financial advisor to the official committee. That was filed at Docket 1322, Your Honor. And FTI, after extensive negotiations with Eletson Holdings, agreed to a 355,000-dollar reduction. Very much in line with the reasons that Mr. Zide just outlined with regard to Dechert, and really, more about concessions regarding the length and expense of the case, as opposed to any issues with the professional services provided. And that will also be reflected in the final fee order, Your Honor.

MR. ZIDE: If I may, Your Honor, Stephen Zide from Dechert on behalf of the official committee. Just speaking on FTI, just echoing my comments from before, same apply to FTI. We also have Mr. Cordasco on the line. He's the professional at FTI who led the charge here. If you have any questions, he's available. Not that you would have any, but just want to make sure you knew he was here for you.

And thank you, Your Honor.

THE COURT: Thank you.

Did anyone else wish to be heard in connection with the FTI application? Okay.

The Court has considered the combined fourth interim and final fee application of FTI Consulting, which is found at Docket No. 1322. And noting that there is no objection, the Court will grant the application subject to the revisions, the reduction, as stated by counsel on the record.

MR. ORTIZ: Thank you, Your Honor.

And the last unobjected one is the application of Investments and Finance Limited, which -- that's Mr. Veraros, who you may remember was an expert. That was filed at Docket 1324. And we understand that, after negotiations with the U.S. Trustee, there was an agreement for a $4,748.60 reduction for that application, Your Honor.

THE COURT: Okay. Thank you.

Did anyone else wish to be heard in connection with the Investments and Finance Limited application? Okay.

The Court has considered the first interim and final fee application of Investments and Finance Limited for compensation for services rendered and reimbursed of expenses. That is found at Docket No. 1324. And noting that there is no objection and subject to the reductions stated by Counsel on the record, the Court will grant the application, again, which is at Docket 1324.

MR. ORTIZ: Thank you, Your Honor.

And that would bring us back to the top of the agenda, which had the Reed Smith application. Your Honor, I think,

when I look at the letter that Mr. Solomon filed at Docket 1390, it seems as if there isn't necessarily a disagreement that, on the final fee application -- although I'll acknowledge he's objecting to what he says is belated and improper discovery -- that there's some overlap and that there wasn't an objection to waiting, some limited amount of time for Judge Liman's ruling. So it seemed to be a request to just go forward on two things, and this is quoting from his letter: "Reed Smith's fourth interim fee application, and the court shouldn't" -- and of course, these are his words, not mine.

THE COURT: Uh-huh.

MR. ORTIZ: But the pending fee application relating to arbitration fees and expenses, which are not being paid by the estate, I'll start there, Your Honor. I guess I have a question of what estate. As Your Honor is aware and has ruled twice now, there was an effective date. There is a Holdings, which is the Reorganized Holdings, which is the same Holdings with new owners. And as Your Honor recognized last week for the second time, Section 5.2C says that all of the interest in the direct and indirect subsidiaries, under 5.2C, vested with Holdings. So when he says that it's not the estate paying, that it would be Corp paying, that's still an entity that is owned by the Reorganized Holdings. So I'm not sure how that would work, in the first instance.

I would also note that Your Honor did make a ruling

earlier in the case that said they could pay certain of these amounts from Corp -- the matter, of course, was before the reorganization. It was also, Your Honor, before there were engagement letters filed that showed that, in fact, Holdings was a party to those engagements. And it obviously was before those proceedings were reopened to consider fraud.

So we think all this kind of relates to the same big picture of, who were they representing during the case, and were they really representing the debtors or not. And that's the issue that the discovery relates around. We've been trying to not do discovery yet, Your Honor, when the issue that's pending before Judge Liman is pending before Judge Liman. And we think at lot of the discovery will be redundant if we ultimately get the client file after that hearing on the 14th. So our position is that today should be a status conference and that these issues are all ripe to be heard once there's evidence and we have an evidentiary hearing.

THE COURT: Tell me a little bit more about the evidence you would propose. Are you saying, wait until Judge Liman rules, then determine if you need further discovery? Or are you saying, either way, you might want discovery?

MR. ORTIZ: We might want some additional discovery, and I think there's a little bit of a disagreement about whether any of the activity post-effective-date is relevant. We think it's relevant because it all plays into a larger

argument about if there has always been a representation related to -- and really, focused on the principals, as opposed to the estate. That gets to disinterestedness, which gets to whether or not any of the fees are reasonable. There's, of course, case law that says, if you're acting on behalf of the principals, as opposed to the estate, then none of the fees can be reasonable. Also, you have to be retained under 327 to be allowed under 330. And if you're disinterested, you can't continue to exist under 327, which would kind of knock the reasonableness out altogether.

So there's some additional, but if the client file comes over, we would obviously look at that see if there's things that are needed in addition to that to make the arguments we'd like to make in connection with this proceeding.

THE COURT: Okay. Thank you.

MR. SOLOMON: Your Honor, it's Lou Solomon.

There was agreement that Dr. Furchtgott-Roth's application would go forward. Do we want to take that up so we can let him go? Or I'm happy to respond to this.

THE COURT: Well, and I appreciate your point. But since Mr. Ortiz just spoke on it, why don't you just respond briefly? And then we can address Mr. Furchtgott-Roth, and then if we need to come back to the Reed Smith app, we can.

MR. SOLOMON: Thank you, Your Honor. We would like the application of Reed Smith to go forward. With respect to

the fourth interim fee application, we see absolutely no reason why that should be treated differently from any of the other professionals or any of the other interim fee applications.

And with respect to the arbitration fees, as Your Honor as approved those at, I believe, 100 percent, meaning 100 percent of the 80 percent, those are to be paid by Corp. Corp's debts were not discharged. So we're now confusing, I think, what Mr. Ortiz wants to try to do, and that is have a corporate takeover of Corp, which I don't think they can do without recognition and approval in a foreign -- in Greece and in Liberia. I would hope Your Honor sees that Reed Smith, as large a law firm as it is, is being strangled, or at least trying to, by not paying any -- allow any of the fees. The arbitration fees were never part of the estate's obligation. Holdings never paid those. Because the U.S. Trustee asked us to include those so that they could be reviewed, we did. And there's a lot of money there.

And with respect to the fourth interim fee application, I really do believe Your Honor should allow that at 80 percent. We can then have all of the fights that Mr. Ortiz wants to have. I did say and reiterate that, insofar as the issue is exactly the same as what Judge Liman is looking at, then he's going to be deciding soon enough. But we do not want to delay our application. Their document request, I think, is invalid, and I think it's late. Put those objections

aside. They're infinitely too broad. And it doesn't matter what Judge Liman is going to do. These are too broad, and so I would like to take the time to have a meet-and-confer and bring up before Your Honor any issues so that, once Judge Liman rules, we can know whether Your Honor feels -- whether the vast majority of documents that they are seeking has any relevance to a fee application. So we would like -- that's how we would like to proceed, if it's in keeping with what Your Honor wishes.

