

## TOGUT, SEGAL & SEGAL LLP

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March 18, 2025

### VIA ECF and EMAIL

Honorable John P. Mastando III  
United States Bankruptcy Court  
Southern District of New York  
One Bowling Green  
New York, New York 10004

Re: In re Eletson Holdings Inc., Case No. 23-10322 (JPM)

Dear Judge Mastando:

I write on behalf of Eletson Holdings Inc. ("Holdings"). As requested by the Court during the March 17, 2025 hearing, we submit this response to the letter filed by Reed Smith LLP [Docket No. 1539] (the "Letter") regarding the Court's Order entered on March 13, 2025 [Docket No. 1537] (the "Order").

The Order enforces compliance with the Confirmation Order [Docket No. 1223] and imposes sanctions against certain former officers, directors, and shareholders of Holdings for their ongoing efforts to "frustrate this Court's direct orders and the full implementation of the Court-ordered plan." Docket No. 1536, Ex. A (the "March 13 Decision") at 68:4-11 (cleaned up).

As a threshold matter, the Order does not impose any sanctions on Reed Smith. It is thus curious that Reed Smith would write the letter at all, and improperly advocate against its former client on behalf of the former management and shareholders of Holdings. Reed Smith has no reason, or basis, to object to the relief contained in the Order. That they did not receive a copy of the Order (which does not burden them) before submission to the Court has no bearing on due process.

Reed Smith complains that the Order "omits the denial of the motion as against Reed Smith and other respondents." Letter at 1. This argument is without merit. The Order incorporates by reference the March 12 Decision, which states: "Any other relief sought in the motion and not addressed herein and any arguments are deemed to be either withdrawn or denied without prejudice." Mar. 12 Decision at 80:25-81:2. That Reed Smith prefers the Order to read differently does not justify amending it.

Reed Smith also complains about the inclusion of the Greek arbitration recognition petition purportedly filed by Eletson Gas LLC ("Eletson Gas"). Fentalon Limited, Apargo Limited, and Desimusco Trading Limit



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Nominees”) set forth on the second line of Exhibit 1 to the Order (the “Greek Arbitration Petition”). Again, this is an attempt by Reed Smith to improperly advocate on behalf of Holdings’ former officers, directors, and shareholders—parties it purportedly does not represent—against the interest of its former client, Holdings.

Consistent with the Court’s March 12 Decision, the Order clearly states that the Violating Parties “are authorized, required, directed, and ordered to withdraw *any and all filings that oppose or undermine in any way the judicial recognition of the Confirmation Order . . .*” (Order ¶ 1) (emphasis added) and are “enjoined from making any filings in any court seeking to *oppose or undermine in any way the judicial recognition of the Confirmation Order, including without limitation, by initiating or prosecuting any legal action that seek to oppose or undermine the Confirmation Order*” (*id.* ¶ 2) (emphasis added). The Confirmation Order provides that “on the Effective Date, pursuant to Section 5.2(c) of the Plan and sections 1141(b) and (c) of the Bankruptcy Code, all property of each of the Debtors’ Estates, including all Retained Causes of Action shall vest in Reorganized Holdings.” Confirmation Order ¶ 7 (cleaned up). Section 5.2(c) of the Plan also vested in Holdings “any property acquired by any of the Debtors, *including interests held by the Debtors in their respective non-Debtor direct and indirect subsidiaries and Affiliates.*” Plan § 5.2(c) (emphasis added).

The Greek Arbitration Petition undermines the judicial recognition of the Confirmation Order, as reflected in the Order and the March 12 Decision. That petition was purportedly filed by Eletson Gas—an action that the former officers and directors of Holdings that also served as Holdings’ appointees to the Eletson Gas board of directors purportedly authorized—and for which Reed Smith continues to attempt to act as counsel. It frustrates a key asset retained by Holdings under the Plan through the Retained Causes of Action and disregards the corporate governance changes that Holdings made through its ownership of its interests in subsidiaries. The arbitration award is vested with Holdings by the terms of the Confirmation Order and Plan, and Holdings is engaged in ongoing proceedings concerning the confirmation of that award before the Judge Liman. Thus, because the Greek Arbitration Petition seeks to undermine and interfere with that proceeding, it falls squarely within that scope of the Order.

Finally, there is no merit to the notion that Holdings’ counsel improperly submitted the Order *ex parte*. In the March 12 Decision, the Court instructed Holdings’ counsel to submit a proposed order reflecting the Court’s ruling, which we did.

Respectfully submitted,

TOGUT, SEGAL & SEGAL LLP  
By:

/s/ Bryan M. Kotliar

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A Member of the Firm