THE COURT: Thank you, Counsel.

Mr. Ortiz, what exactly is your response on the fourth interim fee app?

MR. ORTIZ: Well, on the fourth interim fee app, look, I think, Your Honor, there is a very different approach when you're during the case, right? During the case, there's interim fee apps throughout, and it kind of prejudices one party or another if we go and fight these things to the end and somebody potentially isn't being paid as they go. Yes, it's the fourth interim fee app, but it's the fourth interim and final. We're at the end. It's time to have the discussion about whether they should get these fees at all.

I would note that, yes, they're a large firm. Yes, they've been taid [sic] ten million dollars in this case already. So I don't think there's a whole lot of prejudice of just saying these same issues -- and really, it gets to the

reasonableness of the fees -- are what we're going to seek discovery on, and we might as well -- and I agree with Mr. Solomon. We don't need this to be a long delay. I think we want to get the discovery as quickly as possible. We'll have these meet-and-confers. We've had a couple already, and we'll try to get this on with appropriate expediency.

But to have an argument about the fourth interim fee application and the reasonableness, particularly in the context of what was covered during that period, which is a plan confirmation where they made really unique arguments about how you count votes and started to ignore the fact that votes happened, as Your Honor recognized in your confirmation decision, it starts to really reveal the true client piece of it, and I think that gets into the reasonableness. So this discovery really applies that.

I would note they have been paid -- the biggest month was September -- the 440,000, I think it was, of unobjected fees on that. So the prejudice isn't as broad as he makes it. And again, they've been paid over ten million dollars during the case. We think these issues need to come to a head and there needs to be a determination of whether they're entitled to fees at all.

THE COURT: Okay. On the Reed Smith fee app, I'm going to take these issues under advisement, and I'm going to direct the parties to meet and confer to discuss the discovery

issues and see what they do or don't reach agreement on. And we can reconvene in relatively short on those issues, as well, and see where we are.

MR. SOLOMON: Your Honor, it's Lou Solomon. Thank you. I wanted to clarify one thing. They're looking not just for discovery, they're looking for Reed Smith's privileged communications.

THE COURT: No, understood. I understand that was part of objection.

MR. SOLOMON: And that is not going to be an issue -- even if Judge Liman rules, that is not going to be an issue that ends there. And so the threat of a huge delay here, when we're owed millions of dollars --

THE COURT: I'm just saying, even if the files are ordered to be turned over, that there are things that you're going to argue are privileged and wouldn't be subject to a turn-over or something --

MR. SOLOMON: Correct, Your Honor, and I also think are complete irrelevant to the fee application, and I think holding us hostage for -- and it is millions of dollars. Telling me how much we've been paid doesn't really answer the question of how we pay associates now.

THE COURT: Understood.

MR. SOLOMON: But we're happy with Your Honor's order, and we'll proceed as Your Honor just directed.

THE COURT: Okay. Thank you, Counsel. Okay.

Shall we turn to the Furchtgott-Roth application?

MR. SOLOMON: And was Your Honor -- the order that Your Honor just made was with respect to the fourth interim was also with respect to the arbitration fees?

THE COURT: Yes.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Thank you, Counsel.

MR. ORTIZ: With regard to Dr. Furchtgott-Roth, my colleague, Mr. Kotliar, is going to be handling that for us. But it probably goes first back to Mr. Solomon, Your Honor, as it was -- they filed the motion, and I believe he's here today representing an admin creditor as Mr. Furchtgott-Roth.

THE COURT: Yes, agreed.

Mr. Solomon?

MR. SOLOMON: Thank you, Your Honor. I want to -- Your Honor has a fair bit of paper on this, and I want to set aside the issue of motive why Dr. Furchtgott-Roth, who is essentially a solo practitioner and was charged about 235,000 dollars, compared to millions of dollars for their side, which they have no objection. I'm going to set aside the issue of motive, and I want to set aside the issue of effect, of what effect that this motion that all of a sudden one percent of his fees are being objected to. A hundred percent of his expenses -- which is, like, 2,000 dollars -- are being objected

to. And I want to set aside the effect that a ruling that like is going to have on the bankruptcy process because I think Your Honor will know far better than I what it will be like if people are put at risk because their plan isn't confirmed to then not have -- not be able to retain an expert. I want to put both of those aside and focus on what the statute says and how these fees are reasonable.

Both 11 U.S.C. 330(a)(3) talks about when these fees are to be deemed -- or determined to be reasonable. They were reasonable at the time the services were rendered. This idea that somehow, because the debtors' plan wasn't effected, Your Honor will remember that they made a motion in limine to disregard all of Dr. Roth's three reports. And Your Honor denied that. So even if we're going to talk about what happened, I think, under 330, I think these fees were reasonable when incurred and should be paid.

The cases are, I think, uniform -- we cite them; they include both In re Crown (ph.) and In re Citron -- that it is not proper to blame an expert for a plan not being confirmed. Dr. Furchtgott-Roth is, frankly, the only economist in the room. Even through FTI had economists, they decided not to call any of them. And I think he gave, frankly, very significant, if not immeasurable benefit both to the estate, to the debtors, and to Your Honor. It was because of Dr. Furchtgott-Roth -- whose fees, by the way, Your Honor, were

passed by the U.S. Trustee. Dr. Furchtgott-Roth has agreed, and I believe -- Mr. Rudewicz will correct me if I'm wrong -- that we have satisfied the informal objection that he made. He's agreed to take off about 12,000 dollars of his fees, which is a very significant percentage of the total amount that he wants paid.

But he came to Your Honor and was the only person in the room, both lawyer and expert, who pointed out to Your Honor the corporate governance flaw, the serious flaw, that was in the petitioning creditor's plan, and as part of his five-hour cross-examination, insisted on this flaw. And in fact, petitioning creditors fixed, changed, their plan as a result of it. He was also the only expert in the room who pointed out the lack of monetary sufficiency of the plan. It was his testimony and his reports that led to the ten-million-dollar increase in the petitioning creditor's plan and an allocation of, I think, several million to the general unsecured creditors, again, because of the testimony that he gave.

So I believe that there was a benefit to the estate. We needed him. We didn't lard up a lot of experts. I think Your Honor cites in a number of places -- in your confirmation order, you cite to Dr. Furchtgott-Roth. I think it's probably fair to say that you disagreed with this expert. That's not grounds to deprive him of his ability to help this client or other clients in the future.

I'm happy to answer any other questions. The correction of the mistakes that FTI made is on the record, and we have pointed those out. We pointed to a number of mistakes in the FTI reports. They fixed those or changed those. And I don't think he should be punished because of the motive that is behind Pach Shemen's objection to one hundred percent of his fees. Thank you.

THE COURT: Thank you, Counsel.

Would anyone else like to be heard in connection with the application, which is found at Docket 1323?

MR. KOTLIAR: Yes. Good morning, Your Honor. For the record, Bryan Kotliar of Togut, Segal, Segal, counsel for Eletson Holdings. Can you hear me okay?

THE COURT: Yes, perfect. Thank you.

MR. KOTLIAR: Oh, thank you. I'm having some tech problems, so just bear with me.

THE COURT: No problem.

MR. KOTLIAR: Okay. So I think Mr. Solomon talked about some concepts of moral hazard. But there's no moral hazard here because the Bankruptcy Code sets forth the standards for compensation. H.F.R. knew that going into it. The standards are not what Mr. Solomon said. He used the word "reasonableness" over and over. Section 330 of the Bankruptcy Code is longer and contains other words than just "reasonableness", and I'll get into that in a moment.

There are objections pending to both H.F.R. monthly fee statements and his final fee application. That's all at Docket Nos. 1198, 1218, and 1349. I am not going to repeat everything that's in our papers, but I do want to emphasize a few things, and I'm going to start with a quote.

On September 11th, 2024, Mr. Solomon told this court, at the first day of the confirmation trial, quote, "So you would have expected Pach Shemen to go find an expert to salvage feasibility of the plan", end quote. And I think hearing Mr. Solomon say that H.F.R. was the only economic expert that showed up to the confirmation trial shows you what they were trying to do with this expert. And I think it tells you all you need to know about this, quote, expert, who was one of several that the debtors retained after solicitation to prosecute their bad-faith, inferior plan, a plan that was found to not be the one that maximized value and found to not be in the best interest of the debtors estates.

So this is not an expert that worked on formulating, negotiating, and proving their plan. Instead, it was an expert that tried and failed to defend and prosecute the debtors' plan, which was really the shareholders' plan, and again, inferior to the one that the Court approved. At best, they try to say, well, the Court did not grant the motion in limine, so since his testimony wasn't excluded, therefore his fees must be compensable. But this is wrong for two reasons.

First, there are standards on admissibility. And the Court has discretion to allow or exclude evidence and discretion to determine what weight, if any, to give to that evidence. I think it's obvious from the arguments, the testimony, the evidence, and your Honor's thoughtful and well-reasoned decision that the Court gave very little weight to this, quote, expert. H.F.R. was not an expert at all on any of the topics relevant to the Court's consideration of the plans. We say this extensively in the objection, so I'm not going to repeat it. None of his testimony assisted the Court in any way in evaluating the plans. Again, that's clear on the face of Your Honor's decision. I think the best example is that he was asked to calculate the votes on plans under the Bankruptcy Code, and yet he didn't even know that there were provisions of the Bankruptcy Code on counting votes on plans.

And in fact, I think the only place in Your Honor's decision where the Court credited any of H.F.R.'s testimony was in opposition to the debtors' plan. In rejecting the debtors' argument that the collections contribution was new value, the Court stated that it was unclear whether and when any money would be collected on that. In doing so, the Court cites the debtors' own witnesses, including Mr. Hadjieleftheriadis and H.F.R., that the collections contribution was uncertain. So even if his testimony was not excluded, it was worthless in benefiting the estate.

Second, apart from the standards for admissibility, which is not the issue today before the Court, the issue today before the Court is whether the estate must pay his fees and expenses. That issue is governed by Section 330 of the Bankruptcy Code. First, the fees and expenses under Section 330(a)(1) must be "reasonable compensation" -- and this is the part of the statute that Mr. Solomon is excluding -- "for actual necessary services and reimbursement for actual necessary expenses".

Second, under Section 330(a)(3), the Court must consider, among other things, "the nature, extent, and the value of such services, whether the services were necessary to the administration of, or beneficial to the time at which the service was rendered towards the completion of a case under this title, whether the services were performed within a reasonable amount of time", et cetera. I won't read the whole statute. H.F.R.'s services were not necessary or beneficial, at the time the service was rendered, towards completion of the case. There was already a confirmable plan on file. There was no need for his testimony. His testimony was in support of a plan that was not the debtors' or the creditors' best interests. That's made clear by Your Honor's confirmation decision.

In the reply, in Mr. Solomon's presentation, they say, well, H.F.R. pointed out things in their plan that they later

changed, so therefore all of his testimony clearly benefited the estate. But his testimony was not necessary. It wasn't necessary for that at all. The debtors were estate fiduciaries charged with maximizing value. If they thought something could be improved on our plan, they could have told us at any point. They could have called us. They didn't need a worthless expert to testify on it in connection with defending their plan. And they only argued this at the trial, a clear litigation tactic. They had a fiduciary obligation to maximize value. They could have picked up the phone and just called us about a change, which we promptly did once we heard about it.

In fact, it's worse because, even though we changed the plan, all other administrative expenses went up as a result of having to defend against this testimony and defending a plan that was bad for all creditors. So in connection with protecting these estates and the creditors, all creditors, from the highest of all of its value for the debtors' insiders and former officers, directors, and shareholders, we amended our plan. Now, they want to take credit for it. It's a little bit like the burglar trying to take credit for the fact that you put an alarm system and security cameras on your doors.

Again, not going to go through all of our papers, but in reading their reply, it was really quite astounding. All of the arguments that Reed Smith makes about his testimony benefiting the estate and being actual and necessary benefits

to the estate, they're frivolous. They're arguments that are made after the Court's confirmation decision that are inconsistent with that decision. And it shows that H.F.R.'s fees are not compensable.

For example, in their most recent reply, at paragraph 8, Reed Smith says, quote, and this is a direct quote, "H.F.R. provided significant insight on the good-faith failures of the petitioning creditors that were not in accordance with the terms of the Bankruptcy Code, and the debtors believe, should prohibit confirmation of the petitioning creditors' plan of reorganization". It's unbelievable to write that sentence in January 2025, and it's flat-out wrong. The Court found that petitioning creditors plan was confirmable, confirmed that plan, and found the petitioning creditors to be acting in good faith. So I don't even know how you can write that sentence in 2025.

Finally, I would just like to point out, as Mr. Ortiz alluded to at the beginning of this -- and this is something between either comical or just, frankly, disgusting -- H.F.R.'s pleadings after the plan-effective date are filed by Reed Smith as counsel to H.F.R. Reed Smith is former counsel to Holdings. H.F.R. is a creditor of Holdings. He has a contingent administrative-expense claim against the debtors that is payable, to the extent allowed under the plan, by Holdings, Reed Smith's former client. So here, Reed Smith represents a

creditor of Holdings, in connection with pursuing a claim against Holdings, relating to the very matters on which Reed Smith previously served as counsel. Maybe that might be waivable with Holdings' consent. They never asked for it, and they don't have Holdings' consent to represent a party or any parties adverse to Holdings at any point.

So in closing, H.F.R. hasn't been paid anything yet, and he shouldn't be paid anything at all. That's not because of a global conspiracy. That's because of what's required by the Bankruptcy Code. We're not being vindictive. There are other experts we disagree with that we haven't objected to, like Riveron Investments. H.F.R. is clearly different. It's not compensable under the Bankruptcy Code. I don't even think it's close.

By the way, this was a -- this was clearly a shareholder plan versus a creditor plan. Or at the minimum, it was a shareholder funded-plan versus a creditor-funded plan. If the shareholders had proposed their plan instead of running it through the estate fiduciaries, where creditors had to bear all -- bear the burden of all of the costs, then the shareholders could have paid H.F.R. But they didn't do that. Instead, they ran his costs through an insolvent estate where creditors had to pay for all the costs. Holdings was insolvent, so every dollar spent was creditor money. Now, they complain about the costs. They spent other people's money

throughout these cases. Not compensating H.F.R. for his testimony is consistent with the Bankruptcy Code. And it's not just the legally mandated outcome, it's also the right and fair outcome, as well. Thank you.

THE COURT: Thank you, Counsel.

MR. HERMAN: Your Honor, David Herman for the committee. May I be heard?

THE COURT: Go ahead.

MR. HERMAN: Thank you, Your Honor. Just very briefly, the committee agrees with the reorganized debtor on this matter.

The services performed by this professional were just a total waste of resources. And the issue is not whether the plan was confirmed or not. The issue is that the analysis that was performed was totally untethered from the issues that were before the Court at plan confirmation. And although the Court did not exclude it, recognizing that there was little purpose in doing so in a bench trial, the Court didn't rely on it.

I mean, what Reed Smith is asking for is for the estate to pay for somebody to argue that votes should be counted in a different way from what the Bankruptcy Code requires, and that the Court should reach various legal conclusions, as an economic matter, such that the good-faith requirement is not met under a standard that is different from the good-faith requirement under the Bankruptcy Code. It's a

total waste of resources and money on both the former debtors' side and on the creditors' side in needing to deal with it. And it's not -- we agree that it's not compensable.

We also disagree with Mr. Solomon that there was any increase in consideration offered as a result of Dr. Furchtgott-Roth's testimony that the improvement in the terms, economic and other terms, of the petitioning creditors' plan came from FTI's analysis as the committee's financial adviser and the petitioning creditors' commitment to putting forward a plan that met the requirements of feasibility.

So Your Honor, we agree with the reorganized debtor that this application should be denied in full.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard before I turn it back to Mr. Solomon?

MR. RUDEWICZ: Yes, Your Honor. Daniel Rudewicz on behalf of the United States Trustee. I just want to say -- because I know Mr. Solomon mentioned my name. And I can confirm that the, due to -- after informal discussions with -- informal issues raised with respect to the Furchtgott-Roth application, we did agree to the roughly 12,000-dollar reduction. I think that's reflected at Docket 1398.

Similarly, with Reed Smith's fee application, I think at Docket No. -- the revised proposed order, there's a footnote noting the amount of reduction that was agreed to at -- and

that's Docket No. 1400. We did want to say we still reserve -- I think there was a number of issues raised with respect -- in the Togut objection to Reed Smith, and then also some of the issues that counsel just raised now. We do still reserve rights with respect to the stipulation at 1228. If there is something that is discovered with respect to disinterestedness, we reserve rights with respect to that. But other than that our informal objections have been resolved for these two applications.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard? Okay.

Mr. Solomon?

MR. SOLOMON: Thank you, Your Honor. I will be brief.

What I said was Dr. Furchtgott-Roth was the only economist, and he was and still is. The suggestion that they're not trying to punish Dr. Furchtgott-Roth, when Mr. Kotliar says, yeah, no, he's clearly different, he's clearly different indeed. He testified before Justice Belen in the arbitration and showed the economic damage that had been done to the petitioner in that case. And yes, he's different in that respect.

The suggestion that that something we're doing is disgusting, says Mr. Kotliar, disgusting -- because the debtor retained an expert and felt it needed to bring to the Court's attention clear errors in what the other side was doing. And

they did that. Your Honor has now confirmed the plan. And they have an argument that somehow Provisional Holdings doesn't exist, and Your Honor spoke to that issue. The estate is not paying for our fees. By the way, nobody's paying for our fees. We're doing this because I think this expert is being maltreated because he represented the company in the arbitration and they're trying to punish him.

Now, it may be -- oh, Mr. Herman isn't even speaking English. Your Honor, Dr. Furchtgott-Roth did the votes and calculated them with an express assumption that the Pach Shemen objection, the claim objection, was sustained. That was a legitimate basis. Your Honor hadn't rejected that. It was an absolutely legitimate basis, and he helped Your Honor. And for all everybody wants to say, Your Honor, heard the evidence and Your Honor saw the trial. And there was only one person in that room who pointed out the flagrant error in trying -- in the corporate governance structure. That was Dr. Furchtgott-Roth. And there was only one person in that room who pointed out the underfunding, which led them to increase, by ten million dollars, what they were giving.

And so it could be a woulda, a coulda, and a shoulda, and maybe somebody else was going to think about it. But the fact is, there was only one person to do it. We do know what the standard is. I have read it. Our brief lays out why I believe Dr. Furchtgott-Roth's costs and fees were not only

reasonable but do satisfy the standard. And I have -- I'll answer any questions that Your Honor has, but I don't think any of the other arguments are worthy of response.

THE COURT: Thank you, Counsel.

Did anyone else wish to be heard?

MR. KOTLIAR: Just very briefly, Your Honor. Bryan Kotliar of Togut, counsel for Eletson Holdings. Veraros Investments was also an expert in the arbitration. We didn't object to his fees and expenses. I think the beginning of Mr. Solomon's presentation wasn't really relevant to the issues here. But to clarify, my comment was Reed Smith is taking actions that are versus the Holdings when they represent H.F.R. in pursuing a claim against Holdings. Reed Smith has taken actions adverse against Holdings in connection with lots of proceedings that have been pending since November 19th and before that. So that is all. Thank you.

THE COURT: Thank you, Counsel. Okay.

The Court has considered the first interim and final application of Harold Furchtgott-Roth for compensation for services rendered and reimbursement of expenses as economic expert to the debtors for the period of August 7th, 2024 through November 19th, 2024 -- that is at Docket 1323 -- along with various objections that have been filed, including, at Dockets No. 1198, 1218, I believe, and 1349. And the Court has considered the arguments of counsel.

The Court is going to approve the application. The Court finds that the fees and expenses are reasonable and necessary and were beneficial to the estate at the time that they were rendered. And so subject to the reduction agreed to with the United States Trustee, the Court is going to grant the application, which, again, is found at Docket 1323.

MR. SOLOMON: Thank you, Your Honor.

MR. ORTIZ: Good morning again, Your Honor. That concludes the agenda items. If it's all right with Your Honor, I'd like to briefly turn to our kind of two off-agenda items, the first being the revised proposed order relating to Your Honor's ruling last Friday.

THE COURT: Yeah. So I have in front of me the -- what I guess was submitted as Reed Smith's proposed redline.

MR. ORTIZ: Yes. Your Honor, Kyle Ortiz for Togut Segal for Eletson Holdings. If it's all right with Your Honor, I'd like to briefly address that letter and the redline.

THE COURT: Yes, please.

MR. ORTIZ: So Your Honor, I found it -- I'm trying not to use hyperbolic words in this case because they're used a little too much, but a little bit shocking, effort to rework your ruling. And I found it was shocking because you wrote the ruling. Obviously, you know what it says, yet they're trying to tell you it said something different. And I think it's important to highlight they're doing that for very strategic

purposes that will undermine the order. And as so many times in this case, looking at what they're accusing us of doing is exactly what the design of the revised proposed order is, which is Mr. Solomon says at one point in paragraph 3, "It is unnecessary and will sow confusion". Sowing confusion is exactly the intent of everything that he's asking you to do. And sowing confusion is everything that Mr. Solomon and his clients have been doing since the effective date. And if we look at the language in paragraph 2 of his letter --

THE COURT: Let's just go to the Reed Smith redline, and let's just go through the proposed language, and then we can discuss each point as we go.

MR. ORTIZ: Happy to, Your Honor.

THE COURT: Okay. So on page 1 --

MR. SOLOMON: I'm sorry, Your Honor. I didn't know this was on the agenda, and so --

THE COURT: No, no, that's fine.

MR. SOLOMON: -- I'm going to -- I just am going to need to get a copy of it.

THE COURT: Yeah, of course. I think this is at Docket 1393. It's the letter with the -- it has the letter, and then the order, and then a redline of the order.

MR. ORTIZ: Right. And the redline starts at page 7 of Docket 1393.

MR. SOLOMON: Okay. Why don't you keep going? But I

just don't have it in front of me. Thank you.

THE COURT: Oh, go ahead; take the time to pull it up.

(Pause)

MR. SOLOMON: Your Honor, thank you. I have it.

THE COURT: Of course. Okay.

So on page 1, they propose to add some language about code sections and stuff.

MR. ORTIZ: So Your Honor, this is going to blow your mind: we're fine with that. We agree with them.

THE COURT: Okay. All right. I was hoping. I was hoping. We're off to a good start.

MR. ORTIZ: Indeed.

THE COURT: All right. On page 2, yeah, I'm not going to make that change. So the change proposed by Reed Smith on page , I'm not going to make that change to the order.

MR. SOLOMON: Your Honor, are you speaking -- Your Honor's speaking of due and sufficient notice of the motion having been provided?

THE COURT: Yes.

MR. SOLOMON: Thank you.

THE COURT: On page 3, I agree with counsel that I don't think we need to revisit or list out specific findings or not. I think the order refers to the reasons set forth in the oral ruling, which I went through at length and everyone listened to for almost an hour, and incorporates that. And

then the order is -- so it's not -- it's certainly not a comment on any of the things on page 3. But I don't think they're necessary here. I think the order refers to the hearing of the transcript, of the ruling. And then we go to page 4, which is what's being ordered. So I agree to remove the stuff on page 3 of the redline.

MR. ORTIZ: Your Honor, Kyle Ortiz of Togut Segal for Eletson Holdings. Obviously, that's your ruling. But the one request that we would potentially make of Your Honor -- because this gets to efforts to sow confusion. They don't want these things in here so that they can say certain things haven't happened. And it's a little bit difficult for people to go through a transcript, particularly as transcripts don't show up on the docket for a little while. So we would respectfully request, if that is Your Honor's ruling, that Your Honor, consider filing a ruling on the docket so that, at some point when we have -- because they are going to say that --

THE COURT: When you say "the ruling", you mean the transcript?

MR. ORTIZ: Yeah, either the transcript, or sometimes I know judges will take the ruling, and say, like, kind of drop it into a written thing that goes on the docket, as well. Because transcripts are not as easily accessible as just something else. Because what they want to do is -- the reason they don't want these words in here is they want to continue to

go around the world and say, the effective date hasn't occurred, these people haven't been removed. As you just heard him today, he's saying that we don't own Corp yet, despite you ruling otherwise consistent with 5.2C. So that was why some of this was put in. I completely understand and appreciate --

THE COURT: Well, are you saying -- I'm trying to understand what you're saying. Are you saying you want to attach the transcript to this order?

MR. ORTIZ: That would work, as well, Your Honor.

THE COURT: Okay. So why don't you do that?

MR. SOLOMON: That's fine.

MR. ORTIZ: Okay. Thank you.

MR. SOLOMON: No objection.

THE COURT: Okay. Then, on page 4, paragraph 2, line 2, the word "lawful" is not necessary there, paragraph 2, line 2. Paragraph 2, line 5, I think I did say "service in accordance with applicable law".

MR. ORTIZ: Your Honor, I apologize. It --

THE COURT: I think, well, you might want to combine your comments on that with paragraph 3. I didn't say treaties. I don't -- the law is what it is. But I guess one question I have is -- for Mr. Ortiz is, in terms of service, what do you plan to do or think you need to do? Because it's not clear to me that it's that much.

MR. ORTIZ: Right. So Your Honor, I think the issue

is -- I mean, the very reason that I appreciate that you took out "lawful steps" and why they want to have the words "applicable law" is so they can do what they just did for three months. So I think what might be helpful here is to say -- because the law that applies to serving an order of Your Honor is the Bankruptcy Code and the Bankruptcy Rules, so just say, consistent with the Bankruptcy Code and the Bankruptcy Rules. And we'll serve it like we've served everything else in this case, consistent with 2002, and with 9036. And that should be sufficient.

They're trying, I think, to shoehorn ways of -- look, I think this telegraphs they're going to try to challenge service and say that nothing applies to them yet for as long as they can. Certainly, between this and actions with communications we've had with them to date since you're ruling, that seems to be the intent. So to the extent that we can make clear, I think applicable law of serving an order of Your Honor is the Bankruptcy Code and the Bankruptcy Rules. And we can just say that so that they won't have the ability to go and say, there's this applicable law, and there's that applicable law, and there's this treaty, and we haven't been served yet, so we don't have to do anything yet. Because that's obviously our concern, Your Honor.

MR. HERMAN: Your Honor, David Herman for the committee. May I be heard briefly?

THE COURT: Yes.

MR. HERMAN: Just to put a finer point on it, what's going to happen, is that the individuals who are responsible for carrying out the plan, the principals and officers and directors of the debtor, are going to seek to evade service. They're going to say they need to be served under the Hague Convention. That's why we see treaties in (indiscernible).

THE COURT: All right. Understood. I think there are a few different issues, and that's what I think Mr. Ortiz --

MR. HERMAN: Right.

THE COURT: -- was trying to get at, which is the order will be on the docket. The order will apply to who it applies to, and it will be served on counsel. It will be served on Reed Smith. Reed Smith also represents Provisional Holdings, which, the parties will argue whatever that means. It will be served on Sidley, presumably. They represent the majority shareholders. Witnesses have appeared here. They submitted declarations in connection with the motion. I think Mr. Hadjieleftheriadis was a witness in connection with the motion.

So I think there are two layers, which is -- one is what the typical order applies to and who is considered served once it goes to counsel and whoever else is typically served with an order, as it would have been pre-confirmation. But then I thought part of the issue they might be getting at is,

if there's anyone that that does not apply to -- and I'm not defining who that is. But if there's anyone that that does not apply to -- and maybe Reorganized's answer is there isn't or there's no one that they're going to be seeking in that regard. But if there's someone who that would not typically apply to, is some other form of service needed?

Mr. Solomon, though, you wanted --

MR. SOLOMON: I would like to be heard, please, Your Honor. Thank you. Let's take a very simple example. Because this wasn't on the agenda, Mr. Lazaroff isn't -- I don't think he's -- if he's here, that's great. But I don't think he's -- I don't see him. He represented the Daniolos Law Firm. He came to Your Honor and he explained that they're not parties and they needed to be served properly. And Your Honor, although not making a ruling on that, didn't require them to even come to the hearing.

And so we are not trying to -- we have Your Honor's order is what it is, and there'll be whatever appeal there is. And all of this castigation about how about how Reed Smith is doing it wrong is wrong. We're representing a client, and we're trying to represent ourselves, too, because they keep accusing us. But insofar as Your Honor has not made rulings about the effect of service on nonparties, they shouldn't be able to shoehorn it into here. And so we'd like Your Honor to stick --

THE COURT: Well, but again, I think it begs the question of -- and I'm sure the parties won't agree on this, on who are nonparties and what a filing of the order on the docket means. And it goes back to the, I guess -- one of the questions of what Provisional Holdings is or purports to be. But it seems to me, to the extent that it is part of the debtor entity or that it's claiming to be, then it is subject to an order being entered on the docket and being served on Reed Smith. If it's not, then it doesn't seem to have any relevance in the case.

MR. SOLOMON: Right. Your Honor --

THE COURT: But those are -- I don't think -- I don't think those issues are necessarily going to be resolved just by this order. But I understand what the parties are arguing.

MR. SOLOMON: And we're not -- we are not trying to have this order sneak in rulings that Your Honor did not make. Although, I agree with Your Honor that the parties disagree on whether service under the Hague to get a law firm in Greece that's never appeared -- I'm using that as an example --

THE COURT: Well, but if the law firm in Greece is representing the debtor in this case, in this Chapter 11, or purporting to, then it then it might be a different issue. If the law firm in Greece --

MR. SOLOMON: Then, they're going to have to argue that, Your Honor; he's not. He's representing --

THE COURT: If the law firm in Greece is not -- if the law firm in Greece -- if the law firm in Greece is not representing anyone who is here, then that might be a different issue. And you say individuals, but individuals, that depends on the person, too. As I said, Mr. Hadjieleftheriadis submitted a declaration in connection with the motion.

MR. SOLOMON: We're comfortable -- we're happy with Your Honor adding the language that Your Honor said you would add. And we've now digressed into a twenty-minute argument over that because Mr. Ortiz feels -- although he says Your Honor's ruling is you're ruling, he wants to argue it, anyway. We're fine with the language like this, but we don't want to mislead. I do believe that there are parties. They sued the Daniolos Law Firm. They brought them in as a contemnor, not as counsel, as a party under contempt. That's a very serious --

THE COURT: All right. But well, and -- no, I understand that. I understand that. But well, you're talking about the service looking back, I think, in a sense. But I'm talking about, in terms of this order going forward, the parties or entities that need to be served to comply with this, including paragraph 2, to me, at least, that's the key or the initial key, right? And I think, to the extent the parties are disagreeing on that, I mean, I'll hear it at some point. But again, this order is going to go on the docket. It applies the way any order would in the case. And it seems like service

should not be that complicated to reach the parties that need to be reached to implement effectiveness with this. If it is more complicated, then we'll have to deal with it.

MR. SOLOMON: I want to make sure Your Honor understands that, last night, we sent a letter to the Togut firm. They had served on Reed Smith a big pile of additional requests. We have identified with specificity -- and in fact, I think we should submit it to Your Honor so Your Honor sees it. We've identified with as much precision as we can the respects in which the matters in which Reed Smith is representing any of these entities. I don't want there to be any unclarity about that.

We read Your Honor's order, and I think what Mr. Ortiz likes to do is he wants to have his cake and eat it, that Provisional Holdings doesn't exist, so he can do whatever he wants, anyplace he wants, oh, but, but when he wants an easy route to get Your Honor to order something, well, then Provisional Holdings exists, and after all, Reed Smith represents them. And I don't think he can have it both ways, but I don't think that's presented here.

THE COURT: Well, this is a little more basic, though. Because the AOR is related to the debtor, right? So there's probably an argument that, when this order goes on the docket, the AOR has it and there's no further service needed on the AOR.

Now, I understand the AOR hasn't been identified and there's potential confidentiality issue. That hasn't been ruled on. But what I'm trying to say is that seems to be at least the main focus of this, is getting the right parties to -- and it may just be one party, to get the AOR to communicate with Reorganized Holdings and act accordingly. I understand people may not want to do that. I understand what will happen, what will happen, and then we may be back here on another motion, going back to the original motion that was filed here. But that, to me, does not seem that complicated because the AOR is part of the -- is part of the entity that's here. So I'm not sure -- and I'm probably speaking too broadly. But I'm not sure that these other issues are going to be important here, given, at least, the narrower piece of what we're doing.

MR. SOLOMON: Well, we understand what Your Honor's ruling is with respect to paragraph 2.

THE COURT: So yeah, so Mr. --

MR. SOLOMON: And I would also say Reed Smith has absolutely no role to play with respect to the AOR, none.

THE COURT: Well, that begs the question, and that's not something we're answering or addressing now. And the order and the provisions of the plan and the confirmation order, I think, are broader than that. And it's not a question of, can you order someone to do something or direct someone to do

something. I think it's broader. And that's why I'm saying, if the AOR just communicates with Reorganized Holdings, it seems to solve a number of these issues. If the AOR does not, then others may need to be involved and will be subject to the order. And so that could -- so it's not a conclusion that others can direct the AOR. But if the debtor/Reorganized Holdings, the entity here, cannot even determine who the AOR is, there are many parties who can probably assist in doing that who will be subject to this order.

MR. SOLOMON: But one of them is not Reed Smith, but we do understand what Your Honor is saying.

MR. HERMAN: Your Honor, David Herman for the committee. If I may, one of those parties are the shareholders, and as Your --

THE COURT: I know. I said, you served Sidley. That's the shareholders.

MR. HERMAN: They're here.

THE COURT: Presumably, Reed Smith can talk to the provisional board. The provisional board filed something, or Mr. Hadjieleftheriadis filed something, in Liberia at the beginning of January. It doesn't seem to me like it's that complicated to get what needs to happen done here.

MR. HERMAN: I completely agree, Your Honor. And I also want to point out that, just from the attendance, there is a Vassilis in attendance, V-A-S-S-I-L-I-S in attendance, at

this hearing.

THE COURT: Okay. So Mr. Ortiz, in paragraph 2, I think, "Service of this order, in accordance with applicable law", I think, satisfies all these things that we're saying. I don't disagree with what you're saying about the Code. I understand Mr. Solomon has his arguments, but I think that language is sufficient. If there's another parenthetical you want to add about including something or other. But again, the issue is there are parties for whom it can potentially be a broader issue. But I don't think those are the key parties for compliance with this order.

MR. ORTIZ: Good morning again, Your Honor. Kyle Ortiz for Togut Segal for Eletson Holdings. I generally agree with that, Your Honor. I do think that Daniolos Law Firm is a complete red herring. As Your Honor ruled at 43:9, "It is ordered that the confirmation order and Chapter 11 plan are binding on reorganized Eletson Holdings' former shareholders, officers, directors, counsels, nominees, and others defined in section 1.124", which is that very broad -- sorry about -- I don't know why that -- I've got functions on -- a very broad related-parties definition.

So I think that -- Your Honor kind of hit the nail on the head. We've been serving these parties the entire case. We're going to do it the same way. It's clear that Mr. Solomon is telegraphing that people are going to nonetheless make

arguments and try to evade service. But I think Your Honor ruled earlier in the same ruling that those parties were present and participated. So we will provide service when the order hits the docket in the same way we always have. And I think it's pretty clear it's going to apply to those entities. And there's a different question if there's somebody like the Daniolos Law Firm, which, again, I think is a convenient red herring. We're talking about shareholders, directors, the three principals that you've seen fifteen times.

And I find it interesting that they -- there's case law, Your Honor, that courts also bind and command a parties' attorneys who are under an obligation to oversee their court's compliance with the order.

THE COURT: Well, that was the point -- that was the point I was just making. So I'm not ruling on it, but I'm saying I think -- because I don't -- the issue is not -- the issue is not who can change the AOR. It's a broader issue in terms of complying with the order.

MR. ORTIZ: Agreed, Your Honor.

THE COURT: Okay. So paragraph 3, again, I think, "consistent with applicable law", I'm not going to make the change, "laws and treaties". I would put back, in the footnote with the "related parties" definition, which is on the bottom of page 4. Also, Counsel, I think that, at some point, there were emails of certain of the shareholders. Or it might have

been, the shareholder representatives, there were emails. I think you should serve those email addresses, as well. I don't know if those are automatically on the docket, but.

MR. ORTIZ: You are correct; we served emails in addition, which was reflected in the affidavit of service that we filed in connection with the motion. And we will serve those again. That was at -- affidavit of service was at Docket 1281. But we'll make sure to send those emails to those individuals, as well.

MR. SOLOMON: The question I have for Your Honor -- if I may -- if I may be heard briefly -- I see. Your Honor wants, in the order, the definition of "related parties" as set forth in section 1.124 of the plan?

THE COURT: Yes.

MR. SOLOMON: Thank you.

THE COURT: I think it's helpful for clarity.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Page 5 of the order, paragraph 5, I'm not going to accept that change. I think that some of it is along the lines of what we were just saying. So it'll just be the first sentence of paragraph 5. And paragraph 7, I'm also going to not accept that change. I think the paragraph was fine as it was originally written.

MR. SOLOMON: Insofar as Mr. --

THE COURT: Well, the order is effective and

enforceable upon entry. Again, if some certain party has some argument that they're not here and they weren't served and they don't know what's going on, that's different. But the order --

MR. SOLOMON: Well, but that's actually what I'm talking about, Your Honor. Mr. Ortiz can call it a red herring. He sued the Daniolos Law Firm and accused them of violating -- themselves of violating the orders.

THE COURT: I understand, but this is -- but this is not granting sanctions against anyone. The order, as it is, is effective when it's entered on the docket. You're making, I think, a different point about whether Daniolos or someone else is going to say, they weren't properly served with the order, and they're not here, et cetera, et cetera. I'm not ruling on that, but that is probably unique to certain particular parties. I don't think that is -- it doesn't seem to me, at least at this point, that that is a main issue for the relevant parties.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Of course.

I think that was it with the order, correct?

MR. ORTIZ: That's correct, Your Honor. We'll make those changes and get that submitted. Hopefully, we'd respectfully request that it be entered quickly, as they've already gotten five additional days on those seven, and we'd like to --

THE COURT: And you're going to attach the transcript?

MR. ORTIZ: Correct, Your Honor.

THE COURT: Okay. And I know you had one other issue. But is anyone from Levona on? Okay.

I don't think it --

MR. SOLOMON: Adam Spears is on, Your Honor. He's from --

THE COURT: (Indiscernible) counsel. I don't think they need to be. I'm going to adjourn that hearing until Monday, March 3rd, the Levona sanctions motion hearing that we had previously scheduled. But we're going to keep the briefing schedule the same. And the parties should notify the Court by February 7th if they're -- if anyone is requesting an evidentiary hearing at that time.

And Counsel, if your trial schedule changes, could you also just let the Court know?

MR. SOLOMON: Yes. Yes, Your Honor, I will. Thank you very much.

THE COURT: Thank you, Counsel.

MR. SOLOMON: And all we were seeking was an adjournment of the hearing itself, and I will tell Your Honor.

THE COURT: Oh, understood.

MR. SOLOMON: There's a final -- there's a final pre-trial conference in that matter tomorrow, Your Honor.

THE COURT: Understood. Okay.

I think there was one other issue, Mr. Ortiz?

MR. ORTIZ: Yeah, I think, hopefully, it's relatively minor. But as Your Honor has now ruled twice, including at page 23, 22 to 23, of your most recent decision, Reed's misrepresentation of Eletson Holdings Inc., which terminated" -- that's the Chapter 11 plan at 2.5(a). Your Honor, they continue to file things on the docket as Eletson Holdings, which we have an issue with because they were specifically terminated and specifically fired. So if they have clients that they want to appear on behalf of, they should file a notice of appearance and appear on behalf of those clients. But we do not think it's appropriate for them to continue to use ECF as Eletson Holdings Inc.

THE COURT: Counsel?

MR. SOLOMON: Yeah, well, and we do disagree, Your Honor. As Your Honor just said, there is -- this is going to need review and we're going to need to figure out and clarify what the law is. And we completely respect Your Honor's rulings. But as Your Honor just said, and as he needs, Provisional Holdings exists, it is a corporation.

THE COURT: Well, I didn't say that, but.

MR. SOLOMON: No, no, no. No, but Your Honor said, but you want somebody here representing them. No, Your Honor did not -- absolutely did not say that. That was part of my argument, that --

THE COURT: No, I understand.

MR. SOLOMON: -- in Greece in Liberia, okay, and in other parts of the world, there is an Eletson Holdings, which we're calling Provisional just because they like to confuse it and I don't like to confuse it, as opposed to Reorganized Holdings. Reorganized Holdings isn't entitled to carry out -- in the United States, Your Honor has made the rulings, okay. But there are obligations that these entities have in foreign countries, and they're trying to comply with the law in those countries.

THE COURT: Right. I think the issue isn't the existence of it. It's the meaning, what it means and what effectiveness it has, et cetera.

MR. SOLOMON: Well, we advised Your Honor --

THE COURT: Well, but I think, on a basic -- on a basic point, is it your argument that you all should be able to use the ECF filing? I assume counsel is referring to the Furchtgott-Roth filing, and I guess maybe -- I think. But maybe one question is, do you plan to do that anymore? I think that was unique because that arose pre-confirmation, and I think it was just sort of a follow-up. But it does seem -- it does seem unworkable to have different parties using the same filing.

MR. SOLOMON: We should be called Provisional Holdings. They should be called Reorganized Holdings.

THE COURT: Well, and maybe this --

MR. SOLOMON: Have I misunderstood some --

THE COURT: Maybe this is a technical issue. Well, I think (indiscernible) --

MR. SOLOMON: I may not know the technology. Maybe --

THE COURT: Yeah, I think maybe Counsel is raising a technical issue.

MR. SOLOMON: Well, this wasn't on the agenda. Could we suggest that -- maybe if Your Honor would give me fifteen minutes, I can try to go find an answer to the technical issue.

THE COURT: No, I think it's something the parties should just discuss and meet and confer on. I don't -- I'm not sure I know the answer as we sit here, from a technical perspective. I don't know if there's something else you're saying you need, Mr. Solomon, in order to file things. But it seems like you've been able to file things, but.

Mr. Ortiz, what are you proposing in terms of for when things are filed?

MR. ORTIZ: Thank you, Your Honor. Kyle Ortiz for Togut Segal for Eletson Holdings.

First of all, everything he just said is re-arguing what you spent an hour going through.

THE COURT: I understand, and I understand it's just argument. We're not going to revisit everything.

MR. ORTIZ: (Audio interference). But it's not hard.

ECF allows you to put in a new name as party-in-interest, as creditor, or whatever you want to call yourself. But as Your Honor ruled, there is one Eletson Holdings, it's the continuation of the old one, and it's us. As you went through after the findings, which began at 19:5 through 7, when you say, I'm making these following findings, all of those things were found. So the fact that he was going to continue to want to call himself Eletson Holdings Inc. is, like, right there, noncompliance with your order. Just, it's remarkable.

So it's not hard. He has paralegals who, I'm sure, know how to do this. You go in; you change the name. And you can still file things, but you got to file it on behalf of the client that you have. And he might say, I'm this client somewhere else. But Your Honor's ruling was he's not that person here, at the very least. And he isn't that person anywhere in the world, and you can't -- but because of the ruling you made --

THE COURT: Right. Right. But so as a technical -- as a specific matter, you're saying they should create a new name to file under?

MR. ORTIZ: Right. Whatever client he is purporting to be. But Eletson Holdings Inc., as of the effective date, that's our client. And that is inappropriate, and frankly, there's rules on the -- in PACER and ECF that get to ethical rules about filing something that you're not. He's not Eletson

Holdings Inc. in this court. And it's something that we put in a letter earlier, so it's not a new issue coming out of nowhere, and it's not a difficult thing to do on ECF. But again, this all comes back to efforts to sow confusion by continuing to show up and say, look, we're filing it here, and it's being recognized. They aren't Eletson Holdings Inc. They shouldn't have the right to file under that name on ECF.

THE COURT: Thank you, Counsel.

I mean, Mr. Solomon, that sounds sensible to me. It seems there should be another --

MR. SOLOMON: Your Honor, we will look, and we will look. But just so Your Honor understands, the sowing confusion is not in this court. This court has made rulings, and we intend to, some -- but that may need to be reviewed. I do think that there is an international bankruptcy law issue that needs to be addressed. And Your Honor may be you can completely right, and I'm not taking any issue with that.

They run around with the rest of the world, and in Greece, and in Liberia. They claim that they are Eletson Holdings. They are not, and that is what creates the constant tension that our client is trying to comply with the laws of the United States, and very much wants to, and needs to comply with the laws of Greece and Liberia and other places, and very much wants to. That is what's happening, okay. He wants this so that he can go and masquerade as an entity that he is not.

Indeed, Your Honor, they are doing it now in these other countries, and that should not be happening. So I've undertaken to look at this question as a technical matter, and we'll get back to Your Honor very quickly. I'm not otherwise competent --

THE COURT: I think the parties should discuss it and see what they can come up with. I think it also just makes sense, from a filing perspective and a practical perspective, to come up with some way to delineate things.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Okay.

MR. ORTIZ: Your Honor, just, I have to note everything he just said -- I'm not going to -- I'm not going to read you your --

THE COURT: No, we're not re-arguing the entire case. I understand everyone is just making arguments. My rulings have been what they've been. I understand there are other courts. We are just -- right now, we're just addressing this specific technical filing issue. I understand everyone essentially disagrees with what the other is saying.

MR. ORTIZ: But Your Honor, he's disagreeing with what Your Honor said. I mean, you had findings that started at 19:7 that went through -- all the way to 43 that specifically talked about all of these issues. And he's going to just pretend like, that's why we wanted the findings, and that's why I

appreciate that Your Honor is going to allow us to attach the transcript --

MR. SOLOMON: Your Honor, Your Honor never --

THE COURT: Gentlemen, gentlemen, my ruling is what it is. It was a lengthy ruling, and it is what it is, and the parties should proceed accordingly.

MR. ORTIZ: Thank you, Your Honor.

MR. SOLOMON: Thank you, Your Honor.

THE COURT: Okay. Anything else for today?

MR. ORTIZ: Mercifully not, Your Honor.

THE COURT: Anyone else? Okay. We're adjourned. Thank you, everyone. Have a great day.

MR. ORTIZ: Thank you.

THE COURT: Thank you.

(Whereupon these proceedings were concluded at 10:23 AM)

I N D E X

C E R T I F I C A T I O N

I, Joseph Burstein, certify that the foregoing transcript is a true and accurate record of the proceedings.

Joseph Burstein (CDLT-189)
TTA-Certified Digital Legal Transcriber

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